

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:

1. Draw up of the individual and consolidated Annual Accounts and the Director’s Report of NH, including the non financial information, related to fiscal year 2018, that have been duly submitted to the Stock Market Commission (CNMV), together with the Audit report.
2. Approval of the Annual Corporate Governance Report and the Annual Directors’ Remuneration Report of NH related to fiscal year 2018, that have been sent to the CNMV.
3. Proposal to distribute a dividend of a gross €0.15 (fifteen cents of euro) per share that shall be charged to benefits of year 2018. The proposal shall be submitted to the following General Shareholders’ meeting.

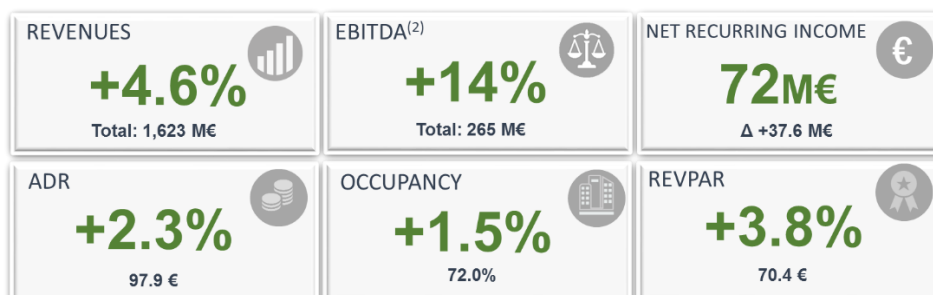
The Company attaches Press Release, Presentation and Result Report, as well as *conferece call dial- in* for the conference regarding results presentation.

Madrid, 25 February 2019

Carlos Ulecia
Secretary of the Board of Directors

-2018 Highlights: NH reports record results and reiterates guidance for 2019-

NH HOTEL GROUP DOUBLES ITS RECURRING NET PROFIT IN 2018 THANKS TO BUSINESS GROWTH AND DELEVERAGING



-NH Hotel Group's FY18⁽¹⁾ results-

- Group revenue increased by 4.6% to €1.62 billion, driven by business momentum in Europe, which more than offset the adverse impacts of currency movements in Latin America and the hotels under refurbishment
- Outperformance relative to its competitors in the main destinations served by the Group fuelled growth in revenue per available room (RevPAR) of 3.8%, shaped by growth in the ADR and occupancy of 2.3% and 1.5%, respectively
- EBITDA⁽²⁾ was 14% higher year-on-year at €265 million, driven by topline growth coupled with cost control. The EBITDA margin widened by 1.3 percentage points to 16.3%
- Recurring net profit doubled last year to €72 million, fuelled by business momentum and lower finance costs
- Reported net profit, including the gains recognised in 2018 resulting from the Group's asset rotation strategy and the impact of hyperinflation accounting in Latin America under IAS 29, increased by €82.3 million to €117.8 million in 2018
- The Group topped its deleveraging guidance for the year, reducing net debt by €484 million to end the year at -€171 million. Year-end borrowings implied a leverage ratio as a multiple of EBITDA⁽²⁾ of 0.6x (compared to 5.6x in 2015). The Group also boasted a strong cash position of €266 million
- The Board plans to ask the Company's shareholders to approve a dividend of up to €0.15 per share, which would imply an estimated outlay of €59 million

¹ The revenue figures exclude the application of IAS 29 *Financial reporting in hyperinflationary economies* and IFRS 16, unless expressly indicated otherwise.

² EBITDA before the reversal of provisions for onerous contracts and gains from asset sales.

For more information:

Department contact details

T: +34 91 4519718 (switchboard)
communication@nh-hotels.com
www.nh-hotels.com

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-Outlook for 2019⁽¹⁾-

- **The Company reiterates guidance for EBITDA⁽²⁾ of €285 million in 2019 and recurring net profit of around €100 million**

-Minor International-

- **NH Hotel Group has begun to work with Minor International on defining a new five-year business plan with the aim of generating mutual benefits for the two complementary businesses**

Madrid, 25 February 2019. In 2018, NH Hotel Group beat all the guidance it had provided for the year and posted record results. Recurring net profit doubled to €72 million; revenue increased by 4.6% to €1.62 billion; EBITDA⁽²⁾ was 14% higher at €265 million; and net debt came down significantly to end the year at -€171 million (0.6x EBITDA⁽²⁾).

The Group has ratified its guidance for EBITDA⁽²⁾ of €285 million in 2019 and recurring net profit of around €100 million. Framed by these expectations, the Board of Directors will ask the Company's shareholders to approve a dividend of €0.15 per share against 2018 profits at the next Annual General Meeting. That dividend would imply a payout of an estimated €59 million.

NH Hotel Group's CEO, Ramón Aragonés, said he was particularly happy with the 2018 results: *“They constitute an excellent starting point for furthering our integration with Minor International. Together we are going to work on a five-year business plan designed to maximise the benefits of collaborating in our respective areas of influence and leverage the complementary nature of our businesses”*.

-NH Hotel Group's FY18⁽¹⁾ results-

In 2018, the Group's main hotel performance indicators and income statement metrics registered significant improvement. Group revenue increased by 4.6% to €1.62 billion (+6.7% in constant-currency terms), despite the adverse impacts of currency movements in Latin America and the hotels under refurbishment.

Like-for-like revenue growth was positive in the large majority of the Group's business markets, with growth of 6.5% in Benelux (fuelled above all by an exceptional performance in Brussels), 4.2% in Italy, 3.2% in Central Europe and 2.7% in Spain, where the Group topped an already-exceptional 2017. Latin America was affected by exchange rate effects.

