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NH | HOTEL GROUP

In compliance with the information duties foreseen in article 17 of the Regulation (UE) No. 596/2014, on market abuse, article 228 of Royal Legislative Decree 4/2015 of 23th October, approving the Law on Securities Market, NH Hotel Group, S.A. and supplementary regulations (hereinafter, "NH" or the "Company") hereby notifies the Comisión Nacional del Mercado de Valores (CNMV) of the following

RELEVANT EVENT

The Board of Directors, held today, has approved, among others, the following agreements:

I. Draw up of the individual and consolidated Annual Accounts and the Management Report of NH, related to fiscal year 2017, that have been duly submitted to the Stock Market Commission (CNMV), together with the Audit report.

II. Approval of the Annual Corporate Governance Report, the Annual Directors' Remuneration Report of NH and the Corporate Responsibility Report related to fiscal year 2017, that have been sent to the CNMV.

III. Proposal to distribute a dividend of a gross €0.10 (ten cents of euro) per share that shall be charged to benefits of year 2017. The proposal shall be submitted to the following General Shareholders' meeting.

The Company attaches Press Release, Presentation and Result Report, as well as *conferece call dial- in* for the conference regarding results presentation.

Madrid, 28 February 2018

Carlos Ulecia Palacios
General Council

-2017 Highlights: Revenue growth, efficiency gains and deleveraging-

NH HOTEL GROUP EXCEEDS ALL ITS TARGETS

TRIPLES RECURRING NET PROFIT IN 2017

REVENUES	EBITDA(1)	RECURRENT NET PROFIT
+6.5%	+28,9%	34.8M€
Total: 1,571.1 M€	Total: 233.1 M€	Δ +23,3 M€
ADR	**OCCUPANCY**	**REVPAR**
+4.9%	+3.4%	+8.5%
95,2 €	70.8%	67.4 €

-NH Hotel Group's FY17 results-

- **Strong momentum across the hotel business, particularly in Benelux (+12.8%) and Spain (+11.8%), drove the Group's total revenue a solid 6.5% higher year-on-year to €1.57 billion in 2017**

- **An effective strategy that combined growth in the ADR (+4.9%) and occupancy ratio (+3.4%) drove overall RevPAR 8.5% higher**

- **Despite growth in business volumes, an effective cost control policy drove recurring EBITDA(1) 29% higher to €233 million, up €52 million from 2016 and €3 million above the guidance, which was revised upwards in September 2017**

- **The Company managed to convert 54% of incremental revenue into EBITDA(1) in 2017, while the EBITDA(1) margin improved by 2.6 percentage points to 14.8%, while the cost efficiency target was surpassed with €11 million of savings registered**

- **Recurring net profit tripled to €34.8 million in 2017, marking a €23.3 million improvement from 2016, all of which attributable to healthy business momentum**

- **Reported net profit was €35.5 million, up 15.4% from 2016, comp affected by the net gains recognised on asset disposals in 2016 (€23 million higher than in 2017)**

- **The growth in profits, coupled with deleveraging, puts the Company in a position to submit a proposal for the payment of a gross dividend of €0.10 per share at the upcoming AGM, in keeping with recently-announced dividend policy**

(1) Recurring EBITDA before onerous reversal and capital gains from asset disposals

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- Financial targets and key milestones –

- **Since the end of 2016, strong cash flow generation has enabled the Company to reduce its indebtedness by €92 million to €655 million, implying a net debt-to-recurring EBITDA(1) leverage ratio of 2.8x, down from 4.1x at year ago and better than the 3-3.25x targeted for year-end 2017**

- **Against the backdrop of the deleveraging strategy, last November, the Company redeemed the entire outstanding balance (€100 million) of its senior secured notes due 2019**

- **In December 2017, NH Hotel Group entered into a sale and leaseback agreement over the property that houses the NH Collection Barbizon Palace hotel in Amsterdam for €155.5 million (€584.5k/room), unlocking net cash of €122.4 million, a transaction recognised in 2018**

- Outlook for 2018 -

- **The Business Plan in progress contemplates EBITDA(1) guidance for 2018 of €260 million combined with a significant reduction in the net leverage ratio**

- **The Group's growth drivers for the years to come include continuing to enhance the guest experience and quality; a sales strategy articulated around open pricing; and efficiency, while taking advantage of new repositioning and organic growth opportunities in parallel**

Madrid, 28 February 2018. Today, NH Hotel Group presented its 2017 results, reporting very strong trends in its key hotel business indicators which have translated into solid growth in overall Group revenue. The highlights last year include efficient management and control over operating expenses, significant growth in recurring profit and reduction of leverage. In fact, the Company topped all of the guidance provided for the year.

NH Hotel Group's CEO, Ramón Aragonés, said of these results "*in 2017 we outperformed all the profit and leverage targets we had committed to. Our profitable management of the business, coupled with the effort made to strengthen our capital structure and create value for all of our shareholders by executing our business plan, has put NH Hotel Group in an ideal position to tackle the most ambitious targets in the Company's history with a solid success guarantee*."

- NH Hotel Group's FY17 results -

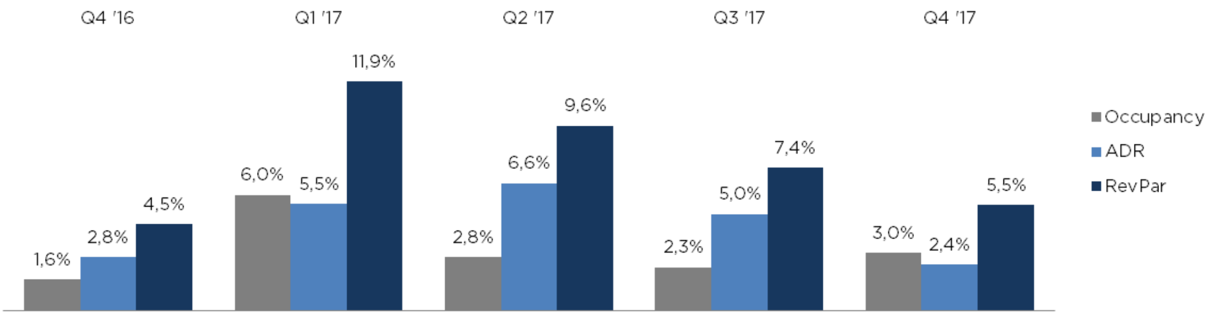
Thanks to the momentum displayed by the hotel business all year long and the impact of the initiatives rolled out, particularly the brand and hotel repositioning work, 2017 was marked by significant growth in revenue of **6.5% to €1.57 billion, up from €1.47 billion** in 2016. The solid growth registered in all its markets drove an increase in the Company's topline of €96.5 million.

(1) Recurring EBITDA before onerous reversal and capital gains from asset disposals

Topping the ranking of **growth in like-for-like revenue by market**, it is worth highlighting the Group's excellent performance in **Benelux,** where revenue **rose by 12.8%**, driven by leading and secondary city destinations in the Netherlands, the strong performance of hotels refurbished the year before and the ongoing recovery of the Belgian market. Not far behind was **Spain**, where **revenue was 11.8% higher**, boosted by extraordinarily strong prices and demand in all destinations all year long and despite the tension in Catalonia that affected the Company's performance in Barcelona in the last quarter of the year. **Italy**, meanwhile, **posted revenue growth of 4.5%**, led by Milan and the secondary cities. **Central Europe** was affected by a favourable line-up of trade fairs in Germany in 2016 and the refurbishment of three key hotels in Berlin, Munich and Hamburg in 2017. This region registered **growth of 0.2%** in 2017; this figure rises to 2.2% stripping out the impact of the hotels under refurbishment. Lastly, **revenue in Latin America** was **4.5% higher**, thanks to strong business volumes in Mexico and Argentina and despite currency devaluation in these markets.

The price management strategy rolled out last year drives a **growth in revenue per available room (RevPAR) of 8.5%**. Note that the RevPAR growth reported in 2017 was driven equally by strategic growth in the ADR of 4.9% to €95.2 and growth in occupancy of 3.4% to 70.8% across the Company's portfolio of hotels. This strategic focus once again enabled **NH Hotel Group to outperform its direct competitors** in its main destinations as a whole, posting growth in its ADR, occupancy rate and RevPAR that was 1.5, 2.0 and 3.6 percentage points, respectively, higher than that of its competitors, particularly in the key city destinations.

Trend in key hotel indicators by quarter



ADR: average daily rate
RevPAR: revenue per available room

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2017 earnings performance relative to competitors

2017	ADR % Var.		Relative ADR	Relative Occupancy	RevPAR % Var.		Relative RevPAR
	NH	Compset	Var.	Var.	NH	Compset	Var.
Total NH	**5.4%**	**3.9%**	**1.5pp**	**2.0pp**	**10.2%**	**6.6%**	**3.6pp**
Spain	13.3%	12.4%	0.9pp	4.3pp	19.4%	13.6%	5.8pp
Italy	4.1%	-0.8%	4.9pp	-2.5pp	7.2%	4.6%	2.5pp
Benelux	6.4%	2.0%	4.4pp	4.3pp	16.4%	7.1%	9.2pp
Central Europe	-2.5%	1.2%	-3.7pp	0.8pp	-0.4%	2.5%	-2.9pp

Key cities for which there is a market source for this metric
Source: STR/MKG/Fairmas (average growth for the peer group)

The strategic focus on efficiency all year long drove significant margin expansion. Specifically, the Group posted **recurring EBITDA(1) of €233.1 million in 2017 compared to €180.9 million in 2016**, exceeding guidance, which had been raised from €220-225 million to €230 million, and offsetting the adverse impact of the earthquake in Mexico last September and the political tension and instability in Catalonia (Spain) which affected the last quarter. Despite higher occupancy rates, the Company managed to **convert 54% of incremental revenue into EBITDA(1)**. As a result, it lifted its EBITDA margin by 2.6 percentage points from 2016.

Thanks to the business evolution and its more efficient management, **NH Hotel Group tripled recurring net profit from €11.5 million in 2016 to €34.8 million in 2017.** Reported net profit was €35.5 million, year-on-year growth of 15.4%, despite the fact that 2016 net profit included €23 million more of net gains from asset disposals than this year's figure.

NH Hotel Group's consolidated income statement:

NH HOTEL GROUP P&L ACCOUNT

(€ million)	2017	2016	Var.	
	€ m.	€ m.	€ m.	%
TOTAL REVENUES	1.571,1	1.474,6	96,5	6,5%
RECURRING EBITDA BEFORE ONEROUS (1)	233,1	180,9	52,2	28,9%
NET RECURRING INCOME	34,8	11,5	23,3	N/A
NET INCOME including Non-Recurring	35,5	30,8	4,7	15,4%

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The growth in profits in 2017, coupled with deleveraging, puts the Company in a position to **submit a proposal for the payment of a gross dividend against 2017 profits of €0.10 per outstanding share** at the upcoming AGM, implying an estimated payout of €35 million.

Hotel business performance in 2017 by market

Ratios: like-for-like hotel data + hotels under refurbishment
EBITDA figures: Recurring EBITDA before onerous reversal and capital gains from asset disposals

Benelux was the Group's best-performing market, thanks to: significant business volume growth; the results of the refurbishment work carried out in 2016; and the ongoing recovery of the Brussels market, combined with strong momentum in Amsterdam and the secondary Dutch cities. Benelux posted growth in occupancy of 6.8% and in the ADR of 7.2% for RevPAR expansion of 14.4%. This market generated €339.4 million of revenue, up 12.8% from 2016, while EBITDA increased by €20.4 million (+41.9%) from 2016 to €69.2 million.

Spain performed excellently throughout the year, boosted by business dynamism in key cities such as Madrid and Barcelona, where revenue (excluding the impact of refurbishments) rose by 14.3% and 8.3%, despite a weaker fourth quarter in Barcelona as a result of political instability. Revenue generation in secondary city destinations was 7.8% higher. RevPAR in Spain registered like-for-like growth of 14.5%, driven by growth of 9.8% and 4.3% in the ADR and occupancy rate, respectively. Overall revenue in Spain climbed 11.8% to €396.8 million and EBITDA amounted to €59.4 million, up 75.1% from 2016 (+€25.5 million).

Italy presented like-for-like RevPAR growth of 6.5%, basically driven by growth in the ADR (+5.6%). Occupancy in Italy increased 0.8% during the year. Milan and the secondary cities were particularly strong in this market. Like-for-like revenue in Italy rose by 4.5%, including the impact of two hotels closed for refurbishment in Turin and Rome. Stripping out these hotels, revenue growth in this market rises to 6.3%. NH Hotel Group's EBITDA in Italy registered growth of 16.8% to €51.0 million in 2017.

Central Europe reported RevPAR growth of 1.4% in 2017, shaped by growth in the occupancy rate of 2.9% partially offset by a slight decline in prices (ADR: -1.4%) due to the tough comp in terms of trade fair timing in Germany. Despite this, revenue in the Central Europe was flat year-on-year at €389.9 million, while EBITDA amounted to €24.9 million.

Latin America also reported growth despite adverse currency trends in Mexico and Argentina. RevPAR rose by 3.4% in 2017, thanks to growth in the ADR of 1.3% and in occupancy of 2.0%. Revenue in this region climbed 4.5% to €136.8 million, while EBITDA was 1.6% higher at €25.7 million. By market, Mexico posted topline growth of 5.3% (current values), despite currency depreciation and the impact of the earthquake in September; in Argentina revenue growth in current values was 17.8%, driven by higher business volumes (occupancy: +11.8%) and prices (+6.7%); lastly, Colombia and Chile, affected by the refurbishment of a key hotel in Chile and new rooms coming onto the market in Bogota, reported a revenue contraction of 3.8% compared to 2016.

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- Financial targets and key milestones –

Strong cash flow generation during the year enabled the Company to **reduce its net debt by €92 million** to €655 million between year-end 2016 and year-end 2017. As a result, the Group reported a **net debt/ recurring EBITDA[(1)] ratio of 2.8x, compared to 4.1x** at year-end 2016 and outperforming initial guidance for leverage of between 3x and 3.25x by year-end 2017.

Elsewhere, on 30 October 2017, the Company announced a transaction designed to reduce its leverage, **prepaying and cancelling the full outstanding balance (€100 million) on its €250 million of senior secured notes due 2019**. The notes were redeemed on 30 November and the prepayment was funded from available cash. This transaction will generate net interest savings of around €10 million between 30 November 2017 and 15 November 2019, which is when the bonds would have fallen due. Following the redemption, the average cost of the company's debt declined from 4.2% at 30 September 2017 to 3.9% at year-end and the average tenor, excluding subordinated debt, increased from 4.1 years to 4.3 years over the same timeframe.

Over the course of 2017, **Fitch, Moodys and Standard & Poor's all improved their outlooks for the Company's credit ratings** thanks primarily to an improved business performance and stronger liquidity position.

Under the scope of its portfolio optimization strategy, in December 2017, NH Hotel Group announced the **sale and subsequent leaseback,** under a sustainable long-term arrangement, of the property which houses the **NH Collection Barbizon Palace hotel in Amsterdam** for €155.5 million (€584.5k per room), unlocking net cash of €122.4 million. This transaction was recognised in 2018 for accounting purposes. With this deal, NH Hotel Group has taken advantage of the current liquidity window to reduce its exposure to real estate, while maintaining operation of the establishment under a sustainable variable-rent lease for 20 years, extendible to 60.

- Outlook for 2018 -

The Business Plan under execution contemplates **EBITDA[(1)] guidance for 2018 of €260 million** and a significant reduction in the leverage ratio, reinforced by the recent sale of the building in which the NH Collection Barbizon Palace hotel is located in Amsterdam. Assuming conversion of its bonds in November 2018, the Company should be in a position to end the year with a **leverage ratio of between 1.2x and 2.1x** (nearer the upper end of the range if the bonds are not converted).

NH Hotel Group recently announced the growth drivers around which it plans to articulate its strategy for continued profitable growth and enhanced brand recognition in the years to come at its first Investor Day, held in Madrid in September 2017. The Company has thus mapped out its **priorities to 2019**, which are focused on **improving the guest experience and quality, a commercial strategy shaped by dynamic price management and efficiency**, while take advantage off its current strengths to **new repositioning opportunities and organic growth**.

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The new business plan contemplates noteworthy initiatives designed to enhance the user experience such as the upcoming **relaunch of the NH Rewards loyalty programme**, which already boasts **over 8 million members**.

In parallel, the system transformation work already carried out will enable the Group to implement a **dynamic pricing strategy** that will set prices automatically and optimally, reducing sales periods and optimising the demand curve.

The Company will also remain focused on growth over the next two years. To this end, NH Hotel Group has recently bolstered its business development team, whose mission is to **capitalise on growth opportunities** going forward, while working in tandem to reinforce the existing relationship of trust with the Group's current partners. At present the Group has a **portfolio of signed projects encompassing 30 hotels and over 5,000 rooms** to be opened in the coming years.

About NH Hotel Group

NH Hotel Group (www.nhhotelgroup.com) is a world-leading urban hotel operator and a consolidated multinational player. It operates close to 400 hotels and almost 60,000 rooms in 30 markets across Europe, the Americas and Africa, including top city destinations such as Amsterdam, Barcelona, Berlin, Bogota, Brussels, Buenos Aires, Düsseldorf, Frankfurt, London, Madrid, Mexico City, Milan, Munich, New York, Rome and Vienna.

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NH Collection Brussels Grand Sablon

2017 RESULTS PRESENTATION

NH | HOTEL GROUP

NH HOTELS   NH COLLECTION HOTELS   nhow HOTELS   Hesperia RESORTS

28th of February 2018

Message from the CEO

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"Dear Shareholders,

2017 has been an excellent year in which the Group has overachieved it's targets. The combination of sound revenue growth and efficiency measures has allowed NH to achieve €233m of EBITDA (+€52m) and to improve it's margin from 12% to 15%.

Additionally, deleverage has been a key priority and the Group has reduced its gross debt and leverage ratio from 4.1x in 2016 to 2.8x, exceeding the high-end of our guidance.

NH performed strongly in all markets and in particular showed outstanding results in Spain and Benelux generating a Net Recurring Income of €35m, that tripled the reported figure of 2016, thanks to a remarkable 54% EBITDA conversion rate from incremental revenue.

The start of 2018 has been strong and the Group foresees a more balanced growth across main European countries. Therefore we reiterate our €260m EBITDA guidance for 2018, set in September 2017, and despite the sale & leaseback transaction of an European asset closed in February 2018.

Our strengths will help to achieve this target:

- *Commercial and advanced pricing strategy based on quality improvement and enhanced customer experience*
- *Active asset management with selective repositioning opportunities and leased contracts restructuring*
- *Constant focus on efficiency and cost control leading to margin improvement*

In light of this we look forward to continue delivering record-setting results with the commitment to de-leverage further down to 1.2-2.1x, subject to the Bond conversion, and it will be proposed to the AGM the approval of a ten cent dividend per share for the financial year 2017, aligned with the dividend policy announced."

Ramón Aragonés
CEO, NH Hotel Group

2017 highlights: targets exceeded

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- **Robust Revenue growth of +6.5% reaching €1,571m (+€97m)**
  - Revenue Like for Like ("LFL"): +6.2%
  - Excellent performance in Benelux (+12.8%) and Spain (+11.8%)
  - RevPAR: +8.5%, 58% through ADR which grew +4.9%
- **Outstanding Recurring EBITDA(1) of €233m (+€52m; +29%), reaching a margin of 14.8% (+2.6 p.p.)**
  - Remarkable 54% EBITDA conversion rate from incremental revenue to EBITDA despite higher occupancy rates (+3.4%)
  - Efficiency measures ahead of plan: €11m achieved in 2017
- **Net Recurring Income tripled last year explained by the improvement of the business**
  - +€23m improvement reaching €34.8m in 2017 from €11.5m in 2016
- **Including non-recurring activity Total Net Income reached €35.5m**
  - +€5m higher than in 2016. The comparison is affected by the higher contribution of capital gains from assets disposals (€62m in 2016 vs. €39m in 2017)

- **Path to deleverage continues**
  - Net debt reduced to €655m from €747m as of 31st Dec. 2016
  - Leverage reduced to 2.8x (Net Financial Debt / Recurring EBITDA) from 4.1x as of 31st Dec. 2016
  - Full early voluntary redemption €250m 2019 bond in 2017:
    - April: €115m TAP 2023 Bond and €35m cash redemption
    - November: €100m cash redemption
  - Sale & Leaseback of NH Collection Amsterdam Barbizon Palace:
    - Net cash €122m
    - Transaction closed in February 2018
- **Dividend:**
  - Proposal for AGM approval of a maximum gross dividend of €0.10 per share for the financial year 2017, implying an estimated payment of €34M based on outstanding shares
- **Financial targets 2018-2019:**
  - 2018E: €260m EBITDA(1) and 1.2x(2)-2.1x leverage, subject to 2018 Bond conversion and assuming NY hotel renovation in 2018
  - 2019E(3): pro forma EBITDA(1) of c.€300m(4) and recurring net income of c.€100m

2017 targets exceeded:
- **EBITDA €233m > €230m**
- **Leverage 2.8x < 3-3.25x**

(1) Recurring EBITDA before onerous reversal and capital gains from asset disposals
(2) Assuming the conversion of the Bond in November 2018
(3) Excluding IFRS 16 accounting impacts
(4) Proforma 2019 with "Run rate" from 2018 – 2019 Refurbishments & Openings

Key Financial Indicators: 2014-2017

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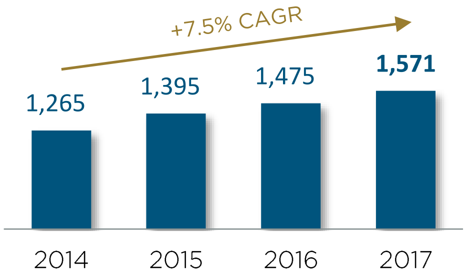
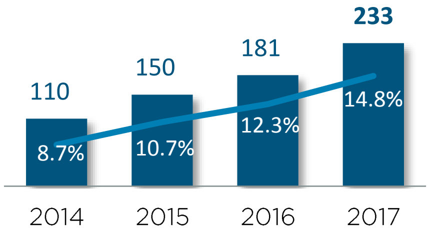
Revenues (€m)



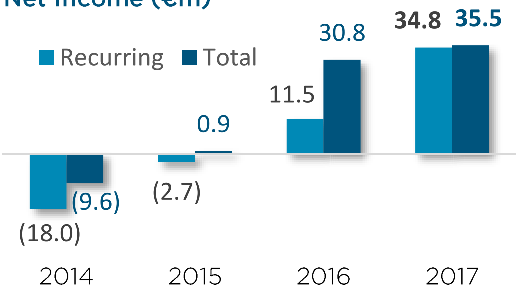
- An increase of more than €300m, a +7.5% CAGR from 2014
- In 2017 revenue grew +6.5% (+€97m) reaching €1,571m

Recurring EBITDA [1] (€m)
% margin



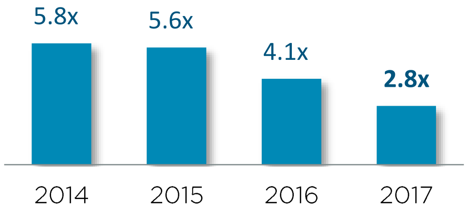
- +28% CAGR, an increase of more than €120 from 2014
- Margin increased +6.1 p.p. in the period, reaching 14.8% in 2017
- In 2017 EBITDA grew +€52m (+29%) reaching €233m

Net Income (€m)



- 2016: first year of positive Recurring Net Income since 2008
- Net Recurring Income tripled last year explained by the improvement of the business

Net Financial Debt / Recurring EBITDA [1]



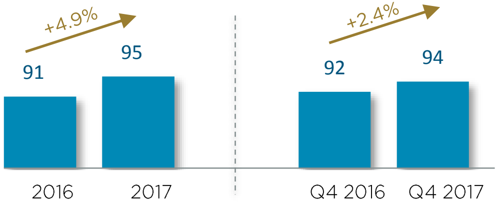
- Deleverage path on track due to the favorable operating cash flow generation
- Gross debt reduced by €135m in 2017 related to the early call and full redemption of outstanding 2019 Bond with cash

[1] Recurring EBITDA before onerous reversal and capital gains from asset disposals

Key financial metrics: positive trends continued in Q4

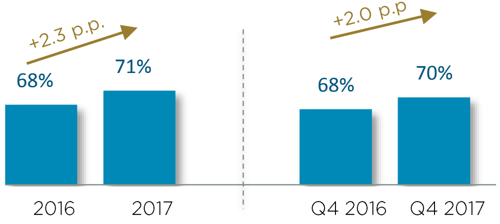
ADR (€)

- 2017: +4.9% price increase (+€4.4) reaching €95. ADR contributed with 58% of RevPAR growth
- Q4: +2.4% price increase (+€2.2); +7.5% growth in Italy and +5.7% in Spain



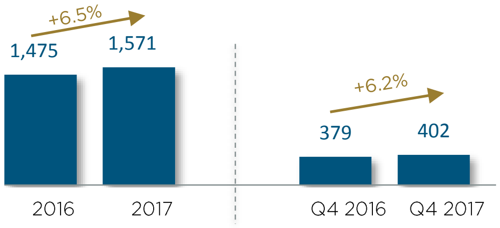
Occupancy (%)

- 2017: +3.4% activity increase (+2.3 p.p.) up to 70.8%. Strong demand in Benelux (+6.5%) boosted by Brussels recovery and Spain (+4.2%)
- Q4: +3.0% activity increase (+2.0 p.p.)



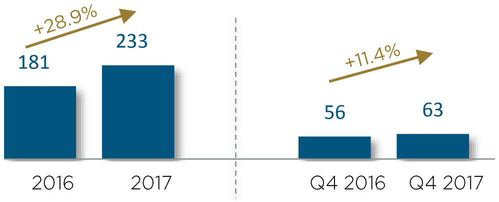
Revenues (€m)

- 2017: +€97m revenue growth (+6.5%) with a strong performance in Benelux and Spain
- Q4: +€23m (+6.2%)



Recurring EBITDA [1] (€m)

- 2017: +€52m (+28.9%) due to a sound 54% revenue conversion rate reaching €233m and a margin of 14.8% (+2.6 p.p.)
- Q4: +€6m (+11.4%), comparison affected by the accounting linearization of rents in Q4 2016 (+€4.1m)



(1) Recurring EBITDA before onerous reversal and capital gains from asset disposals

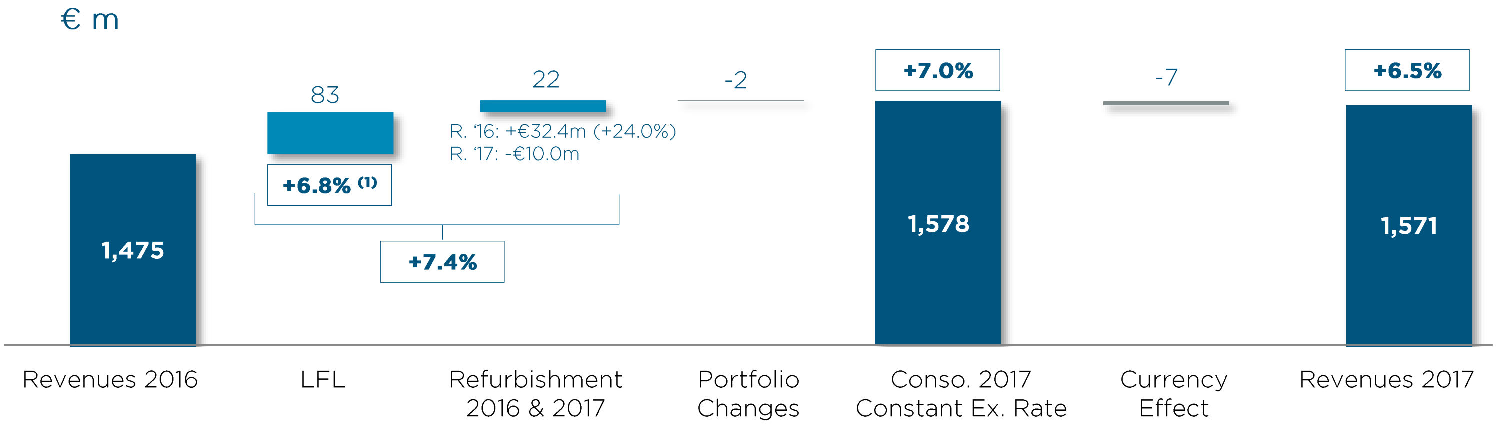
Solid revenue performance in 2017

- **Total Revenue growth of +6.5% reaching €1,571m (+€97m)**
  - Revenue Like for Like (“LFL”): +6.8% with constant FX (+6.2% reported)
  - LFL & Refurbished hotels grew +7.4% (+6.8% reported)
    - Excellent performance in Benelux (+12.8%) and Spain (+11.8%)
    - 2016 refurbished hotels increased revenues by +€32.4m (+24.0%)
    - 2017 opportunity costs for renovations: -€10.0m, mainly from Central Europe and Italy and with a lesser extent in LatAm

Revenue Split	Var. 2017
Room Revenue	+7.9%
Other Revenue	+4.8%
Total Hotel Revenue	**+7.0%**
Non Hotel Revenue*	-€4.4m
Total Revenue	**+6.5%**

* Rebates + Capex Payroll Capitalization

Less contribution from non-hotel revenue



Growth Contribution +5.6% + +1.5% + -0.1% = +7.0% + -0.5% = +6.5%

(1) On its 2016 own base. With real exchange rate growth is +6.2%

RevPAR growth supported by ADR (58% contribution)

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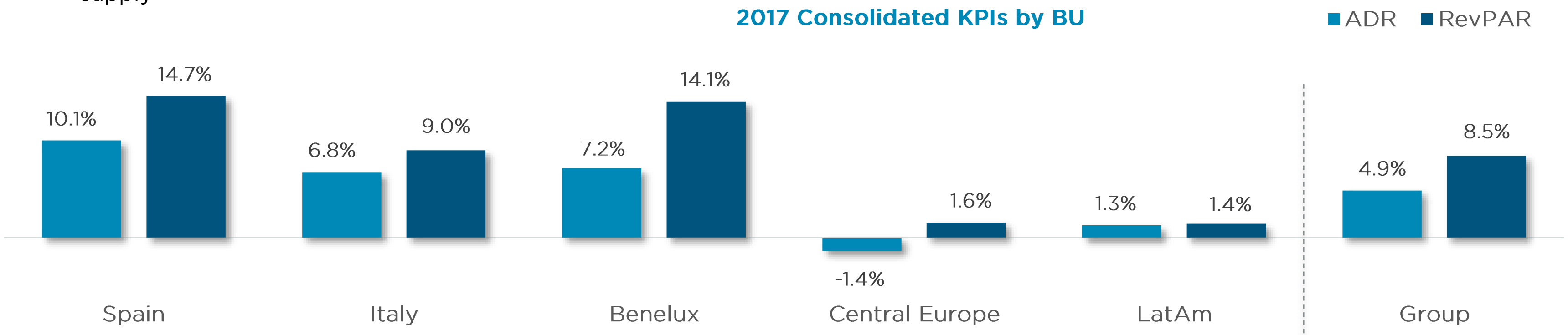
- **+8.5% RevPAR increase in 2017, 58% through ADR**
  - RevPAR growth across all markets with an outstanding double digit growth in Spain and Benelux
  - ADR: +4.9% price increases (+€4.4) reaching €95
  - Occupancy: +3.4% activity increase (+2.3 p.p.) reaching 70.8% compared to 68.4% in 2016. Strong demand in Benelux (+6.5%) boosted by Brussels recovery (+23.7%) and Spain (+4.2%) being Madrid +7.0% and secondary cities +3.9%
- **LFL (excluding reforms) RevPAR grew +7.9%:**
  - Spain (+13%): Very good performance of Madrid (+19%) and secondary cities (+10%). Barcelona +9%, despite negative evolution in Q4
  - Italy (+8%): Excellent evolution of Milan +9% and secondary cities with +8%
  - Benelux (+11%): Recovery of Brussels continues with +21% (2015 levels not yet recovered). Good performance in Amsterdam +9% and Dutch secondary cities +10%
  - Central Europe (+2%): Berlin +6%, Frankfurt -1%, Munich -6% and secondary cities +3%. Tough comparison due to 2016 trade fair calendar
  - LatAm (+4%; real exchange rate): Buenos Aires +17%, Mexico DF +1% affected by the earthquake and Bogota -4% impacted by higher supply

2017 Consolidated KPIs by BU



Focus on market share and quality

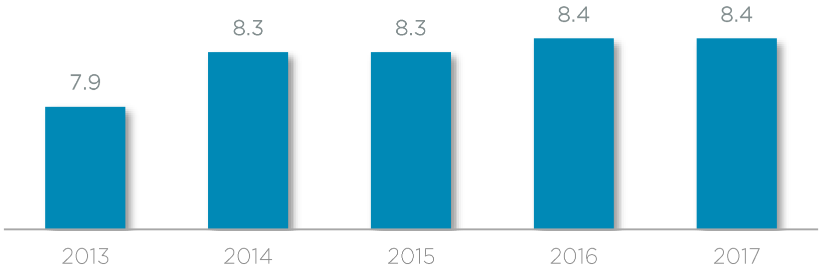
- **Relative RevPAR outperformance of +3.6 p.p. in top cities vs. competitors** through a mix of higher ADR (+1.5 p.p.) and relative occupancy (+2.0 p.p.)

2017	ADR % var. NH	ADR % var. Comp.Set	"Relative" ADR Var.	"Rel." Occupancy Var.	"Rel." RevPAR Var.
Spain	13.3%	12.4%	0.9 p.p.	4.3 p.p.	5.8 p.p.
Italy	4.1%	-0.8%	4.9 p.p.	-2.5 p.p.	2.5 p.p.
Benelux	6.4%	2.0%	4.4 p.p.	4.3 p.p.	9.2 p.p.
Central Europe	-2.5%	1.2%	-3.7 p.p.	0.8 p.p.	-2.9 p.p.
Total NH	**5.4%**	**3.9%**	**1.5 p.p.**	**2.0 p.p.**	**3.6 p.p.**

Source: STR/MKG/Fairmas Competitive Set Average Growth

- Remarkable growth in Benelux with a relative RevPAR of +9.2 p.p. vs. competitive set explained by higher occupancy and ADR
- Good result in Spain with a relative RevPAR increase of +5.8 p.p. vs. competitive set, mainly due to improvement of the relative occupation and positive evolution in ADR
- **Outstanding performance in:**
  - **Amsterdam**: Relative ADR +5.1 p.p.; RevPAR +11.8 p.p.
  - **Madrid:** Relative RevPAR +9.9 p.p.; Occupancy+7.3 p.p.
  - **Rome:** Relative ADR +5.9 p.p.; RevPAR +6.3 p.p.
  - **Milan:** Relative ADR +4.9 p.p.; RevPAR +0.4 p.p.
- Tough comparison in Central Europe due to the 2016 fair calendar (prices increased above competitors) and military groups that were hosted during the refugee crisis in 2016

Focus on quality



Source: TripAdvisor

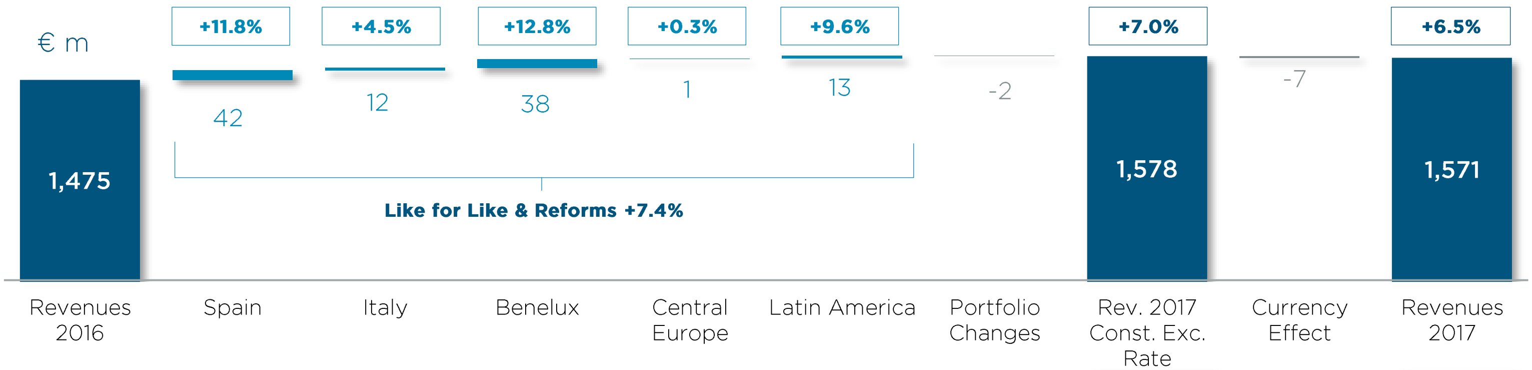
TripAdvisor ranking

% hotels	Dec. 2013	Dec. 2015	Dec. 2016	Dec. 2017
Top 10	24%	27%	34%	35%
Top 30	47%	49%	53%	55%

Source: TripAdvisor

Strong revenue performance in all key markets

- **Spain:** +11.8% growth in LFL&R, being LFL +10.2%. Remarkable LFL performance of Madrid (+14.4%), Barcelona (+8.3%, despite negative evolution in Q4 of -8.6%) and secondary cities (+7.8%)
- **Italy:** +6.3% growth in LFL and +4.5% including the 2 leased hotels under reform in Turin and Rome funded by the owners. Remarkable LFL performance of Milan (+7.9%) and secondary cities (+6.9%) with H2 improvement vs. H1
- **Benelux:** LFL Revenue growth of +8.1% supported by the higher activity level in Brussels (+19.0%) and the good performance of Amsterdam (+6.7%) and Dutch secondary cities (+7.6%). Including the ramp-up from 2016 renovations, revenue grew +12.8%
- **Central Europe:** Positive LFL increase (+2.2%) despite the tough comparison of the German 2016 trade fair calendar. Including the opportunity cost in revenues of 3 hotels under refurbishment in Berlin, Munich and Hamburg during 2017 totaling -€5.3m, revenue increased +0.3% in LFL&R. Total revenue of -1.1% impacted by the exit of 2 hotels with 205 rooms in 2016
- **Latin America:** +9.6% growth in LFL&R with constant exchange rate (+4.5% reported). By regions, Mexico increased revenues +5% despite the -3% currency impact and the earthquake (-€1.6m revenues loss vs Plan 2017). Argentina grew +18% despite the strong currency depreciation (-13%). In Hoteles Royal revenue decreased -4% explained by a key hotel in Chile under reform and the higher supply in Bogota with a flat currency evolution



	Spain	Italy	Benelux	Central Europe	Latin America
Revenue LFL	+10.2%	+6.3%	+8.1%	+2.2%	+10.2%
Total Revenue	+10.6%	+3.2%	+14.8%	-1.1%	+11.1%

	Ex-Currency	Reported
Revenue LFL	+6.8%	+6.2%
Total Revenue	+7.0%	+6.5%

2017 EBITDA increased +29% due to a 54% conversion rate

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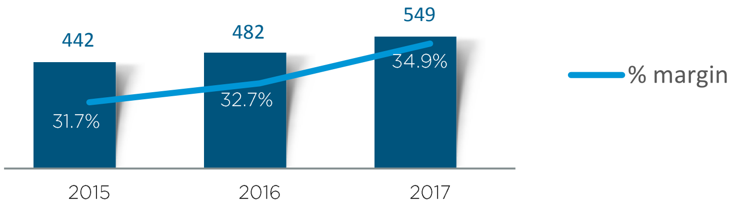
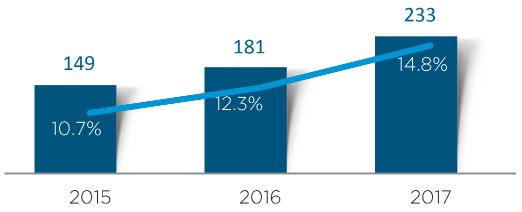
€ million / Recurring Activity	2017 €m.	2016 €m.	VAR. €m.	VAR. %.
TOTAL REVENUES	**1,571.1**	**1,474.6**	**96.5**	**6.5%**
Staff Cost	(528.6)	(515.1)	(13.5)	2.6%
Operating expenses	(493.6)	(477.0)	(16.6)	3.5%
GROSS OPERATING PROFIT	**548.8**	**482.5**	**66.3**	**13.8%**
Lease payments and property taxes	(315.7)	(301.6)	(14.1)	4.7%
EBITDA BEFORE ONEROUS	**233.1**	**180.9**	**52.2**	**28.9%**

- **Cost control** in 2017 **despite the occupancy growth (+3.4%)**
  - +2.6% increase in **Payroll cost** and +3.5% in **Operating Expenses** due to higher activity and variable costs, mainly commissions due to the evolution of the sales channel mix. Impact of 2016 & 2017 refurbished hotels explains 21% of the increase of staff costs and 26% of the Operating expenses
  - 2017 Efficiency Plan target exceeded: €11m of savings achieved in 2017 implying an advancement of €3m from Phase II expected in 2018
- Improvement in GOP of +€66.3m (+13.8%). GOP margin improved by +2.2 p.p., reaching 34.9%
- Lease payments and property taxes increased -€14.1m (+4.7%). 2016 & 2017 refurbished hotels explains 33% of the increase. Variable lease components explain 35% of the total increase
- **Recurring EBITDA before onerous** in 2017 reached €233.1m (+€52.2m; +28.9%) due to a remarkable 54% conversion rate from incremental revenue to EBITDA. EBITDA margin reached 14.8% (+2.6 p.p.)

Gross Operating Profit (€m)



Recurring EBITDA (€m)



Net Recurring Income: €34.8m, an increase of +€23.3m

€ million	2017 €m.	2016 €m.	VAR. €m.	VAR. %.
EBITDA BEFORE ONEROUS	**233.1**	**180.9**	**52.2** [1]	**28.9%**
Margin % of Revenues	14.8%	12.3%		2.6 p.p.
Onerous contract reversal provision	4.2	5.0	(0.8)	-15.6%
EBITDA AFTER ONEROUS	**237.3**	**185.9**	**51.5**	**27.7%**
Depreciation	(111.4)	(101.7)	(9.7) [2]	9.5%
EBIT	**125.9**	**84.1**	**41.8**	**49.6%**
Interest expense	(58.0)	(52.4)	(5.6) [3]	10.7%
Income from minority equity interest	(0.3)	0.1	(0.4)	N/A
EBT	**67.5**	**31.8**	**35.7**	**112.3%**
Corporate income tax	(29.0)	(17.0)	(12.1) [4]	71.3%
NET INCOME BEFORE MINORITIES	**38.5**	**14.9**	**23.6**	**159.1%**
Minorities interests	(3.7)	(3.4)	(0.3)	9.7%
NET RECURRING INCOME	**34.8**	**11.5**	**23.3**	**N/A**
Non Recurring EBITDA	18.8	43.9	(25.1)	N/A
Other Non Recurring items	(18.1)	(24.6)	6.5	N/A
NET INCOME INCLUDING NON-RECURRING	**35.5**	**30.8**	**4.7**	**15.4%**

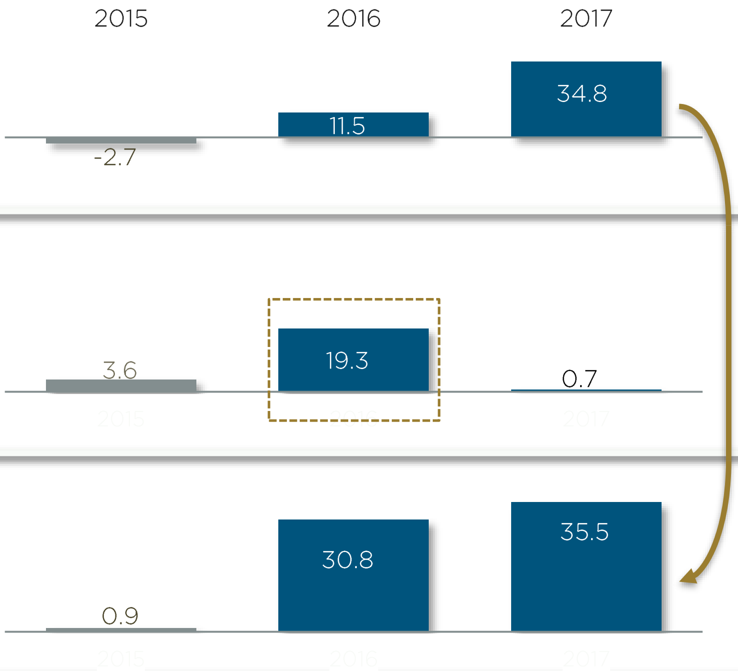
1. **Recurring EBITDA before onerous reached €233.1m, an increase of +€52.2m (+28.9%)**
2. **Depreciation:** the increase of -€9.7m includes -€3.5m of amortization of the new management contract with Hesperia and the rest corresponds to the impact of 2016-2017 repositioning capex
3. **Financial Expenses:** the increase of -€5.6m is mainly explained by issuance expenses of the €115m TAP Bond 2023, repurchase premium and write-off arranging expenses of 2019 Bond. Refinancing 2016 and 2017 comprised the following phases:
   - Refinancing Q3 2016: Issuance of 2023 Bond with a coupon of 3.75% to refinance bank debt maturing in 2017 & 2018 plus the signing of a €250m long term RCF (fully undrawn)
   - Refinancing Q2 2017: early redemption €150m of 2019 Bond (coupon 6.875%) with a €115m TAP of the 2023 Bond (coupon 3.75%, yield-to-maturity 3.17%) and cash
   - Early redemption of the €100m 2019 Bond with cash (effective date 30th November 2017) and extension of the €250m undrawn RCF to 2021
   - In 2018 cash impact of the refinancing completed in 2017 will represent total coupon savings of €12.9m
4. **Taxes:** The higher Corporate Income Tax (-€12.1m) is mainly due to business improvement (-€8.9m) and the higher tax (-€3.5m) due to lower activation of negative tax bases in Italy and greater application of tax loss carryforwards activated in Central Europe

Total Net Income evolution affected by non-recurring activity

Net Recurring Income (€m)

Non-Recurring Income (€m)

Total Net Income (€m)



- **Net Recurring Income:** +€23.3m improvement reaching **€34.8m in 2017 compared to €11.5m in 2016** fully explained by the business improvement

- **2017**: net capital gains from asset disposals offset by severances, legal provisions, accelerated depreciation from the repositioning capex and impact from the new management contract with Hesperia
- **2016** included €23m of higher net capital gains from asset rotation transactions compared to 2017

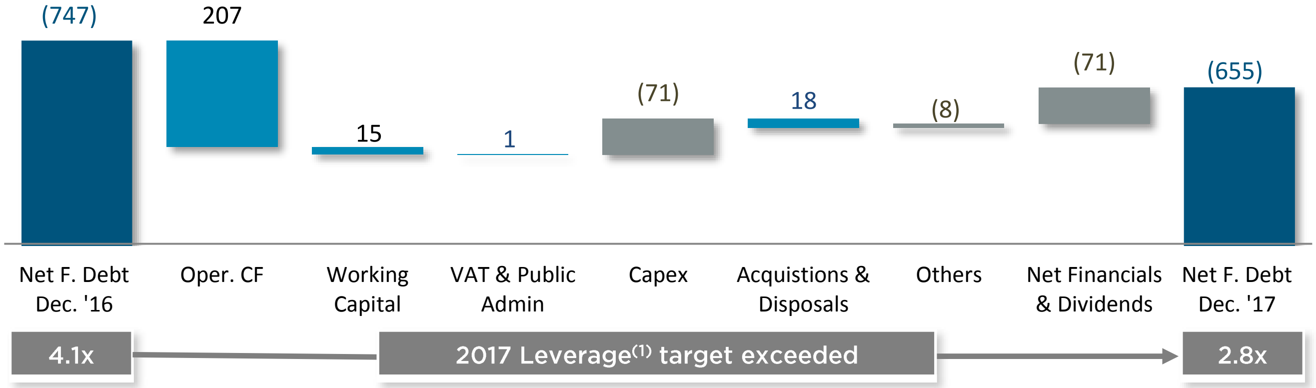
- **Total Net Income reached €35.5m in 2017, fully explained by the improvement of the business**
- The comparison (+€4.7m, +15.4%) with 2016 is affected by the higher capital gains in 2016

Dividend	2016	2017
Recurring Net Income	€11.5m	€34.8m
Dividend per share	**€0.05**	**€0.10**[1]
Dividend payment[2]	€17m	€34m

(1) Proposal for 2017
(2) 2017 estimated payment based on current outstanding number of shares

Reduction of leverage: target exceeded in 2017

The favorable operating cash flow generation more than compensates the capex, financial expenses and dividends paid



Financial Position: 31st December 2017
Gross Financial Debt: (€736m)
Cash: €80m
Net Financial Debt: (€655m)(2)

Treasury Stock in Balance Sheet not included in cash position(3)
Number of shares: 9.4m
Market Value: €56.5m

- **(+) Operating Cash Flow** +€207m, including -€16.3m of credit card expenses and taxes paid of -€21.9m
- **(+) Working Capital:** improvement due to a lower average collection period (from 23 days in December 2016 to 18 days in December 2017)
- **(-) Capex payments:** -€71m in 2017. €14m executed in Q4 2017 will be paid in Q1 2018
- **(-) Other:** payment of legal provisions
- **(+) Acquisitions & Disposals:** +€60.4m from asset rotation, -€19.6m final payment of 2015 Hoteles Royal acquisition, first payment of the Hesperia contract -€11.0m and -€10.8m (-€8.8m debt and -€2.0m cash out) with regards the acquisition of 2 leased hotels restructured in Spain
- **(-) Net Financials & Dividends:** -€52.6m of net interest expense including -€9.7m related to the refinancing in Q2 and full redemption of 2019 Bond in November and -€17.1m dividend payment in July related to 2016 fiscal year

(1) Leverage ratio: Net Financial Debt / Recurring EBITDA before onerous reversal and capital gains from asset disposals

(2) NFD excluding accounting adjustments for the portion of the convertible bond treated as Equity, arrangement expenses and accrued interest. Including these accounting adjustments, the Adj. NFD would be (€637m) at 31st Dec. 2017 and (€725m) at 31st Dec. 2016

(3) As of 31st December 2017, the Company had 9,416,368 treasury shares in its balance sheet, of which 9m shares correspond to a loan of securities linked to the convertible bond issue in November 2013. Of those 9m shares, as of 31st December 2017, 7,615,527 had been returned and are therefore held by NH although they remain available to the financial institutions. In addition, in August 2016 the Company purchased 600,000 treasury shares and in 2017 the Company has delivered 183,632 shares to management under the Long Term Incentive Program, resulting in a net amount of 416,368. Treasury stock calculated with the price as of 31st December 2017 (€6.00 per share) totals €56.5m

Only Convertible Bond in near term after 2019 Bond repayment

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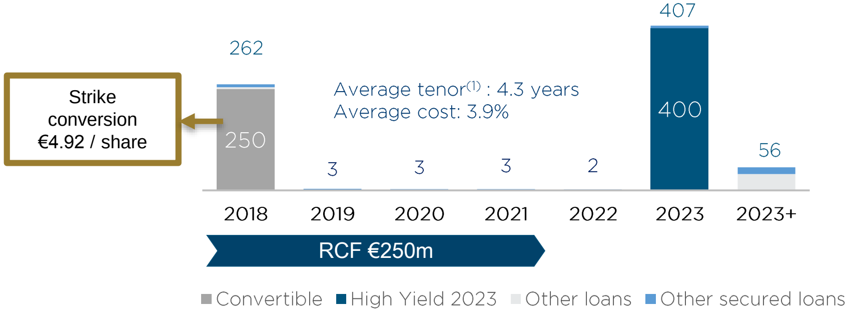
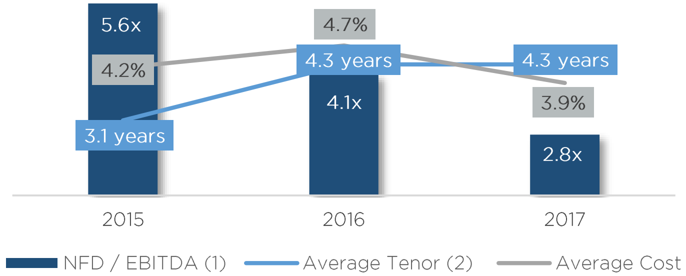
Early call €100m 2019 Bond @ 103.4% in November 2017 with cash

- With this repayment, NH has delivered its commitment on refinancing, without using short term credit lines and reducing gross debt
- Key advantages:
  - ☑ Average tenor from 4.1 years as of 30th Sept. 2017 to 4.3 years[(1)] as of 31st Dec. 2017
  - ☑ Average cost of debt from 4.2% as of 30th Sept. 2017 to 3.9% as of 31st Dec. 2017
  - ☑ Annual Coupon Savings of €6.9m
  - ☑ Net Interest Savings of €10.0m from 30.11.2017-15.11.2019 (coupon savings – call price)
- €250m RCF maturity extended from Sept. 2019 to Sept. 2021
- More flexible Loan-to-Value covenant for secured debt

Debt Maturity Profile 31st Dec. 2017: Gross debt (€736m)



Improving Main Debt Parameters



(1) Recurring EBITDA before onerous reversal and capital gains from asset disposals
(2) Excluding subordinated debt (2023+)

Asset Management transaction: NH Collection Amsterdam Barbizon Palace

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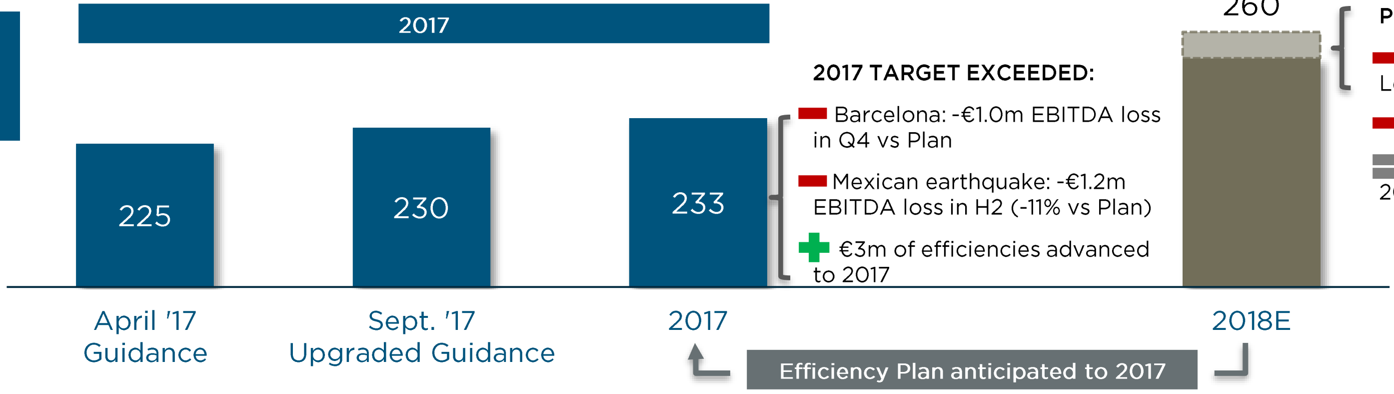
Summary	▪ Disposal of NH Collection Amsterdam Barbizon Palace for €155.5m (€584,500 per room) ▪ Significant value of the Leaseback agreement besides the disposal, maintaining the operation of the asset with sustainable ratios
Transaction Price	▪ Gross price: €155.5m / Net Cash after tax: €122.4m ▪ Net Capital Gain estimated: c.€55m } Q1 2018 Transaction
Leaseback agreement	▪ Long term sustainable contract: variable lease with minimum guaranteed ▪ Term: 20 years with two renewals for NH of 20 years each ▪ Variable rent: 28.6% over total revenues ▪ Fixed rent coverage 1.9x(1) / 75% CPI Index / Basket of Losses to limit downside
Leverage	Further deleverage beyond original target: ▪ Higher cash proceeds compared to New York expectation, compensating the refurbishment of the hotel ▪ 2018E: 1.2x-2.1x, subject to 2018 Bond conversion
Timing	▪ SPA & Lease agreement signed in Dec. 2017 ▪ Transfer of the asset and cash in proceeds done in February 2018

((1) EBITDAR / Fixed Rent

Guidance 2018

EBITDA



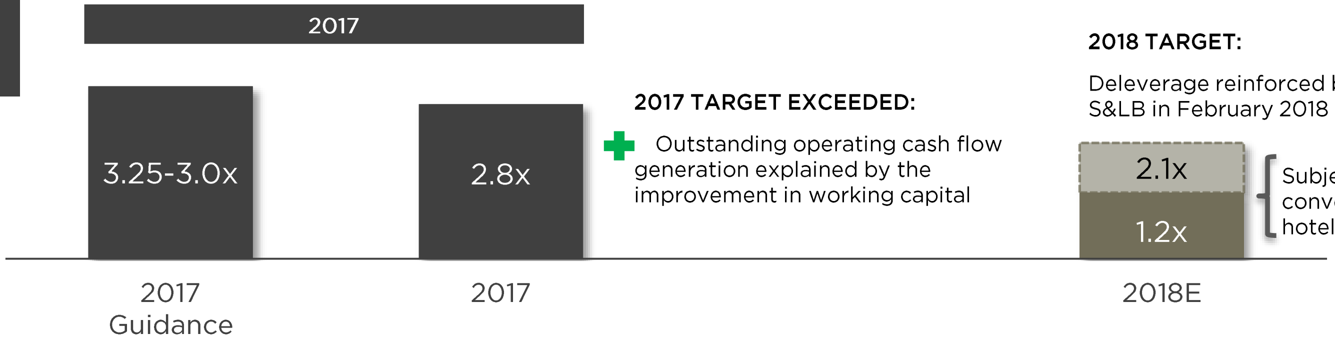
2017 TARGET EXCEEDED:

- Barcelona: -€1.0m EBITDA loss in Q4 vs Plan
- Mexican earthquake: -€1.2m EBITDA loss in H2 (-11% vs Plan)
- €3m of efficiencies advanced to 2017

2018 TARGET PRESERVED DESPITE:

- NHC Barbizon Leaseback
- NY Refurbishment
- c. -€8m impact in 2018

LEVERAGE



2017 TARGET EXCEEDED:

- Outstanding operating cash flow generation explained by the improvement in working capital

2018 TARGET:

Deleverage reinforced by Barbizon S&LB in February 2018

Subject to 2018 Bond conversion and assuming NY hotel renovation in 2018

2018 Assumptions & Financial Targets 2019

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2018 Guidance

P&L 2018E	Revenue growth	c.+5%
	Phase II Efficiency Plan	€5m of cost savings (€3m anticipated in 2017)
	EBITDA margin	+1.0 p.p., from 15% to 16%
	Conversion Rate	c.35% flow through from incremental revenues to EBITDA
	EBITDA 2018E (1)	**c.€260m (c.+12%)**
Leverage 2018E	Capex 2018	Maintenance & IT Capex 4-5% revenues: c.€70m Expansion: €15-20m Repositioning: c.€30m NY assumption: renovation to be paid in 2018
	Others	€10m Hesperia management contract 2017 gross dividend: €0.10 per share
	NFD / Recurring EBITDA (1)	**1.2x-2.1x, subject to 2018 Bond conversion and assuming NY hotel renovation in 2018**

2019 Targets (2)

EBITDA (1) (2)

2019E: €285-290m

2019 proforma: c.€300m(3)

Rec. Net Income (2)

c. €100m

Dividends

2018: 0.15€

> 2019: c. 50% Rec. Net Income

Financial Leverage Ratio

2018 Bond conversion <1.2x

w/o 2018 Bond conversion: c.1.9x

(1) Recurring EBITDA before onerous reversal and capital gains from asset disposals

(2) Excluding IFRS 16 accounting impacts

(3) Proforma 2019 with "Run rate" from 2018–2019 Refurbishments & Openings

2017: a record year

Comparison vs. 2016

Revenue €1,571m +6.5%	**Rec. EBITDA(1)** €233m +29% +2.6 p.p. margin	**Rec. Net Income** €35m x 3
FFO(2) €207m +22%	**Leverage** **(NFD / EBITDA(1))** 2.8x vs. 4.1x	**Dividend Proposal per Share** €0.10 x 2

(1) Recurring EBITDA before onerous reversal and capital gains from asset disposals
(2) Funds From Operations

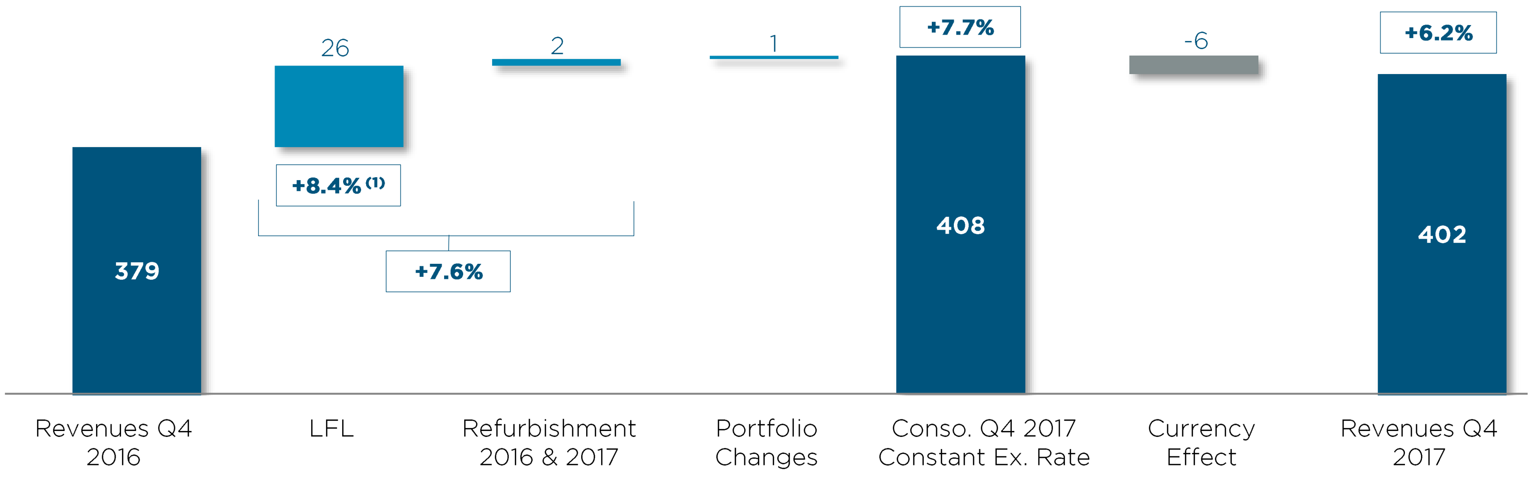
Annex

- Q4 Revenue:
    - Per Perimeter
    - Per B.U.
- Q4 RevPAR
- Q4 P&L

NH Collection Madrid Eurobuilding

Solid revenue performance continued in Q4 2017

- **Total Revenue growth of +6.2%** reaching €402m (+€23m)
  - Revenue Like for Like ("LFL") +8.4% with constant FX (+6.7% reported)
  - LFL & Refurbished hotels grew +7.6% (+6.1% reported)
    - Excellent performance in Benelux (+11.6%), Spain (+8.0%) despite Barcelona affected by the political context and Italy (+7.7%)
    - Refurbished hotels increased revenues in Q4 2017 by +€2.1m including opportunity costs of renovations in Germany during Q4 2017 of -€0.4m

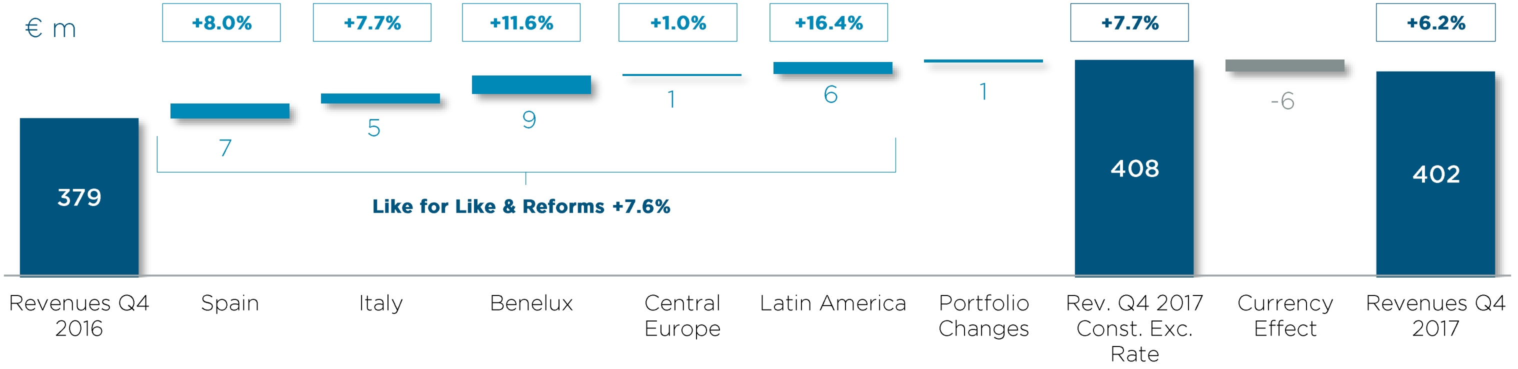


Growth Contribution	+6.9%	+	+0.6%	+	+0.3%	=	+7.7%	+	-1.5%	=	+6.2%

(1) On its 2016 own base. With real exchange rate growth is +6.7%

Strong performance in all key markets

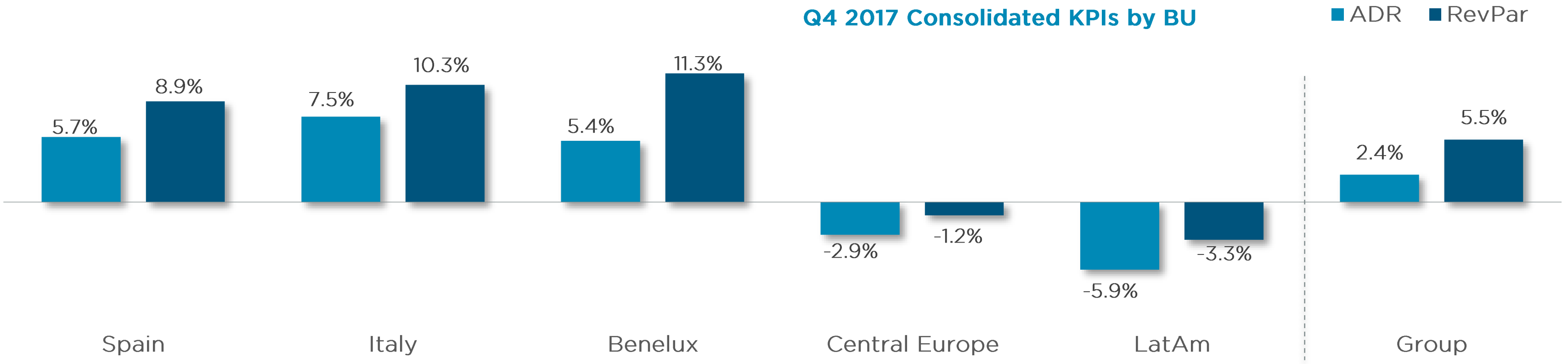
- **Spain:** +8.0% growth in LFL&R, being LFL +8.5%. Sustained LFL performance of Madrid (+12.7%) and secondary cities (+7.4%). Barcelona affected by the political context with a -8.6% (-€1.4m) including LFL and refurbished hotels in 2016
- **Italy:** +8.3% growth in LFL and +7.7% including the leased hotel under reform in Rome during the quarter funded by the owner. Outstanding LFL performance of Milan (+15.5%) while secondary cities grew +4.8%
- **Benelux:** LFL Revenue growth of +11.3% supported by the higher activity level in Brussels (+19.5%), the good performance of Amsterdam (+8.7%) and Dutch secondary cities (+9.2%)
- **Central Europe:** +1.0% growth in LFL&R, being LFL +2.6% due to the refurbishments of 2 hotels in Berlin and Hamburg with an opportunity cost of -€0.4m in revenues. Total revenue of +0.7% impacted by the exit of 1 hotel with 83 rooms in Q4 2016 and the tough comparison of the German 2016 trade fair calendar
- **LatAm:** +16.4% growth in LFL&R with constant exchange rate. Including the negative impact of currency reported LFL&R grew +1.9%. By regions, Mexico (+1%) affected by the earthquake of September (-€1.6m revenues vs Plan 2017) and despite a -4% currency depreciation. Argentina (+19%) despite the strong currency depreciation of -18%. Hoteles Royal revenue decreased -10% explained by the higher supply in Bogota and a -14% currency depreciation



	Spain	Italy	Benelux	Central Europe	Latin America	Ex-Currency	Reported
Revenue LFL	+8.5%	+8.3%	+11.3%	+2.6%	+17.2%	+8.4%	+6.7%
Total Revenue	+7.6%	+7.4%	+12.2%	+0.7%	+18.9%	+7.7%	+6.2%

Combined Occupancy & ADR growth

- **+5.5% RevPAR increase in Q4 2017, combined growth strategy of ADR and Occupancy**
  - Outstanding double digit growth in Benelux, Italy and Spain excluding Barcelona impact
  - ADR: +2.4% price increases (+€2.2) reaching €94
  - Occupancy: +3.0% activity increase (+2.0 p.p.). All regions increasing activity levels highlighting Benelux (+5.6%), Spain (+3.0%) and LatAm (+2.8%)
- **LFL RevPAR grew +6.3%:**
  - Spain (+8%): Very good performance of both Madrid (+15%) and secondary cities (+9%). Barcelona affected by the political context
  - Italy (+10%): Excellent evolution of Milan (+20%) and secondary cities (+5%)
  - Benelux (+12%): Brussels +16% explained by the recovery in occupancy, Amsterdam +11% and Dutch secondary cities +9%
  - Central Europe (+1%): Berlin and Frankfurt +3%, Munich -1%. Difficult comparison due to positive 2016 trade fair calendar
  - LatAm (-1%; real exchange rate): Buenos Aires +22%, Mexico DF -1% impacted by the earthquake and Bogota -16% mainly by the negative exchange rate evolution (-14%) and higher supply



Q4 EBITDA comparison affected by rent linearization in 2016

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NH Hotel Group P&L

€ million	Q4 2017 €m.	Q4 2016 €m.	VAR. €m.	VAR. %.
TOTAL REVENUES	**402.5**	**379.0**	**23.4** [1]	**6.2%**
Staff Cost	(134.7)	(130.5)	(4.2)	3.2%
Operating expenses	(125.4)	(120.7)	(4.7)	3.9%
GROSS OPERATING PROFIT	**142.4**	**127.9**	**14.5** [2]	**11.3%**
Lease payments and property taxes	(79.7)	(71.6)	(8.1) [3]	11.3%
EBITDA BEFORE ONEROUS	**62.7**	**56.3**	**6.4** [4]	**11.4%**
Margin % of Revenues	15.6%	14.9%		0.7 p.p.
Onerous contract reversal provision	1.2	0.8	0.4	48.5%
EBITDA AFTER ONEROUS	**63.9**	**57.1**	**6.8**	**11.9%**
Depreciation	(30.5)	(26.4)	(4.1)	15.4%
EBIT	**33.4**	**30.7**	**2.7**	**8.9%**
Interest expense	(16.6)	(15.4)	(1.1)	7.3%
Income from minority equity interest	(0.4)	0.1	(0.5)	N/A
EBT	**16.5**	**15.4**	**1.2**	**7.5%**
Corporate income tax	(7.8)	(7.7)	(0.1)	0.6%
NET INCOME BEFORE MINORITIES	**8.7**	**7.6**	**1.1**	**14.4%**
Minorities interests	(1.0)	(0.7)	(0.4)	60.0%
NET RECURING INCOME	**7.7** [5]	**7.0**	**0.7**	**10.2%**
Non Recurring EBITDA	10.0	1.7	8.3	N/A
Other Non Recurring items	(6.7)	0.5	(7.2)	N/A
NET INCOME including non-recurring	**11.0** [6]	**9.2**	**1.8**	**19.3%**

1. **Revenue** grew +6.2% reaching €402.5m (+€23.4m)
2. **GOP:** cost control allows to report in the fourth quarter a conversion rate at GOP level of 62%
3. **Lease payments:** the increase is explained by the positive rent linearization impact registered in Q4 2016 of +€4.1m
4. **EBITDA:** recurring EBITDA growth of +11.4% reaching €62.7m, which represents an increase of +€6.4m compared to Q4 2016. Conversion rate of the increase in revenues is 27%, affected by the linearization impact (45% excluding the linearization impact)
5. **Net Recurring Income reaches €7.7m,** an improvement of **+€0.7m compared to Q4 2016** due to higher depreciation expense (€0.9m related to new Hesperia contract), and the higher interest expense due to the early voluntary redemption of the €100m 2019 Bond
6. **Total Net Profit reached €11.0m** including non-recurring activity of capital gains from asset disposals partially offset by severances, accelerated depreciation from the repositioning investments and legal provisions

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Translation of 2017 Results Presentation originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

SALES AND RESULS
2017

28th February 2018

NH | HOTEL GROUP

NH HOTELS · NH COLLECTION · nhow · Hesperia RESORTS

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2017 Main Financial Aspects

- **Solid revenue growth of +6.5%** (+7.0% at constant exchange rates) reaching €1,571m (+€97m) in the year.
  - In the like-for-like ("LFL") perimeter, excluding refurbishments, revenue grew +6.2%.
  - Excellent performance in Benelux (+12.8%) and Spain (+11.8%) and difficult comparison in Germany due to the 2016 trade fair calendar and the refurbishment of three hotels.
  - Above-market relative RevPAR growth of +3.6 p.p. in top cities on greater relative growth in ADR (+1.5 p.p.) and occupancy (+2.0 p.p.), supported by the improvement in perceived quality.

- **RevPAR increase of +8.5%** in the year through a combined growth strategy **ofhoy p ADR, which stood at €95** (+4.9%, +€4.4)**, and occupancy, which reached 70.8%** (+3.4%, +2.3 p.p.), taking advantage of the higher demand in Benelux (+6.5%), due to the recovery of Brussels, and Spain (+4.2%), due to the good performance of Madrid and the secondary cities. In the year, the growth in ADR accounted for 58% of the increase in RevPAR. RevPAR growth in all markets with Spain and Benelux growing at double-digit.

- Revenue growth together with cost control allowed to close the year with a **Recurring EBITDA(1) growth of +29%, reaching €233m, above the €230m target** and offsetting the negative effects of Barcelona and the earthquake in Mexico. This represents an **increase of +€52m in the year and a conversion rate of 54%** from incremental revenue into EBITDA, despite the higher occupancy level (+3.4%) and reaching an EBITDA margin of 14.8% (+2.6 p.p.). The efficiency target has been exceeded, reaching €11m of savings in the year.

- **Recurring Net Profit tripled compared to 2016, reaching €34.8m,** representing a **+€23.3m increase** in the year, explained entirely by the improvement of the business.

- **Total Net Profit stood at €35.5m,** an increase of +€4.7m **(+15.4%)** compared to 2016. The comparison is affected by the higher net capital gains from asset rotation registered in 2016 (+€23m compared to 2017).

- Proposal to submit for AGM approval the **distribution of a dividend** for the financial year 2017 of a maximum **gross amount of €0.10** per outstanding share, implying an estimated disbursement of €34m and in line with the announced dividend policy.

- **Reduction in net financial debt to €655m** (€747m at 31st December 2016), due to the favourable generation of operating cash flow, more than offsetting the capex, financial expenses and payment of dividends. A **Net Financial Debt / Recurring EBITDA(1) ratio of 2.8x** was reached at 31st December 2017 vs. 4.1x at 31st December 2016, **exceeding the initial target of 3-3.25x**.
  - **Early and voluntary full repayment** of the outstanding **€100m 2019 Bond,** effective on 30th November 2017, with cash and without the use of short term credit lines.

- **Sale & Leaseback** of the NH Collection Amsterdam Barbizon Palace Hotel for a **gross amount of €155.5m and a post-tax net cash of €122.4m** registered in 2018. The operation of the asset is retained through a long-term lease agreement and with sustainable ratios, allowing the generation of value in addition to the disposal (EBITDA 2018E of €5m).

(1) Recurring EBITDA before onerous reversal and capital gains from asset disposals

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2018 Outlook

- The **EBITDA(2) target of €260m** is preserved despite the leaseback of the hotel in Amsterdam and the potential refurbishment of the hotel in New York. The **reduction of the leverage ratio**, reinforced by the asset management transaction in February 2018, should reach a **range of between 1.2x** (assuming the conversion of the bond in November 2018) and **2.1x** (if this conversion does not take place), assuming the New York hotel renovation in 2018.

2019 Targets (1)

- **"Pro forma" EBITDA(2) of c.€300m(3)** and **Recurring Net Profit of c.€100m**, based on the Group's strengths (commercial and pricing strategy, asset management, focus on efficiency and debt reduction) and due to the organic growth and repositioning initiatives planned for 2018 and 2019.

(1) Excluding IFRS 16 accounting impacts

(2) Recurring EBITDA before onerous reversal and capital gains from asset disposals

(3) Proforma 2019 with "Run rate" from 2018-2019 Refurbishments & Openings

Main figures for Q4 2017

- **Revenue grew by +6.2%** reaching €402m (+€23m). The good performance of Benelux (+11.5%), Spain (+8.0%; despite the political conflict in Barcelona) and Italy (+7.7%) allows to report a total LFL&R growth of +6.1% (+7.6% at constant exchange rates). Lower contribution from Central Europe (Germany) affected by the refurbishment of 2 hotels (-€0.4m lower revenue due to opportunity cost) and the 2016 trade fair calendar.
- **+5.5% growth in RevPAR**, through higher ADR (+2.4%) and occupancy (+3.0%), with growth in activity levels in all regions. RevPAR growth in all markets except Latin America (negative impact of the exchange rate and higher supply in Bogota) and Central Europe (refurbishment of 2 hotels). Benelux (+11.3%) and Italy (+10.3%) had double digit growth and Spain grew (+8.9%) despite the negative impact of Barcelona in the quarter (-€1.4m in revenue).
- **Recurring EBITDA grew by +11.4%, representing an increase of +€6m**. The comparison is affected by the positive impact of rent linearization in Q4 2016 (+€4.1m), implying a conversion rate of 27% in Q4. Excluding this impact, the conversion is 45%.
- **Recurring Net Profit** for Q4 amounted to **€7.7m** and **Total Net Profit** stood at **€11.0m**, including non-recurring activity for net capital gains due to asset rotation that was largely reduced by redundancy payments, accelerated depreciation due to repositioning capex and legal provisions.

Other Highlights

- **Repositioning Plan:** The following hotels were repositioned in 2017: NH Les Corts in Spain, NH Leonardo da Vinci and NH Ambasciatori in Italy, NH Collection Berlin Mitte, NH Munchen Messe, NH Hamburg Mitte and NH Geneva in Central Europe and NH Collection Plaza Santiago in Latin America. The opportunity cost, defined as the reduction in revenue due to the refurbishments, was -€10.2m compared to 2016.
- **Brand:** NH had 380 hotels and 58,926 rooms at 31st December 2017, out of which 69 hotels and 11,016 rooms are NH Collection (19% of the portfolio), showing both stronger price potential (+45% higher price in 2017; ADR NH Collection €127 vs ADR NH €88) and quality (with improvements also in non-refurbished hotels). At Group

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level, 35% of the portfolio is positioned in the top 10 in the city (45% for NH Collection), and 55% in the top 30 (63% for NH Collection), evidencing the higher quality levels perceived by customers.

% hotels NH	Dec. '14	Dec. '15	Dec. '16	Dec. '17
Top 10	24%	27%	34%	35%
Top 30	47%	49%	53%	55%

Fuente: TripAdvisor

- **Pricing & Revenue Management:** The Group's ADR and occupancy evolved positively during the year in the main cities when compared to direct competitors. The increase in the Group's relative prices has been +1.5 p.p. vs competitors and the increase in RevPAR has been +3.6 p.p.

  - Remarkable performance in Benelux with a relative RevPAR of +9.2 p.p., on higher ADR and occupancy levels. NH continues to improve its positioning and gain market share in Amsterdam (Relative RevPAR +11.8 p.p.).
  - Good evolution in Spain with a relative RevPAR increase of +5.8% compared to the set of competitors, mainly due to the improvement in relative occupancy and the maintenance of a positive evolution in prices.
  - Difficult comparison for the year in Central Europe mainly due to the 2016 trade fair calendar, where NH increased its prices above those of its competitors, and the lower contribution by the military groups hosted during the 2016 refugee crisis.

2017	ADR % var.		"Relative" ADR	"Relative" Occupancy	RevPAR % var.		"Relative" RevPAR
	NH	Compset	Var.	Var.	NH	Compset	Var.
Total NH	**5.4%**	**3.9%**	**1.5 p.p.**	**2.0 p.p.**	**10.2%**	**6.6%**	**3.6 p.p.**
Spain	13.3%	12.4%	0.9 p.p.	4.3 p.p.	19.4%	13.6%	5.8 p.p.
Italy	4.1%	-0.8%	4.9 p.p.	-2.5 p.p.	7.2%	4.6%	2.5 p.p.
Benelux	6.4%	2.0%	4.4 p.p.	4.3 p.p.	16.4%	7.1%	9.2 p.p.
Central Europe	-2.5%	1.2%	-3.7 p.p.	0.8 p.p.	-0.4%	2.5%	-2.9 p.p.

- **Asset Management:**

  - Asset rotation operations carried out in 2017 amounted to a net cash of €60.4m. Additionally, in February 2018, the sale & leaseback of the NH Collection Amsterdam Barbizon Palace Hotel was registered for a gross amount of €155.5m and a net post-tax cash of €122.4m.
  - In addition, 8 hotels were signed throughout 2017, 5 leased (2 in Frankfurt, 1 in Cancun and 2 in Brussels) and 3 managed (Valencia, Lima and Milan) with a total of 1,924 rooms. Four of the signings are in the upper brand segment of NH Collection and NHOW.

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Q4 RevPAR Evolution:

Note: *The "Like-for-Like plus Refurbishments" (LFL&R) criteria includes hotels renovated in 2016 and 2017, so as to ensure that the sample of "LFL" hotels is not reduced by the number of hotels affected by the refurbishments*

NH HOTEL GROUP REVPAR Q4 2017/2016

	AVERAGE ROOMS		OCCUPANCY %			ADR			REVPAR		
	2017	2016	2017	2016	% Var	2017	2016	% Var	2017	2016	% Var
Spain & Portugal LFL & R	10,801	10,889	71.0%	69.1%	2.8%	90.8	86.1	5.4%	64.5	59.5	8.3%
Total B.U. Spain	11,013	11,164	70.8%	68.8%	3.0%	90.5	85.6	5.7%	64.1	58.9	8.9%
Italy LFL & R	7,005	7,025	67.6%	66.3%	2.1%	109.0	102.1	6.7%	73.7	67.7	9.0%
Total B.U. Italy	7,182	7,330	67.5%	65.8%	2.6%	110.8	103.1	7.5%	74.8	67.8	10.3%
Benelux LFL & R	8,442	8,442	69.9%	65.7%	6.5%	105.5	99.8	5.6%	73.7	65.5	12.5%
Total B.U. Benelux	8,852	8,720	69.4%	65.7%	5.6%	105.8	100.4	5.4%	73.5	66.0	11.3%
Central Europe LFL & R	12,390	12,279	72.5%	71.2%	1.8%	86.9	89.6	-3.0%	63.0	63.8	-1.2%
Total B.U. Central Europe	12,390	12,333	72.5%	71.2%	1.8%	86.9	89.5	-2.9%	63.0	63.8	-1.2%
Total Europe LFL & R	38,638	38,635	70.6%	68.5%	3.1%	95.8	93.0	3.1%	67.7	63.7	6.3%
Total Europe & EEUU Consolidated	39,437	39,548	70.4%	68.3%	3.1%	96.3	93.1	3.4%	67.8	63.6	6.6%
Latinamerica LFL & R	5,245	5,193	65.2%	62.5%	4.3%	75.9	80.7	-5.9%	49.5	50.4	-1.9%
Latinamerica Consolidated	5,425	5,193	64.3%	62.5%	2.8%	75.9	80.7	-5.9%	48.8	50.4	-3.3%
NH Hotels LFL & R	43,883	43,828	70.0%	67.8%	3.2%	93.6	91.6	2.2%	65.5	62.1	5.5%
Total NH Consolidated	44,862	44,741	69.7%	67.6%	3.0%	94.0	91.8	2.4%	65.5	62.1	5.5%

- **RevPAR increase of +5.5%** through a **combined growth strategy of occupancy** (+3.0%) and **ADR** (+2.4%). RevPAR growth in all markets except Latin America (impact of the currency, earthquake in Mexico and higher supply in Bogota) and Central Europe (refurbishment of 2 hotels and tough comparison with the 2016 trade fairs in Germany).
- Notable here is **the double-digit growth of RevPAR** in:
  - **Benelux**: +11.3% due to higher prices (+5.4%) and occupancy (+5.6%), explained by the refurbishments carried out during the first part of 2016, the recovery of Brussels with a LFL RevPAR growth of +16% (entirely due to increased occupancy) and the good performance of Amsterdam LFL (+11%) and secondary cities (+9%).
  - **Italy**: +10.3% with increased prices (+7.5%) and occupancy (+2.6%), driven by an excellent evolution of Milan (+20%) mainly through prices, and of the secondary cities (+5%).
- **Spain** has a consolidated RevPAR increase of +8.9% thanks to an excellent performance in the RevPAR of Madrid LFL (+15%) and secondary cities (+9%), and negatively affected by the political conflict in Barcelona (-9%).
- In terms of the Group's **level of activity** in Q4, occupancy grew by **+3.0% (+2.0 p.p.)**, with all regions showing improvements in the activity levels, highlighting Benelux (+5.6%), Spain (+3.0%) and Latin America (+2.8%).

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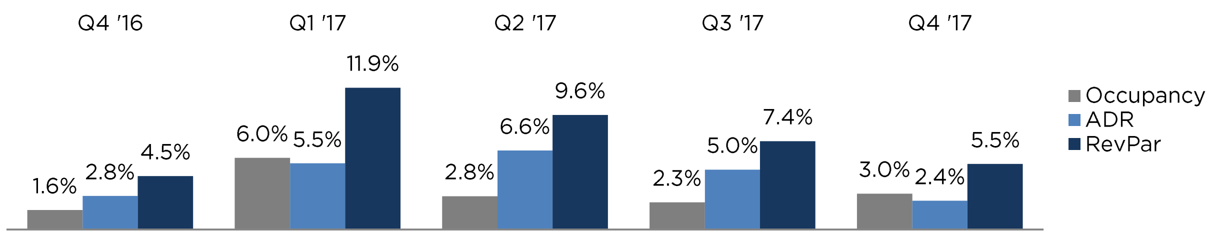
12-month RevPAR evolution:

- RevPAR increase of +8.5% in the year through a combined growth strategy of ADR, which stood at €95 (+4.9%, +€4.4), and occupancy, which reached 70.8% (+3.4%, +2.3 p.p.), taking advantage of the higher demand in Benelux (+6.5%) due to the recovery of Brussels, and Spain (+4.2%), due to the good performance of Madrid and the secondary cities.
- In the year, the growth in ADR accounted for 58% of the increase in RevPAR.
- Growth of RevPAR in all markets and double-digit growth in Spain (+14.7%) and Benelux (+14.1%). Without including the refurbishments, the LFL RevPAR grew by +7.9%, explained by an increase in prices (+3.8%) and occupancy (+4.0%).

NH HOTEL GROUP REVPAR 12M 2017/2016

	AVERAGE ROOMS		OCCUPANCY %			ADR			REVPAR		
	2017	2016	2017	2016	% Var	2017	2016	% Var	2017	2016	% Var
Spain & Portugal LFL & R	10,832	10,808	73.5%	70.4%	4.3%	93.1	84.8	9.8%	68.4	59.7	14.5%
Total B.U. Spain	11,083	11,197	73.3%	70.3%	4.2%	92.7	84.2	10.1%	67.9	59.2	14.7%
Italy LFL & R	6,986	7,027	69.0%	68.5%	0.8%	113.8	107.7	5.6%	78.5	73.7	6.5%
Total B.U. Italy	7,163	7,460	69.0%	67.6%	2.1%	115.6	108.2	6.8%	79.8	73.2	9.0%
Benelux LFL & R	8,435	8,234	71.0%	66.5%	6.8%	104.7	97.6	7.2%	74.3	64.9	14.4%
Total B.U. Benelux	8,757	8,396	70.6%	66.3%	6.5%	104.9	97.9	7.2%	74.1	64.9	14.1%
Central Europe LFL & R	12,199	12,295	73.6%	71.5%	2.9%	86.4	87.7	-1.4%	63.6	62.7	1.4%
Total B.U. Central Europe	12,199	12,452	73.6%	71.4%	3.0%	86.4	87.6	-1.4%	63.6	62.6	1.6%
Total Europe LFL & R	38,453	38,364	72.1%	69.6%	3.7%	97.0	92.5	4.9%	70.0	64.3	8.8%
Total Europe & EEUU Consolidat	39,203	39,505	72.0%	69.3%	3.9%	97.4	92.5	5.3%	70.1	64.1	9.3%
Latinamerica LFL & R	5,235	5,204	63.1%	61.9%	2.0%	76.8	75.8	1.3%	48.5	46.9	3.4%
Latinamerica Consolidated	5,386	5,204	62.0%	61.9%	0.2%	76.8	75.8	1.3%	47.6	46.9	1.4%
NH Hotels LFL & R	43,688	43,567	71.1%	68.6%	3.5%	94.9	90.7	4.6%	67.4	62.3	8.3%
Total NH Consolidated	44,589	44,708	70.8%	68.4%	3.4%	95.2	90.8	4.9%	67.4	62.1	8.5%

Consolidated Ratios Evolution by Quarter:



Consolidated Ratios	Occupancy					ADR					RevPar				
% Var	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17
Spain	1.3%	7.2%	3.6%	2.2%	3.0%	6.1%	5.6%	14.4%	13.3%	5.7%	7.5%	13.1%	18.5%	15.8%	8.9%
Italy	0.7%	5.7%	5.8%	-2.6%	2.6%	-8.4%	3.9%	6.3%	8.7%	7.5%	-7.7%	9.9%	12.5%	5.9%	10.3%
Benelux	3.2%	10.9%	3.0%	5.2%	5.6%	8.1%	6.7%	9.4%	7.4%	5.4%	11.5%	18.3%	12.7%	13.0%	11.3%
Central Europe	3.3%	4.4%	1.9%	4.7%	1.8%	3.2%	4.3%	-2.9%	-2.9%	-2.9%	6.7%	8.9%	-1.0%	1.7%	-1.2%
TOTAL EUROPE	2.2%	6.6%	3.3%	2.8%	3.1%	2.3%	5.1%	6.7%	5.7%	3.4%	4.6%	12.0%	10.3%	8.7%	6.6%
Latin America real exc.	-2.8%	1.4%	-1.1%	-1.4%	2.8%	6.5%	9.6%	5.5%	-2.8%	-5.9%	3.5%	11.2%	4.3%	-4.2%	-3.3%
NH HOTEL GROUP	**1.6%**	**6.0%**	**2.8%**	**2.3%**	**3.0%**	**2.8%**	**5.5%**	**6.6%**	**5.0%**	**2.4%**	**4.5%**	**11.9%**	**9.6%**	**7.4%**	**5.5%**

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RECURRING HOTEL ACTIVITY

(€ million)	2017 Q4	2016 Q4	DIFF. 17/16	%DIFF.	2017 12M	2016 12M	DIFF. 17/16	%DIFF.
SPAIN	99.0	91.6	7.4	8.0%	396.8	355.0	41.8	11.8%
ITALY	66.5	61.7	4.8	7.7%	270.1	258.6	11.6	4.5%
BENELUX	88.7	79.5	9.1	11.5%	339.4	301.1	38.4	12.8%
CENTRAL EUROPE	101.5	101.0	0.5	0.5%	389.9	389.3	0.6	0.2%
AMERICA	36.1	35.4	0.7	1.9%	136.8	130.9	5.9	4.5%
TOTAL RECURRING REVENUE LFL&R	**391.7**	**369.3**	**22.4**	**6.1%**	**1,533.1**	**1,434.8**	**98.3**	**6.8%**
OPENINGS, CLOSINGS & OTHERS	**10.7**	**9.7**	**1.0**	**10.7%**	**38.0**	**39.7**	**(1.8)**	**(4.5%)**
RECURRING REVENUES	**402.5**	**379.0**	**23.4**	**6.2%**	**1,571.1**	**1,474.6**	**96.5**	**6.5%**
	0.00	0.00	0.00	0.0%				
SPAIN	62.7	60.1	2.6	4.4%	249.5	238.2	11.3	4.8%
ITALY	42.7	40.1	2.6	6.6%	171.4	169.2	2.2	1.3%
BENELUX	56.5	54.2	2.3	4.2%	218.9	204.5	14.4	7.1%
CENTRAL EUROPE	66.2	66.4	(0.2)	(0.3%)	258.7	259.5	(0.7)	(0.3%)
AMERICA	24.8	23.3	1.5	6.5%	98.0	92.2	5.8	6.3%
RECURRING OPEX LFL&R	**252.9**	**244.0**	**8.9**	**3.6%**	**996.5**	**963.4**	**33.1**	**3.4%**
OPENINGS, CLOSINGS & OTHERS	**7.2**	**7.1**	**0.1**	**1.1%**	**25.7**	**28.7**	**(2.9)**	**(10.3%)**
RECURRING OPERATING EXPENSES	**260.1**	**251.1**	**8.9**	**3.6%**	**1,022.3**	**992.1**	**30.2**	**3.0%**
SPAIN	36.2	31.5	4.7	14.9%	147.2	116.8	30.4	26.0%
ITALY	23.8	21.6	2.1	9.8%	98.7	89.4	9.3	10.4%
BENELUX	32.2	25.3	6.8	27.0%	120.6	96.6	24.0	24.8%
CENTRAL EUROPE	35.4	34.6	0.7	2.0%	131.2	129.9	1.4	1.1%
AMERICA	11.3	12.2	(0.9)	(7.0%)	38.8	38.7	0.1	0.2%
RECURRING GOP LFL&R	**138.8**	**125.3**	**13.5**	**10.8%**	**536.6**	**471.4**	**65.2**	**13.8%**
OPENINGS, CLOSINGS & OTHERS	**3.6**	**2.6**	**1.0**	**36.9%**	**12.2**	**11.1**	**1.2**	**10.6%**
RECURRING GOP	**142.4**	**127.9**	**14.5**	**11.3%**	**548.8**	**482.5**	**66.3**	**13.8%**
SPAIN	22.1	20.9	1.2	5.7%	87.9	82.9	5.0	6.0%
ITALY	12.3	10.6	1.7	15.9%	47.8	45.8	2.0	4.3%
BENELUX	12.1	11.0	1.1	10.4%	51.4	47.8	3.5	7.4%
CENTRAL EUROPE	27.0	23.9	3.1	13.2%	106.4	103.2	3.1	3.0%
AMERICA	3.3	3.4	(0.1)	(3.7%)	13.1	13.4	(0.3)	(2.3%)
RECURRING LEASES&PT LFL&R	**76.8**	**69.8**	**7.0**	**10.1%**	**306.5**	**293.1**	**13.3**	**4.5%**
OPENINGS, CLOSINGS & OTHERS	**2.8**	**1.8**	**1.0**	**58.2%**	**9.2**	**8.4**	**0.8**	**9.6%**
RECURRING RENTS AND PROPERTY TAXES	**79.7**	**71.6**	**8.1**	**11.3%**	**315.7**	**301.6**	**14.1**	**4.7%**
SPAIN	14.1	10.6	3.5	33.2%	59.4	33.9	25.5	75.1%
ITALY	11.4	11.0	0.4	3.9%	51.0	43.6	7.3	16.8%
BENELUX	20.0	14.3	5.7	39.7%	69.2	48.8	20.4	41.9%
CENTRAL EUROPE	8.4	10.8	(2.4)	(22.5%)	24.9	26.6	(1.8)	(6.6%)
AMERICA	8.0	8.7	(0.7)	(8.3%)	25.7	25.3	0.4	1.6%
RECURRING EBITDA LFL&R	**62.0**	**55.5**	**6.5**	**11.7%**	**230.1**	**178.2**	**51.9**	**29.1%**
OPENINGS, CLOSINGS & OTHERS	**0.7**	**0.8**	**(0.1)**	**(9.6%)**	**3.0**	**2.6**	**0.4**	**13.8%**
RECURRING EBITDA EX. ONEROUS PROVISION	**62.7**	**56.3**	**6.4**	**11.4%**	**233.1**	**180.9**	**52.2**	**28.9%**

* The hotel in New York is registered in the Central Europe business unit

* France is included in the Benelux business unit

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

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Recurring Results by Business Unit (LFL&R basis)

Spain B.U.:

- Q4: RevPAR growth of +8.3%, 65% through prices (+5.4%) and +2.8% in occupancy, achieving revenue growth of +8.0% despite the negative impact of Barcelona in the quarter (-8.6% in revenue, -€1.4m).
- 12M: RevPAR grew by +14.5% with an ADR increase of +9.8% (accounting for 68%) and +4.3% in occupancy.
  - Excellent revenue performance of +11.8% (+€41.8m) in the year. The LFL perimeter, excluding the refurbishments of 2016 and 2017, grew by +10.2%, highlighting the LFL evolution of Madrid (+14.3%), Barcelona (+8.3% despite the negative evolution in Q4) and the secondary cities (+7.8%). The hotels refurbished in 2016 and 2017 contributed with +10.6m of additional revenue compared to the previous year.
  - Operating expenses increased by +4.8% (+€11.3m), explained by the higher occupancy in the year (+4.3% reaching 73.5%), higher expenses for the hotels refurbished in 2016 (accounting for 27% of the increase) and higher commissions due to the segmentation change.
  - In 2017, GOP reached €147.2m, increasing by +26.0% (+€30.4m). The year's lease payments increased by +€5.0m (+6.0%), explained by the variable component.
  - With all of this, the EBITDA for 2017 grew by +75.1% reaching €59.4m, representing an improvement of +€25.5m and a conversion rate from incremental revenue into EBITDA of 61%.

Italy B.U.:

- Q4: RevPAR growth of +9.0% with an increase of +6.7% in prices and +2.1% in occupancy. Remarkable evolution of LFL RevPAR in Milan at +20%. All this allows for revenue growth of +7.7% (+€4.8m), despite the refurbishment of a hotel in Rome carried out by the owner that began in Q3, with an opportunity cost in revenue of -€2.7m.
- 12M: RevPAR grew by +6.5% during the year with a growth of +5.6% in ADR (accounting for 87%) and +0.8% in occupancy, increasing revenues by +4.5%, equivalent to +€11.6m, including the opportunity cost of the refurbishments carried out by the owners of two leased hotels in Turin and Rome. Excluding these refurbishments, the growth of LFL revenue is +6.3%, highlighting the growth of Milan (+7.9%) and secondary cities (+6.9%).
  - Slight increase in operating expenses, which grew by +1.3% (+€2.2m) in 2017. GOP improved by +€9.3m (+10.4%).
  - As a result, EBITDA for 2017 improved by +€7.3m reaching €51.0m (+16.8%), resulting in a conversion rate of incremental revenue into EBITDA of 63%.

Benelux B.U.:

- Q4: RevPAR growth of +12.5% with an increase of +5.6% in ADR and +6.5% in occupancy due to the refurbishments carried out during 2016 and the recovery of Brussels (+21% increase in occupancy levels and +16% increase in RevPAR). Worth noting is the LFL RevPAR growth of Amsterdam (+11%) and the secondary cities in Holland (+9%). This led to an increase in revenue of +11.5% (+€9.1m).
- 12M: RevPAR increase of +14.4% during the year, explained by the growth of +7.2% in ADR and +6.8% in occupancy, explained by the 2016 refurbishments, the recovery of Brussels (at LFL RevPAR level +21%, entirely due to higher activity) and the good LFL performance of Amsterdam (+9%) and the secondary cities in Holland (+10%) during the year.

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- The LFL growth of revenue in 2017, excluding refurbishments, was +8.1%, supported by the LFL growth of Brussels (+19.0%), Amsterdam (+6.7%) and secondary cities in Holland (+7.6%). Including the hotels refurbished in 2016, the reported growth is +12.8% (+€38.4m).
- Operating expenses increased by +7.1% (+€14.4m) in 2017 due to higher activity (occupancy +6.8%), increased expenses for the hotels refurbished in 2016 (accounting for 37% of the increase) and higher commissions due to a segmentation change.
- GOP grew by +24.8% (+€24.0m) and EBITDA for the year reached €69.2m, representing a +41.9% improvement, equivalent to +€20.4m, reporting a conversion rate of incremental revenue into EBITDA of 53%.

Central Europe B.U.:

- Q4: RevPAR decrease of -1.2% in with a +1.8% increase in occupancy and a -3.0% decrease in ADR, due to the 2016 trade fair calendar in Germany (Q4 RevPAR 2016: +6.9%). The LFL revenue grew by +2.6% and including the opportunity cost of the refurbishment of 2 hotels (-€0.4m in revenue), the revenue growth fell to +0.5% (+€0.5m) in Q4.
- 12M: RevPAR increase of +1.4% in 2017 with an increase of +2.9% in occupancy and a decrease of -1.4% in ADR, due to the difficult comparison given the fair calendar. At the LFL level, revenue grew by +2.1% despite the difficult comparison in Germany. Including the opportunity cost of the refurbishment of 3 hotels in Berlin, Munich and Hamburg, amounting to -€5.3m in 2017, the year's revenue growth fell to +0.2% in LFL&R.
  - Slight reduction of -0.3% (-€0.7m) in operating expenses with EBITDA reaching €24.9m for the year, implying a fall of -€1.8m (-6.6%) as a whole, entirely explained by the 3 hotels under refurbishment during the year and the difficult comparison with the previous year's fairs.

Americas B.U.:

- Q4: RevPAR decrease of -1.9%, fully explained by the negative impact of the exchange rate, mainly in Argentina (-18%) and Colombia (-14%). At constant exchange rates revenue would have grown +16.4% in Q4 but at real exchange rates revenue increased by +1.9%.
- 12M: RevPAR grew by +8.3% with ADR increases of +4.6% (accounting for 56%) and occupancy increases of +3.5%. Revenue increased by +4.5% (+€5.9m) at real exchange rates in 2017. Excluding the negative impact of the currency (-€6.5m), revenue would have grown by +9.6%, equivalent to +€12.4m.
  - By region, Mexico grew revenues by +5.3% (+€1.8m) despite the -3% depreciation in the currency during the year and the impact of the earthquake (-€1.6m vs 2017 Plan). At constant exchange rates, the revenue growth is +8.6%. The growth is mainly explained by the refurbishment of the NH Collection Mexico City Reforma Hotel in 2016, with a high conversion to EBITDA.
  - In Argentina, revenue grew by +17.8% (+€5.8m) at real exchange rates, despite the -13% depreciation in the currency. The increase is explained by both a higher level of activity (+11.8% in occupancy) and by a +6.7% increase in average prices.
  - At Hoteles Royal, revenue decreased by -3.8% during the year due to the refurbishment of a key hotel in Chile and the higher supply in Bogota, with a flat evolution of Colombia's currency.

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Consolidated Income Statement

NH HOTEL GROUP P&L ACCOUNT								
(€ million)	Q4 2017	Q4 2016	Var.		12M 2017	12M 2016	Var.	
	€ m.	€ m.	€ m.	%	€ m.	€ m.	€ m.	%
TOTAL REVENUES	**402.5**	**379.0**	**23.4**	**6.2%**	**1,571.1**	**1,474.6**	**96.5**	**6.5%**
Staff Cost	(134.7)	(130.5)	(4.2)	3.2%	(528.6)	(515.1)	(13.5)	2.6%
Operating expenses	(125.4)	(120.7)	(4.7)	3.9%	(493.6)	(477.0)	(16.6)	3.5%
GROSS OPERATING PROFIT	**142.4**	**127.9**	**14.5**	**11.3%**	**548.8**	**482.5**	**66.3**	**13.8%**
Lease payments and property taxes	(79.7)	(71.6)	(8.1)	11.3%	(315.7)	(301.6)	(14.1)	4.7%
EBITDA BEFORE ONEROUS	**62.7**	**56.3**	**6.4**	**11.4%**	**233.1**	**180.9**	**52.2**	**28.9%**
Margin % of Revenues	15.6%	14.9%	0.7p.p.	N/A	14.8%	12.3%	2.6p.p.	N/A
Onerous contract reversal provision	1.2	0.8	0.4	48.5%	4.2	5.0	(0.8)	(15.6%)
EBITDA AFTER ONEROUS	**63.9**	**57.1**	**6.8**	**11.9%**	**237.3**	**185.9**	**51.5**	**27.7%**
Depreciation	(30.5)	(26.4)	(4.1)	15.4%	(111.4)	(101.7)	(9.7)	9.5%
EBIT	**33.4**	**30.7**	**2.7**	**8.9%**	**125.9**	**84.1**	**41.8**	**49.6%**
Interest expense	(16.6)	(15.4)	(1.1)	7.3%	(58.0)	(52.4)	(5.6)	10.7%
Income from minority equity interests	(0.4)	0.1	(0.5)	N/A	(0.3)	0.1	(0.4)	N/A
EBT	**16.5**	**15.4**	**1.2**	**7.5%**	**67.5**	**31.8**	**35.7**	**112.3%**
Corporate income tax	(7.8)	(7.7)	(0.1)	0.6%	(29.0)	(17.0)	(12.1)	71.3%
NET INCOME before minorities	**8.7**	**7.6**	**1.1**	**14.4%**	**38.5**	**14.9**	**23.6**	**159.1%**
Minority interests	(1.0)	(0.7)	(0.4)	60.0%	(3.7)	(3.4)	(0.3)	9.7%
NET RECURRING INCOME	**7.7**	**7.0**	**0.7**	**10.2%**	**34.8**	**11.5**	**23.3**	**N/A**
Non Recurring EBITDA	10.0	1.7	8.3	N/A	18.8	43.9	(25.1)	N/A
Other Non Recurring items	(6.7)	0.5	(7.2)	N/A	(18.1)	(24.6)	6.5	N/A
NET INCOME including Non-Recurring	**11.0**	**9.2**	**1.8**	**19.3%**	**35.5**	**30.8**	**4.7**	**15.4%**

2017 Comments:

- **Solid revenue growth of +6.5%** (+7.0% at constant exchange rates) amounting to €1,571M (+€97m) in the year.
  - In the like-for-like ("LFL") perimeter, excluding refurbishments, revenue grew +6.2%.
  - Excellent performance of Benelux (+12.8%) and Spain (+11.8%) and difficult comparison in Germany due to the 2016 trade fair calendar and the refurbishment of three hotels.
- **Evolution of Costs:** cost control in the year despite the growth in occupancy (+3.4%), exceeding the cost efficiency target and obtaining €11m of savings during the year.
  - **Payroll costs** rose by +2.6% (+€13.5m), mainly explained by higher levels of activity in Spain, Benelux and Central Europe and the hotels refurbished in 2016 & 2017, which account for 21% of the increase.
  - **Other operating expenses** increased by +3.5% (+€16.6m) mainly due to higher levels of activity and increased commissions due to the evolution of the sales channels mix. The impact of the hotels refurbished in 2016 and 2017 explains 26% of this increase.
- **Improvement of +€66.3m (+13.8%) at GOP level**. The revenue margin improved by +2.2 p.p. reaching 34.9%. Leases and property taxes increased by -€14.1m (+4.7%). The 2016 and 2017 refurbishments account for 33% of the total increase and the variable components of the contracts for 35%.

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- Revenue growth together with cost control allows to close the year with a **Recurring EBITDA** growth of +29% reaching €233m, above the €230m target and offsetting the negative effects of Barcelona and the earthquake in Mexico. This represents an increase of +€52m in the year and a conversion rate of 54% of the increased revenue into EBITDA, despite the higher occupancy level (+3.4%) and achieving a margin of 14.8% (+2.6 p.p.).

- **Depreciation**: the -€9.7m increase during the year includes -€3.5m amortisation of the new management agreement with Hesperia, and the rest corresponds to the impact of the 2016 and 2017 repositioning investments.

- **Financial Costs:** the -€5.6m increase is explained mainly by:

    - Q3 2016 refinancing: issuance of the 2023 Bond (3.75% coupon) to refinance bank debt with maturities in 2017 and 2018, plus the signing of a long-term credit facility of €250m (fully undrawn).
    - Q2 2017 refinancing: refinancing of €150m of the 2019 Bond (6.875% coupon) with a TAP of €115m from the 2023 Bond (3.75% coupon, maturity cost of 3.17%) and cash.
    - Voluntary early repayment of €100m of the 2019 Bond (30 November 2017) and extension of the undrawn €250m RCF until 2021.
    - In 2018, the impact in P&L will be €12.9m in coupon savings in cash.

- **Income tax:** the higher Income Tax (-€12.1m) is due to the improvement of the business (-€8.9m) and higher taxes (-€3.5m) caused by a lower activation of negative tax bases in Italy and a greater application of activated negative tax bases in Central Europe.

- **Recurring Net Profit tripled compared to 2016, reaching €34.8m,** representing a **+€23.3m increase** in the year, entirely explained by the improvement in the business.

- **Total Net Profit stood at €35.5m,** an increase of +€4.7m **(+15.4%)** compared to 2016. The comparison is affected by the higher net capital gains from asset rotation registered in 2016 (+€23m compared to 2017).

Q4 2017 Comments:

- **Revenue** grew by +6.2%, reaching €402m (+€23m). The good performance of Benelux (+11.5%), Spain (+8.0%; despite the political conflict in Barcelona) and Italy (+7.7%) allows to report a total LFL&R growth of +6.1% (+7.6% at constant exchange rates). Lower contribution from Central Europe (Germany) affected by the refurbishment of two hotels (-€0.4m lower revenue due to opportunity cost) and the calendar of fairs in 2016.

- Cost control allows to report in Q4 a conversion rate of 62% at gross operating profit (GOP) level. The comparison of lease payments compared to Q4 2016 is affected by the positive impact of the linearization of rents in Q4 2016, totaling +€4.1m.

- **Recurring EBITDA** grew by +11.4%, representing an increase of +€6m. Excluding this impact of rent linearization, the conversion rate is 45% (27% reported).

- **Recurring Net Profit** in Q4 amounted to €7.7m, representing an improvement of +€0.7m (+10.2%) compared to Q4 2016 due to higher depreciation costs (new Hesperia agreement) and higher interests due to the voluntary early repayment of €100m of the 2019 Bond (30 November 2017).

- **Total Net Profit** of €11.0m, including the non-recurring activity of net capital gains due to asset rotation, largely reduced by redundancy payments, accelerated depreciation due to repositioning CapEx and legal provisions.

Financial Debt and Liquidity

As of 31/12/2017	Maximum			Repayment schedule								
Data in Euro million	Available	Availability	Drawn	2018	2019	2020	2021	2022	2023	2024	2025	Rest
Senior Credit Facilities												
Senior Secured Notes due 2023	400.0	-	400.0	-	-	-	-	-	400.0	-	-	-
Senior Secured RCF due in 2021	250.0	250.0	-	-	-	-	-	-	-	-	-	-
Total debt secured by the same Collateral	**650.0**	**250.0**	**400.0**	**-**	**-**	**-**	**-**	**-**	**400.0**	**-**	**-**	**-**
Other Secured loans (1)	40.4	-	40.4	7.5	2.8	2.6	2.6	2.1	6.1	1.4	1.0	14.5
Total secured debt	**690.4**	**250.0**	**440.4**	**7.5**	**2.8**	**2.6**	**2.6**	**2.1**	**406.1**	**1.4**	**1.0**	**14.5**
Convertible Bonds due 2018	250.0	-	250.0	250.0	-	-	-	-	-	-	-	-
Unsecured loans and credit facilities (2)	71.5	66.3	5.1	4.2	0.6	0.3	-	-	-	-	-	-
Subordinated loans	40.0	-	40.0	-	-	-	-	-	-	-	-	40.0
Total unsecured debt	**361.5**	**66.3**	**295.1**	**254.2**	**0.6**	**0.3**	**-**	**-**	**-**	**-**	**-**	**40.0**
Total Gross Debt	**1,051.9**	**316.3**	**735.6**	**261.7**	**3.4**	**2.9**	**2.6**	**2.1**	**406.1**	**1.4**	**1.0**	**54.5**
Cash and cash equivalents (3)			**(80.2)**									
Net debt			**655.4**									
Equity Component Convertible Bond			(5.4)	(5.4)								
Arranging loan expenses			(19.3)	(4.4)	(3.1)	(3.2)	(3.2)	(2.8)	(2.2)	(0.0)	(0.0)	(0.3)
Accrued interests			6.0	6.0								
Total adjusted net debt			**636.7**									

(1) Bilateral mortgage loans.

(2) Comprises €2.0 million drawn under a bilateral credit line and other debt facilities with amortization schedule.

(3) Not included in cash position. As of December 31st 2017, the Company had 9,416,368 treasury shares in its balance sheet, of which 9m shares correspond to a loan of securities linked to the convertible bond issued in November 2013. Of those 9m shares, as of December 31st 2017, 7,615,527 shares had been returned and are therefore held by NH although they remain available to the financial institutions. In addition, in August 2016 the Company purchased 600,000 treasury shares and up to December 31st 2017, the Company has delivered 183,632 shares to management under the Long Term Incentive Program, resulting in a net amount of 416,368 shares . Treasury stock reflected in the balance sheet calculated with the price as of December 31st 2017 (€6.00 per share) totals 56.5M€.

- **Net financial debt decreased to €655m** compared to €747m at 31st December 2016, due to the favourable generation of operating cash flow for the period (+€207m) offsetting the CapEx (-€71m) and net financial costs and dividends paid (-€71m) during the period. The cash inflow from asset rotation (+€60m) offsets the last payment for the acquisition of Hoteles Royal, S.A. (-€19.6m) and the first payment of the Hesperia management agreement (-€11.0m).

- At 31st December 2017, the Company had cash amounting to €80.2m and available credit lines amounting to €316.3m, out of which €250m relate to the long-term syndicated credit facility signed in September 2016 (maturity in 2021).

- **Early and voluntary full repayment of the outstanding balance of the 2019 Bond for the amount of €100m** on 30th November 2017 with cash. Advantages:
    - Reducing the level of gross debt and extending the average life from 4.1 years(1) at 30th September 2017 to 4.3 years(1) at 31st December 2017.
    - Lower average cost of debt from 4.2% at 30th September 2017 to 3.9% at 31st December 2017.
    - Net interest savings of €10m from 30th November 2017 to 15th November 2019.
    - Ease the collateralisation ratio required for the guaranteed debt.
    - Automatic 2-year extension on the RCF available for an amount of €250m until September 2021.

- On 24th March 2017 the credit rating agency Fitch improved the outlook for the corporate rating of the Group from "B with a stable outlook" to "B with a positive outlook" based on its increased liquidity and improved operations.

(1) Excludes subordinated debt

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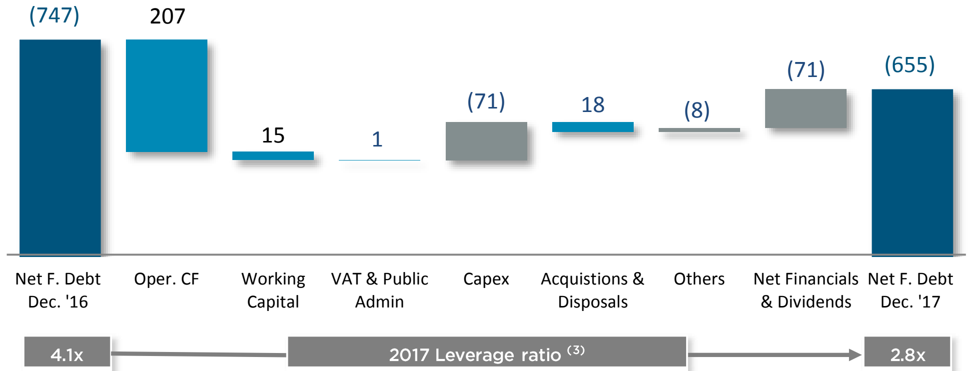
- On 27th September 2017, the credit rating agency Moody's improved the outlook for the corporate rating of the Group from "B2 with a stable outlook" to "B2 with a positive outlook", mainly due to improved operations, the repositioning plan for its hotels that has enabled NH to increase its revenue and profitability, the cost saving plan and the significant improvement in its liquidity position.
- On 27th September 2017, the credit rating agency Standard & Poor's improved its opinion on the Group's business profile, mainly due to its repositioning plan that improves revenues and profitability.

Net Financial Debt Evolution 2017



Financial Position: 31st December 2017
Gross Financial Debt: (€736m)
Cash: €80m
Net Financial Debt: (€655m)(1)

Treasury Stock in Balance Sheet not included in cash position(2)
Number of shares: 9.4m
Market Value: €56.5m

(1) NFD excluding accounting adjustments for the portion of the convertible bond treated as Equity, arrangement expenses and accrued interest. Including these accounting adjustments, the Adj. NFD would be (€637m) at 31st Dec. 2017 and (€725m) at 31st Dec. 2016.

(2) As of 31st December 2017, the Company had 9,416,368 treasury shares in its balance sheet, of which 9m shares correspond to a loan of securities linked to the convertible bond issue in November 2013. Of those 9m shares, as of 31st December 2017, 7,615,527 had been returned and are therefore held by NH although they remain available to the financial institutions. In addition, in August 2016 the Company purchased 600,000 treasury shares and in 2017 the Company has delivered 183,632 shares to management under the Long Term Incentive Program, resulting in a net amount of 416,368. Treasury stock in € calculated with the price as of 31st December 2017 (€6.00 per share) totals €56.5m.

(3) Leverage ratio: Net Financial Debt / Recurring EBITDA before onerous reversal and capital gains from asset disposals.

Cash flow generation in the twelve months of the year:

- (+) +€206.9m in operating cash flow, including the -€16.3m in financial costs from credit cards and -€21.9m of taxes paid.
- (+) Working capital: Improvement due to the reduction in the average collection period (down from 23 days in December 2016 to 18 days in December 2017)
- (-) CapEx payments: -€70.5m in 2017. The CapEx carried out for an amount of €14m in the final part of the year will be disbursed in 2018.
- (+) Acquisitions & Disposals: +€60.4m from asset rotation, -€19.6m from the last payment for the acquisition of Hoteles Royal in 2015, -€11.0m for the first payment of the Hesperia agreement and -€10.8m (-€8.8m debt and -€2.0m cash outflow) for the acquisition of 2 leased hotels restructured.
- (-) Other: payment of legal provisions.
- (-) Net financial payments and Dividends: -€52.6m in net financial expenses, including -€9.7m relating to refinancing in Q2 2017 and the early repayment of the 2019 Bond, and -€17.1m of 2016 dividend excluding minorities paid in July 2017.

Appendix

NH | HOTEL GROUP

NH HOTELS   NH COLLECTION   nhow   Hesperia RESORTS

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Appendix I: In accordance with the Directives published by the ESMA in relation to Alternative Performance Measures (APMs), below it has been defined and reconciled the APMs used by the Group within the Results Publication of 12 months of 2017.

In addition, the abridged consolidated financial statements as at 31 December 2017 are shown below:

NH HOTEL GROUP, S.A. AND SUBSIDIARIES
ABRIDGED CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2017 AND 31 DECEMBER 2016
(Thousands of euros)

ASSETS	Note	31/12/2017	31/12/2016	NET ASSETS AND LIABILITIES	Note	31/12/2017	31/12/2016
NON-CURRENT ASSETS:				**EQUITY:**			
Goodwill	6	111,684	117,736	Share capital	14	700,544	700,544
Intangible assets	7	151,083	126,453	Reserves of the parent company	14	526,243	412,827
Property, plant and equipment	8	1,583,164	1,701,428	Reserves of fully consolidated companies		38,877	137,512
Investments accounted for using the equity method	9	9,419	10,646	Reserves of companies consolidated using the equity method		(23,087)	(23,206)
Non-current financial investments-	10	75,895	91,056	Other equity instruments		27,230	27,230
Loans and accounts receivable not available for trading		*65,154*	*78,385*	Exchange differences		(157,542)	(133,765)
Other non-current financial investments		*10,741*	*12,671*	Treasury shares and shareholdings	14	(39,250)	(39,983)
Deferred tax assets	18	137,996	152,389	Consolidated profit for the period		35,489	30,750
Other non-current assets		16,448	18,939	**Equity attributable to the shareholders of the Parent Company**		**1,108,504**	**1,111,909**
Total non-current assets		**2,085,689**	**2,218,647**	Non-controlling interests	14	43,472	43,967
				Total equity		**1,151,976**	**1,155,876**
				NON-CURRENT LIABILITIES			
				Debt instruments and other marketable securities	15	387,715	763,637
				Debts with credit institutions	15	71,246	72,720
				Other financial liabilities		12,481	1,435
				Other non-current liabilities	16	38,976	34,037
				Provisions for contingencies and charges	17	50,413	52,900
				Deferred tax liabilities	18	167,433	174,987
				Total non-current liabilities		**728,264**	**1,099,716**
CURRENT ASSETS:							
Non-current assets classified as held for sale	11	109,166	46,685	**CURRENT LIABILITIES:**			
Inventories		9,809	9,870	Liabilities associated with non-current assets classified as held for sale	11	2,377	2,661
Trade receivables	12	132,582	146,197	Debt instruments and other marketable securities	15	246,195	2,233
Non-trade receivables-		42,786	54,510	Debts with credit institutions	15	11,724	23,226
Tax receivables	*18*	*23,743*	*29,231*	Other financial liabilities		11,618	1,076
Other non-trade debtors		*19,043*	*25,279*	Trade and other payables	19	222,951	229,769
Short-term financial investments		-	1,918	Tax payables	18	45,860	44,938
Cash and cash equivalents	13	80,249	136,733	Provisions for contingencies and charges	17	8,971	11,462
Other current assets		11,423	12,677	Other current liabilities	21	41,768	56,280
Total current assets		**386,015**	**408,590**	**Total current liabilities**		**591,464**	**371,645**
TOTAL ASSETS		**2,471,704**	**2,627,237**	**NET ASSETS AND LIABILITIES**		**2,471,704**	**2,627,237**

NH HOTEL GROUP, S.A. AND SUBSIDIARIES

CONSOLIDATED COMPREHENSIVE PROFIT AND LOSS STATEMENT FOR THE YEARS 2017 AND 2016
(Thousands of euros)

	Note	2017	2016
Revenues	24.1	1,546,086	1,447,903
Other operating income	24.1	11,101	7,687
Net gains on disposal of non-current assets	7, 8 and 24.1	30,148	41,526
Procurements		(75,712)	(66,857)
Staff costs	24.3	(427,140)	(415,889)
Depreciation and amortisation charges	7 and 8	(123,085)	(114,170)
Net Profits/(Losses) from asset impairment	6, 7 and 8	9,005	(2,686)
Other operating expenses		(815,011)	(791,011)
Variation in the provision for onerous contracts	*17*	*4,216*	*4,163*
Other operating expenses	*24.4*	*(819,227)*	*(795,174)*
Gains on financial assets and liabilities and other		(1,927)	9,856
Profit (Loss) from entities valued through the equity method	9	(349)	119
Financial income	24.2	2,995	3,310
Change in fair value of financial instruments	24.2	(7)	435
Financial expenses	24.6	(76,747)	(72,304)
Net exchange differences (Income/(Expense))		(6,360)	(3,561)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**72,997**	**44,357**
Income tax	18	(33,512)	(7,935)
PROFIT FOR THE PERIOD - CONTINUING		**39,485**	**36,422**
Profit (loss) for the year from discontinued operations net of tax	11	(278)	(2,274)
PROFIT FOR THE PERIOD		**39,207**	**34,148**
Exchange differences		(26,494)	(3,203)
Income and expenses recognised directly in equity		**(26,494)**	**(3,203)**
TOTAL COMPREHENSIVE PROFIT		**12,713**	**30,945**
Profit / (Loss) for the year attributable to:			
Parent Company Shareholders		*35,489*	*30,749*
Non-controlling interests		*3,718*	*3,399*
Non-controlling interests in discontinued operations		-	-
Comprehensive Profit / (Loss) attributable to:			
Parent Company Shareholders		*11,712*	*27,332*
Non-controlling interests	*14.4*	*1,001*	*3,614*
Profit per share in euros (basic)	5	**0.104**	**0.090**

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NH HOTEL GROUP, S.A. AND SUBSIDIARIES

ABRIDGED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE TWELVE-MONTH PERIODS ENDED

31 DECEMBER 2017 AND 31 DECEMBER 2016

(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
	700,544	**527,133**	**(39,983)**	**30,750**	**27,230**	**(133,765)**	**43,967**	**1,155,876**
	-	-	-	-	-	-	-	-
Adjusted balance at 31/12/2016	**700,544**	**527,133**	**(39,983)**	**30,750**	**27,230**	**(133,765)**	**43,967**	**1,155,876**
Net profit (loss) for 2017	-	-	-	35,489	-	-	3,718	39,207
Exchange differences	-	-	-	-	-	(23,777)	(2,717)	(26,494)
Total recognised income / (expense)	**-**	**-**	**-**	**35,489**	**-**	**(23,777)**	**1,001**	**12,713**
Transactions with shareholders or owners	**-**	**(15,548)**	**733**	**-**	**-**	**-**	**(1,496)**	**(16,311)**
Distribution of dividends	-	(17,056)	-	-	-	-	(1,496)	(18,552)
Treasury share transactions (net)	-	-	-	-	-	-	-	-
Remuneration Scheme in shares	-	1,508	733	-	-	-	-	2,241
Other changes in equity	**-**	**30,448**	**-**	**(30,750)**	**-**	**-**	**-**	**(302)**
Transfers between equity items	-	30,750	-	(30,750)	-	-	-	-
Other changes	-	(302)	-	-	-	-	-	(302)
Ending balance at 31/12/2017	**700,544**	**542,033**	**(39,250)**	**35,489**	**27,230**	**(157,542)**	**43,472**	**1,151,976**

	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
Adjusted balance at 31/12/2015	**700,544**	**527,317**	**(37,561)**	**938**	**27,230**	**(130,347)**	**37,963**	**1,126,084**
Net profit (loss) for 2017	-	-	-	30,750	-	-	3,399	34,149
Exchange differences	-	-	-	-	-	(3,418)	215	(3,203)
Total recognised income / (expense)	**-**	**-**	**-**	**30,750**	**-**	**(3,418)**	**3,614**	**30,946**
Transactions with shareholders or owners	**-**	**1,927**	**(2,422)**	**-**	**-**	**-**	**1,533**	**1,038**
Distribution of dividends	-	-	-	-	-	-	(1,056)	(1,056)
Treasury share transactions (net)	-		(2,422)	-	-	-	-	(2,422)
Remuneration Scheme in shares	-	1,927	-	-	-	-	-	1,927
Business combination		-	-	-	-	-	2,589	2,589
Other changes in equity	**-**	**(2,111)**	**-**	**(938)**	**-**	**-**	**857**	**(2,192)**
Transfers between equity items	-	938	-	(938)	-	-	-	-
Other changes	-	(3,049)	-	-	-	-	857	(2,192)
Ending balance at 31/12/2016	**700,544**	**527,133**	**(39,983)**	**30,750**	**27,230**	**(133,765)**	**43,967**	**1,155,876**

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NH HOTEL GROUP, S.A. AND SUBSIDIARIES

NH HOTEL GROUP, S.A. AND SUBSIDIARIES

ABRIDGED CONSOLIDATED CASH FLOW STATEMENTS PRODUCED IN THE TWELVE MONTH PERIODS ENDED 31 DECEMBER 2017 AND 31 DECEMBER 2016

(Thousands of euros)

	31.12.2017 (*)	31.12.2016 (*)
1. OPERATING ACTIVITIES		
Consolidated profit (loss) before tax:	**72,997**	**44,358**
Adjustments:		
Depreciation of tangible and amortisation of intangible assets (+)	123,085	114,171
Impairment losses (net) (+/-)	(9,005)	2,685
Allocations for provisions (net) (+/-)	(4,216)	(4,163)
Gains/Losses on the sale of tangible and intangible assets (+/-)	(30,148)	(41,526)
Gains/Losses on investments valued using the equity method (+/-)	349	(119)
Financial income (-)	(2,995)	(3,310)
Financial expenses and variation in fair value of financial instruments (+)	76,754	71,869
Net exchange differences (Income/(Expense))	6,360	3,561
Profit (loss) on disposal of financial investments	1,927	(9,856)
Other non-monetary items (+/-)	10,036	19,692
Adjusted profit (loss)	**245,144**	**197,362**
Net variation in assets / liabilities:		
(Increase)/Decrease in inventories	61	(290)
(Increase)/Decrease in trade debtors and other accounts receivable	10,405	28,622
(Increase)/Decrease in other current assets	6,072	13,960
Increase/(Decrease) in trade payables	(3,088)	(24,586)
Increase/(Decrease) in other current liabilities	(196)	(23,478)
Increase/(Decrease) in provisions for contingencies and expenses	(7,196)	(7,710)
(Increase)/Decrease in non-current assets	748	291
Increase/(Decrease) in non-current liabilities	*(412)*	*5,784*
Income tax paid	(21,903)	(13,381)
Total net cash flow from operating activities (I)	**229,635**	**176,574**
2. INVESTMENT ACTIVITIES		
Finance income	**1,345**	**2,013**
Investments (-):		
Group companies, joint ventures and associates	(22,269)	(5,597)
Tangible and intangible assets and investments in property	(81,750)	(139,392)
	(104,019)	**(144,989)**
Disinvestment (+):		
Group companies, joint ventures and associates	62	-
Tangible and intangible assets and investments in property	60,301	88,590
Non-current financial investments	-	30,723
	60,363	**119,313**
Total net cash flow from investment activities (II)	**(42,311)**	**(23,663)**
3. FINANCING ACTIVITIES		
Dividends paid out (-)	(18,552)	(1,056)
Interest paid on debts (-)	(67,781)	(53,926)
Financial expenses for means of payment	(16,317)	(14,472)
Interest paid on debts and other interest	(51,464)	(29,454)
Variations in (+/-):		
Equity instruments		
- Treasury shares	-	(2,422)
Debt instruments:		
- Bonds and other tradable securities (+)	-	285,000
- Bonds and other tradable securities (+)	(135,000)	-
- Loans from credit institutions (+)	-	28,217
- Loans from credit institutions (-)	(21,772)	(349,874)
- Finance leases		
- Other financial liabilities (+/-)	(681)	(372)
Total net cash flow from financing activities (III)	**(243,786)**	**(94,433)**
4. GROSS INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III)	(56,462)	58,478
5. Effect of exchange rate variations on cash and cash equivalents (IV)	-	591
6. Effect of variations in the scope of consolidation (V)	(22)	(35)
7. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III-IV+VI)	(56,484)	59,034
8. Cash and cash equivalents at the start of the financial year	**136,733**	**77,699**
9. Cash and cash equivalents at the end of the financial year (7+8)	**80,249**	**136,733**

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A) Definitions

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

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

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

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

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

		12M 2017 M €.	12M 2016 M €.
Total revenues	A+B	**1,571.1**	**1,474.6**
Total recurring revenue LFL & Refurbishment	A	1,533.1	1,434.8
Openings, closing & others	B	38.0	39.7

It has been provided a reconciliation for the "Total Revenues" line in Point II for the period of 12 months ended 31 December 2017.

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

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

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

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

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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 Results Publication of 12 months of 2017:

I. ADR y RevPAR

Results Publication of 12 months of 2017 details the cumulative evolution of RevPAR and ADR in the following tables:

NH HOTEL GROUP REVPAR 12M 2017/2016

	AVERAGE ROOMS			OCCUPANCY %			ADR			REVPAR		
	2017	2016	Hab Oc.17	2017	2016	% Var	2017	2016	% Var	2017	2016	% Var
Spain & Portugal LFL & R	10,832	10,808	2,904,548	73.5%	70.4%	4.3%	93.1	84.8	9.8%	68.4	59.7	14.5%
Total B.U. Spain	11,083	11,197	2,963,930	73.3%	70.3%	4.2%	92.7	84.2	10.1%	67.9	59.2	14.7%
Italy LFL & R	6,986	7,027	1,759,699	69.0%	68.5%	0.8%	113.8	107.7	5.6%	78.5	73.7	6.5%
Total B.U. Italy	7,163	7,460	1,805,026	69.0%	67.6%	2.1%	115.6	108.2	6.8%	79.8	73.2	9.0%
Benelux LFL & R	8,435	8,234	2,185,105	71.0%	66.5%	6.8%	104.7	97.6	7.2%	74.3	64.9	14.4%
Total B.U. Benelux	8,757	8,396	2,257,747	70.6%	66.3%	6.5%	104.9	97.9	7.2%	74.1	64.9	14.1%
Central Europe LFL & R	12,199	12,295	3,275,509	73.6%	71.5%	2.9%	86.4	87.7	-1.4%	63.6	62.7	1.4%
Total B.U. Central Europe	12,199	12,452	3,275,509	73.6%	71.4%	3.0%	86.4	87.6	-1.4%	63.6	62.6	1.6%
Total Europe LFL & R	38,453	38,364	10,124,861	72.1%	69.6%	3.7%	97.0	92.5	4.9%	70.0	64.3	8.8%
Total Europe & EEUU Consolidat	39,203	39,505	10,302,212	72.0%	69.3%	3.9%	97.4	92.5	5.3%	70.1	64.1	9.3%
Latinamerica LFL & R	5,235	5,204	1,205,888	63.1%	61.9%	2.0%	76.8	75.8	1.3%	48.5	46.9	3.4%
Latinamerica Consolidated	5,386	5,204	1,218,452	62.0%	61.9%	0.2%	76.8	75.8	1.3%	47.6	46.9	1.4%
NH Hotels LFL & R	43,688	43,567	11,330,749	71.1%	68.6%	3.5%	94.9	90.7	4.6%	67.4	62.3	8.3%
Total Consolidated	44,589	44,708	11,520,664	70.8%	68.4%	3.4%	95.2	90.8	4.9%	67.4	62.1	8.5%

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

		12M 2017 € million	12M 2016 € million
A	Room revenues	1,094.4	1,104.2
	Other revenues	476.6	460.4
	Revenues according to profit & loss statement	**1,571.1**	**1,474.6**
B	Thousands of room nights	11,491	11,170
A / B = C	**ADR**	**95.2**	**90.8**
D	Occupancy	70.8%	68.4%
C x D	**RevPAR**	**67.4**	**62.1**

II. INCOME STATEMENT 12 MONTHS OF 2017 AND 2016

The Earnings Report of 12 months breaks down the table entitled “Recurring hotel activity” obtained from the “Consolidated Income Statement” appearing in the same Earnings Report.

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

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12 months 2017

	Income Statements	Reclasification according to the Financial Statements	Rebates	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	1,571.1	(1,571.1)	-	-	-	-	-	-		
Revenues	-	1,564.4	(18.4)	-	-	-	-	-	1,546.1	Revenues
Other operating income	-	11.1	-	-	-	-	-	-	11.1	Other operating income
APM TOTAL REVENUES	**1,571.1**	**4.5**	**(18.4)**	**-**	**-**	**-**	**-**	**-**	**1,557.2**	
Net gains on disposal of non-current assets	-	-	-	-	-	33.4	(3.3)	-	30.1	Net gains on disposal of non-current assets
APM Staff Cost	(528.6)	0.1	-	-	111.9	-	-	(10.6)	(427.1)	Staff costs
APM Operating expenses	(493.6)	(219.0)	-	16.3	(111.9)	(1.4)	0.3	(9.9)	(819.2)	Other operating expenses
Procurements	-	(94.1)	18.4	-	-	-	-	-	(75.7)	Procurements
		-				-	-	-		
APM GROSS OPERATING PROFIT	**548.8**	**(308.5)**	**-**	**16.3**	**-**	**32.0**	**(3.0)**	**(20.4)**	**265.3**	
APM Lease payments and property taxes	(315.7)	315.7	-	-	-	-	-	-	-	
APM EBITDA BEFORE ONEROUS	**233.1**	**7.2**	**-**	**16.3**	**-**	**32.0**	**(3.0)**	**(20.4)**	**265.3**	
APM Onerous contratc reversal provision	4.2	-	-	-	-	-	-	-	4.2	Variation in the provision for onerous contratcs
APM EBITDA AFTER ONEROUS	**237.3**	**7.2**	**-**	**16.3**	**-**	**32.0**	**(3.0)**	**(20.4)**	**269.5**	
Net Profits/(Losses) from asset impairment	-	2.3	-	-	-	-	6.7	-	9.0	Net Impairment losses
APM Depreciation	(111.4)	(3.4)	-	-	-	-	(8.3)	-	(123.1)	Depreciation
APM EBIT	**125.9**	**6.1**	**-**	**16.3**	**-**	**32.0**	**(4.5)**	**(20.4)**	**155.4**	
Gains on financial assets and liabilities and liabilities and other	-	(2.0)	-	-	-	-	-	-	(1.9)	Gains on financial assets and liabilities and other
APM Interest expense	(58.0)	(2.4)	-	(16.3)	-	-	-	-	(76.7)	Finance costs
Finance Income	-	3.0	-	-	-	-	-	-	3.0	Finance income
Change in fair value of financial instruments	-	-	-	-	-	-	-	-	(0.0)	Change in fair value of financial instruments
Net exchange differences (Income/(Expense))	-	(6.4)	-	-	-	-	-	-	(6.4)	Net exchange differences (Income/(Expemse))
APM Income from minority equity interests	(0.3)	-	-	-	-	-	-	-	(0.3)	Profit (loss) from companies accounted for using the equity method
APM EBT	**67.5**	**(1.6)**	**-**	**-**	**-**	**32.0**	**(4.5)**	**(20.4)**	**73.0**	**Profit (loss) before tax from continuing operations**
APM Corporate Income Tax	(29.0)	(4.5)	-	-	-	-	-	-	(33.5)	Income tax
APM Net Income before minorities	**38.5**	**(6.1)**	**-**	**-**	**-**	**32.0**	**(4.5)**	**(20.4)**	**39.5**	**Profit for the financial year - continuing**
Profit/ (Loss) for the year from discontinued operations net of tax	-	(0.3)	-	-	-	-	-	-	(0.3)	Profit (loss) for the year form discontinued operations net of tax
APM NET INCOME before minorities	**38.5**	**(6.3)**	**-**	**-**	**-**	**32.0**	**(4.5)**	**(20.4)**	**39.2**	**Profit for the financial year - continuing**
APM Minority interests	(3.7)	-	-	-	-	-	-	-	(3.7)	Non-controlling interests
APM Net Recurring Income	**34.8**	**(6.3)**	**-**	**-**	**-**	**32.0**	**(4.5)**	**(20.4)**	**35.5**	**Profits for the year attibutable to Parent Company Shareholders**
APM Non Recurring EBITDA	18.8	(7.2)	-	-	-	(32.0)	-	20.4		
APM Other Non Recurring items	(18.1)	13.6	-	-	-	-	4.5	-		
APM NET INCOME including Non-Recurring	**35.5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**35.5**	**Profits for the year attibutable to Parent Company Shareholders**

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12 months 2016

	Income Statements	Reclasification according to the Financial Statements	Rebates	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	1,474.6	(1,474.6)	-	-	-	-	-	-		
Revenues	-	1,466.9	(18.1)	-	-	-	-	(0.8)	1,447.9	Revenues
Other operating income	-	7.7	-	-	-	-	-	-	7.7	Other operating income
APM TOTAL REVENUES	**1,474.6**	-	**(18.1)**	-	-	-	-	**(0.8)**	**1,455.6**	
Net gains on disposal of non-current assets	-	-	-	-	-	(11.8)	53.2	0.1	41.5	Net gains on disposal of non-current assets
APM Staff Cost	(515.1)	-	-	-	111.3	-	-	(12.0)	(415.9)	Staff costs
APM Operating expenses	(477.0)	(216.6)	-	14.5	(111.3)	-	-	(4.8)	(795.2)	Other operating expenses
Procurements	-	(85.0)	18.1	-	-	-	-	0.0	(66.9)	Procurements
	-	-	-	-	-	-	-	-		
APM GROSS OPERATING PROFIT	**482.5**	**(301.6)**	-	**14.5**	-	**(11.8)**	**53.2**	**(17.6)**	**219.2**	
APM Lease payments and property taxes	(301.6)	301.6	-	-	-	-	-	-	-	
APM EBITDA BEFORE ONEROUS	**180.9**	-	-	**14.5**	-	**(11.8)**	**53.2**	**(17.6)**	**219.2**	
APM Onerous contratc reversal provision	5.0	-	-	-	-	(0.83)	-	-	4.2	Variation in the provision for onerous contratcs
APM EBITDA AFTER ONEROUS	**185.9**	-	-	**14.5**	-	**(12.6)**	**53.2**	**(17.6)**	**223.4**	
Net Profits/(Losses) from asset impairment	-	-	-	-	-	(2.69)	-	-	(2.7)	Net Impairment losses
APM Depreciation	(101.7)	-	-	-	-	(11.87)	-	(0.57)	(114.2)	Depreciation
APM EBIT	**84.1**	-	-	**14.5**	-	**(27.1)**	**53.2**	**(18.2)**	**106.5**	
Gains on financial assets and liabilities and liabilities and other	-	1.1	-	-	-	-	8.79	-	9.9	Gains on financial assets and liabilities and other
APM Interest expense	(52.4)	(5.4)	-	(14.5)	-	-	-	(0.01)	(72.3)	Finance costs
Finance Income	-	3.3	-	-	-	-	-	0.01	3.3	Finance income
Change in fair value of financial instruments	-	0.4	-	-	-	-	-	-	0.4	Change in fair value of financial instruments
Net exchange differences (Income/(Expense))	-	(3.6)	-	-	-	-	-	0.03	(3.6)	Net exchange differences (Income/(Expemse))
APM Income from minority equity interests	0.1	-	-	-	-	-	-	0.04	0.1	Profit (loss) from companies accounted for using the equity method
APM EBT	**31.8**	**(4.2)**	-	-	-	**(27.1)**	**62.0**	**(18.1)**	**44.4**	**Profit (loss) before tax from continuing operations**
APM Corporate Income Tax	(17.0)	9.0	-	-	-	-	-	-	(7.9)	Income tax
APM Net Income before minorities	**14.9**	**4.8**	-	-	-	**(27.1)**	**62.0**	**(18.1)**	**36.4**	**Profit for the financial year - continuing**
Profit/ (Loss) for the year from discontinued operations net of tax	-	(2.3)	-	-	-	-	-	-	(2.3)	Profit (loss) for the year form discontinued operations net of tax
APM NET INCOME before minorities	**14.9**	**2.5**	-	-	-	**(27.1)**	**62.0**	**(18.1)**	**34.1**	**Profit for the financial year - continuing**
APM Minority interests	(3.4)	-	-	-	-	-	-	-	(3.4)	Non-controlling interests
APM Net Recurring Income	**11.5**	**2.5**	-	-	-	**(27.1)**	**62.0**	**(18.1)**	**30.8**	**Profits for the year attibutable to Parent Company Shareholders**
APM Non Recurring EBITDA	43.9	-	-	-	-	-	(62.0)	18.1	-	
APM Other Non Recurring items	(24.6)	(2.6)	-	-	-	27.1	-	-	-	
APM NET INCOME including Non-Recurring	**30.8**	-	-	-	-	-	-	-	**30.8**	**Profits for the year attibutable to Parent Company Shareholders**

III. DEBT AND STATEMENT OF CASH FLOWS AS AT DECEMBER 2017 AND DECEMBER 2016

III.1 Debt presented in the earnings report of 12 months of 2017.

As of 31/12/2017 Data in Euro million	Maximum Available	Availability	Drawn	Repayment schedule 2018	2019	2020	2021	2022	2023	2024	2025	Rest
Senior Credit Facilities												
Senior Secured Notes due 2023	400.0	-	400.0	-	-	-	-	-	400.0	-	-	-
Senior Secured RCF (3+2 years)	250.0	250.0	-	-	-	-	-	-	-	-	-	-
Total debt secured by the same Collateral	**650.0**	**250.0**	**400.0**	-	-	-	-	-	**400.0**	-	-	-
Other Secured loans	40.4	-	40.4	7.5	2.8	2.6	2.6	2.1	6.1	1.4	1.0	14.5
Total secured debt	**690.4**	**250.0**	**440.4**	**7.5**	**2.8**	**2.6**	**2.6**	**2.1**	**406.1**	**1.4**	**1.0**	**14.5**
Convertible Bonds due 2018	250.0	-	250.0	250.0	-	-	-	-	-	-	-	-
Unsecured loans and credit facilities	71.5	66.3	5.1	4.2	0.6	0.3	-	-	-	-	-	-
Subordinated loans	40.0	-	40.0	-	-	-	-	-	-	-	-	40.0
Total unsecured debt	**361.5**	**66.3**	**295.1**	**254.2**	**0.6**	**0.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**40.0**
Total Gross Debt	**1,051.9**	**316.3**	**735.6**	**261.7**	**3.4**	**2.9**	**2.6**	**2.1**	**406.1**	**1.4**	**1.0**	**54.5**
Cash and cash equivalents			(80.2)									
Net debt			B **655.4**									
Equity Component Convertible Bond			b (5.4)	(5.4)								
Arranging loan expenses			a (19.3)	(4.4)	(3.1)	(3.2)	(3.2)	(2.8)	(2.2)	(0.0)	(0.0)	(0.3)
Accrued interests			c 6.0	6.0								
Total adjusted net debt			**636.7**									

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 12 months of 2017

Net financial debt 31 December 2017 and 31 December 2016 has been obtained from the consolidated balance sheet at 31 December 2017 and from the consolidated financial statements for 31 December 2016 and is as follows:

	12/31/2017	12/31/2016	VAR.
Debt instruments and other marketable securities according to financial statements	387,715	763,637	
Bank borrowings according to financial statements	71,246	72,720	
nd debt instruments ans other marketable securities according to financial statements	**458,961**	**836,357**	
Debt instruments and other marketable securities according to financial statements	246,195	2,233	
Bank borrowings according to financial statements	11,724	23,226	
nd debt instruments ans other marketable securities according to financial statements	**257,919**	**25,459**	
nd debt instruments ans other marketable securities according to financial statements	**716,880**	**861,816**	
Arrangement expenses	a 19,304	17,633	
Convertible liability	b 5,394	11,276	
Borrowing costs	c (6,024)	(7,149)	
APM Gross debt	**735,555**	**883,576**	
Cash and cash equivalents according to financial statements	(80,249)	(136,733)	
APM Net Debt	B **655,306**	A **746,843**	**(91,537)**

The following chart reconciles the change in net financial debt shown in the earnings report of 12 months of 2017:

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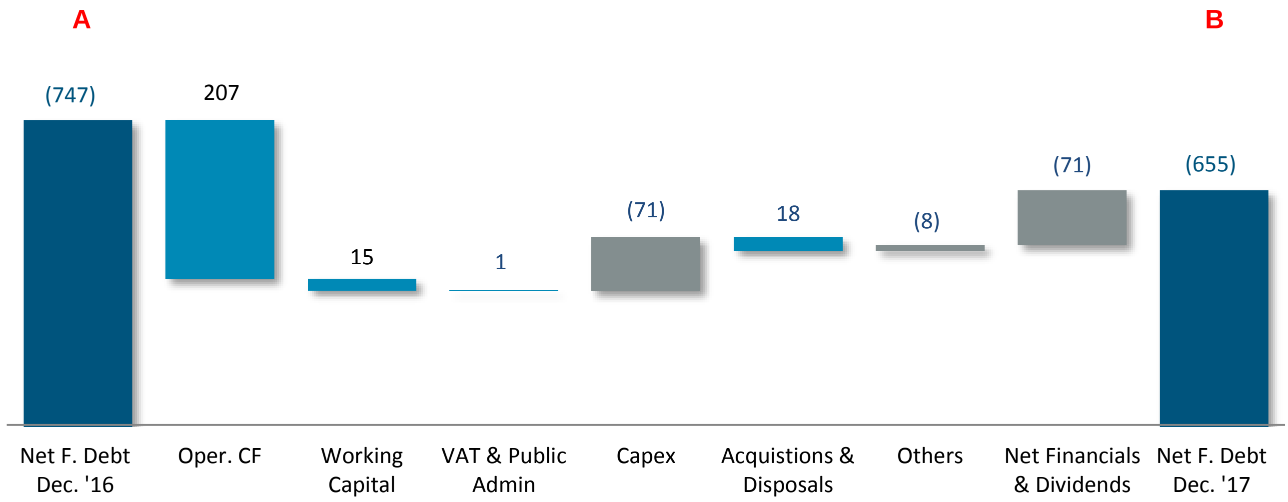
Net Financial Debt Evolution 12 months 2017



To do so, it has been taken each heading from the statement of cash flows in the financial statements as of 31 December 2017, the grouping is shown below:

	Net F. Debt Dec. '16	Oper. CF	VAT & Public Admin	Capex	Acquistions & Disposals	Others	Net Financials	Net Financials
Total	(206.9)	(14.8)	(0.9)	70.5	(18.1)	7.5	71.2	(91.5)
Adjusted profit (loss)	245.1							245.1
Income tax paid	(21.9)							(21.9)
Financial expenses for means of payments	(16.3)							(16.3)
(Increase)/Decrease in inventories		0.1						0.1
(Increase)/Decrease in trade debtors and other accounts receivable		10.4						10.4
(Increase)/Decrease in trade payables		4.3						4.3
(Increase)/Decrease in VAT & public Administration			0.9					0.9
Tangible and intangible assets and investments in property				(70.5)				(70.5)
Change in the scope of consolidation					(8.8)			(8.8)
Group companies, join ventures and associates					(22.2)			(22.2)
Tangible and intangible assets and investments in property					49.1			49.1
(Increase)/Decrease in current assets						0.0		0.0
(Increase)/Decrease in provision for contingencies and expenses						(7.2)		(7.2)
- Other financial liabilities (+/-)						(0.7)		(0.7)
Increase/(Decrease) in other non current assets and liabilities and others						0.3		0.3
Interests paid in debts and other interests (without means of payments)							(51.5)	(51.5)
Dividends paid							(18.6)	(18.6)
Paid expesnes due to the bond emission							(2.5)	(2.5)
Finance Income							1.3	1.3

All of the aforementioned information has been obtained from the condensed consolidated statement of cash flows from 31 December 2017 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 Exists

Hotels Signed from 1st January to 31st December 2017

City / Country	Contract	# Rooms	Opening
Frankfurt / Germany	Leased	428	2020
Frankfurt / Germany	Leased	375	2021
Valencia / Spain	Management	47	2018
Cancun / Mexico	Leased	140	2019
Lima / Peru	Management	265	2019
Milan / Italy	Management	150	2020
Brussels / Belgium	Leased	305	2018
Brussels / Belgium	Leased	214	2018
Total Signed Hotels		**1,924**	

Hotels Opened from 1st January to 31st December 2017

Hotels	City / Country	Contract	# Rooms
NH Curitiba The Five	Curitiba / Brazil	Leased	180
NH Marseille Palm Beach	Marseille / France	Management	160
NH Shijiazhuang Financial Center	Shijiazhuang / China	Management	78
NH Collection Eindhoven Centre	The Netherlands	Leased	132
NH San Luis Potosí	San Luis de Potosi / Mexico	Management	111
NH Puebla Finsa	Puebla / Mexico	Management	138
Total Openings			**799**

Hotels exiting from 1st January to 31st December 2017

Hotels	City / Country	Month	Contract	# Rooms
NH Brescia	Brescia / Italy	January	Leased	87
NH El Toro	Pamplona / Spain	January	Leased	65
NH Belagua	Barcelona / Spain	March	Leased	72
NH Ciutat de Vic	Barcelona / Spain	July	Leased	36
NH Forsthaus Fürth Nürnberg	Nuremberg / Germany	December	Leased	111
Total Exits				**371**

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HOTELS OPENED BY COUNTRY AT 31ST DECEMBER 2017

Business Unit	Country	TOTAL		Leased			Owned		Management		Franchised	
		Hotels	Rooms	Call Option	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
BU Benelux	Belgium	11	1,619		3	502	8	1,117				
	France	3	557		2	397			1	160		
	Luxembourg	1	148	1	1	148						
	South Africa	1	198		1	198						
	The Netherlands	36	6,841	2	19	3,083	16	3,290	1	468		
	United Kingdom	1	121		1	121						
BU Benelux		**53**	**9,484**	**3**	**27**	**4,449**	**24**	**4,407**	**2**	**628**		
BU Central Europe	Austria	6	1,183	1	6	1,183						
	Czech Republic	2	577						2	577		
	Germany	57	10,261	2	52	9,261	5	1,000				
	Hungary	1	160		1	160						
	Poland	1	93								1	93
	Romania	2	161		1	83			1	78		
	Slovakia	1	117						1	117		
	Switzerland	4	522		3	400					1	122
	USA	1	242				1	242				
BU Central Europe		**75**	**13,316**	**3**	**63**	**11,087**	**6**	**1,242**	**4**	**772**	**2**	**215**
BU Italy	Italy	51	7,904	1	34	5,395	13	1,880	4	629		
BU Italy		**51**	**7,904**	**1**	**34**	**5,395**	**13**	**1,880**	**4**	**629**		
BU Spain, Portugal & Andorra	Andorra	1	60						1	60		
	Portugal	3	278		2	171			1	107		
	Spain	132	16,641		75	9,143	11	1,790	39	5,117	7	591
BU Spain, Portugal & Andorra		**136**	**16,979**		**77**	**9,314**	**11**	**1,790**	**41**	**5,284**	**7**	**591**
BU America	Argentina	15	2,144				12	1,524	3	620		
	Brasil	1	180		1	180						
	Colombia	15	1,700		15	1,700						
	Cuba	1	220						1	220		
	Chile	4	498				4	498				
	Dominican Republic	6	2,503						6	2,503		
	Ecuador	1	124		1	124						
	Haiti	1	72						1	72		
	Mexico	15	2,402		4	581	4	685	7	1,136		
	Uruguay	1	136				1	136				
	Venezuela	4	1,186						4	1,186		
BU America		**64**	**11,165**		**21**	**2,585**	**21**	**2,843**	**22**	**5,737**		
BU China	China	1	78						1	78		
BU China		**1**	**78**						**1**	**78**		
TOTAL OPEN		**380**	**58,926**	**7**	**222**	**32,830**	**75**	**12,162**	**74**	**13,128**	**9**	**806**

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SIGNED PROJECTS AS OF 31ST DECEMBER 2017

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

Business Unit	Country	TOTAL		Leased			Owned		Management	
		Hotels	Rooms	Call Option	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
BU Benelux	Belgium	3	699		3	699				
	France	2	324		2	324				
	The Netherlands	1	650		1	650				
	United Kingdom	1	190						1	190
BU Benelux		**7**	**1,863**		**6**	**1,673**			**1**	**190**
BU Central Europe	Austria	1	157		1	157				
	Germany	5	1,396		5	1,396				
BU Central Europe		**6**	**1,553**		**6**	**1,553**				
BU Italy	Italy	3	394		2	244			1	150
BU Italy		**3**	**394**		**2**	**244**			**1**	**150**
BU Spain, Portugal & Andorra	Spain	3	205		2	158			1	47
BU Spain, Portugal & Andorra		**3**	**205**		**2**	**158**			**1**	**47**
BU America	Argentina	1	78						1	78
	Chile	3	361						3	361
	Mexico	5	674		4	530			1	144
	Panama	2	283		1	83	1	200		
	Peru	2	429						2	429
BU America		**13**	**1,825**		**5**	**613**	**1**	**200**	**7**	**1,012**
TOTAL SIGNED		**32**	**5,840**		**21**	**4,241**	**1**	**200**	**10**	**1,399**

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

	2018	2019	2020
Expected Investment (€ millions)	19.3	11.8	2.1

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2017 12M Results Presentation Conference Call

Thursday 1st of March 2018, 12.00pm (CET)

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

Speakers	Mr. Alfredo Fernández (Co-Chairman), Mr. Ramón Aragonés (CEO) and Ms. Beatriz Puente (CFO)
Date	1/03/2017
Time	12.00pm (CET)

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

SPAIN

+34 91 414 20 21

PIN CODE: 90434996#

PLAYBACK

Telephone number for the playback:	+34 91 789 63 20
Conference reference:	312197#

If you have any questions, please, do not hesitate to contact our Customer Service dialing +34 91 353 24 00 or writing e-mail to servicioalcliente@arkadin.es