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Revenue per available room (RevPAR) increased by 3.8% in 2018 to €70.4. The average daily rate (ADR), also increased by 2.3% to €97.9 on average in 2018 (an average that reached the €100 mark in the fourth quarter). Lastly, occupancy averaged 72%, up 1.5pp from 2017.

The Company once again outperformed its direct competitors in its main destinations as a whole, specifically posting growth in its RevPAR that was 1.5 percentage point higher than that of its competitors, thanks to a stronger relative performance on price and occupancy (*Source: STR / MKG Competitive Set Average Growth*).

EBITDA⁽²⁾ registered growth of 14%, or €32 million, in 2018 to €264.8 million, thanks to both topline expansion and cost containment during the year. The EBITDA⁽²⁾ margin widened by 1.3 percentage points to 16.3% and the conversion rate of incremental revenue-to-EBITDA⁽²⁾ was 45%.

Recurring net profit doubled to €72 million in 2018, while reported net profit, including the gains recognised on the strategic sale of assets and the impact of hyperinflation accounting in Latin America under IAS 29, amounted to €117.8 million.

NH HOTEL GROUP P&L ACCOUNT					
(<i>€ million</i>)	12M 2018 ⁽³⁾	12M 2017	Var.		12M 2018 w/o IAS 29 ⁽¹⁾
	€ m.	€ m.	€ m.	%	
TOTAL REVENUES	1,619.8	1,552.7	67.1	4.3%	1,623.5
GROSS OPERATING PROFIT	595.6	548.8	46.8	8.5%	
EBITDA BEFORE ONEROUS⁽²⁾	263.2	233.1	30.1	12.9%	264.8
NET RECURRING INCOME	85.9	34.8	51.1	147.0%	72.4
NET INCOME including Non-Recurring	117.8	35.5	82.3	N/A	104.3

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² EBITDA before the reversal of provisions for onerous contracts and gains from asset sales.

³ Includes the impact of application of IAS 29 - *Financial reporting in hyperinflationary economies*.

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Elsewhere, the Group topped its deleveraging guidance for the year, reducing its net debt by €484 million to end 2018 at -€171 million. The ratio of net debt-to-EBITDA⁽²⁾ stands at 0.6 times, thanks to the early conversion of €250 million of convertible bonds in June 2018 and the partial prepayment in December of €40 million of bonds originally due in 2023. It is worth highlighting the Group's strong cash position at year-end 2018: €266 million.

Against this backdrop of earnings momentum, the Board of Directors of NH Hotel Group will submit a motion at the next Annual General Meeting for the payment of a dividend from 2018 profits of up to €0.15 per share, which would imply an estimated payout of €59 million.

The Group enhanced its value proposition in 2018 with new and attractive destinations and innovative services

In addition to opening 10 hotels in 2018 (in Havana, Marseilles, Brussels, Monterrey, Venice, Madrid, Graz, Essen and Toulouse), the Company signed another six hotels for lease and management in Europe and Latin America during the year. The most prominent openings included the NH Collection Gran Vía in Madrid and the two new hotels inaugurated in Marseilles under the NH Collection and nhow brands. Indeed, the Group's nhow brand is planning to open seven new iconic hotels in the cities of London, Amsterdam, Brussels, Frankfurt, Rome, Lima and Santiago de Chile in the next few years.

In addition, the Company continued to raise the quality of its asset portfolio last year with the refurbishment of 22 hotels located in Germany, Austria, Spain, the Netherlands, Italy, the US, Argentina and Colombia.

In parallel, it continued to enhance the guest experience with innovative solutions in 2018, among which the launch of **FASTPASS** is worthy of note. **FASTPASS** is a combination of three innovative services - Check-in Online, Choose Your Room and Check-out Online - that give guests total control over their stays. In fact, NH Hotel Group is the first European chain to offer these three services simultaneously.

In 2018, the Company also relaunched its NH Rewards loyalty programme with a new look and a much more attractive and generous reward scheme. NH Rewards currently has over 8.6 million members.

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-Outlook for 2019⁽¹⁾-

The healthy performance in 2018, particularly in the last quarter of the year, has prompted the Company to reiterate its guidance for €285 million of EBITDA⁽²⁾ in 2019, notwithstanding the changes in the consolidation scope and new repositioning opportunities in the hotel business. It also expects to generate around €100 million of recurring net profit in 2019.

-Minor International-

Following the acquisition of 94.1% of NH Hotel Group by Minor International in the last quarter of 2018, the two companies have begun to work on defining a new five-year business plan designed to make the most of the complementary nature of the two chains' hotel portfolios, leverage economies of scale over a wider customer base and explore ways for developing all of their brands in several regions.

Against this backdrop, on 7 February 2019, the Board of Directors of NH Hotel Group agreed to a framework agreement with Minor International, the object of which is to establish a transparent regime for governing relations between the two entities, framed by the best corporate governance practices.

Specifically, the agreement addresses communication and the exchange of information between NH Hotel Group and Minor International; delimits the respective preferential geographic regions and market segments for the two companies with the aim of avoiding overlap and fostering business opportunities; establishes a protocol for approving mutual business transactions and related party transactions; and creates a regime for preventing possible conflicts of interest between the two parties.

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Annex: Hotel business performance in 2018 by market

Ratios: like-for-like hotel data + hotels under refurbishment

EBITDA figures: recurring EBITDA before the reversal of provisions for onerous contracts and gains from asset sales

The figures include the impact of IAS 29:

Spain posted like-for-like revenue growth of 2.7% (1.3% including hotels under refurbishment to €414.9 million) in 2018. This metric registered growth of 3.9% in Madrid, which is all the more laudable considering the fact that 2017 was an exceptional year for conferences in the capital city. RevPAR in Spain increased by 2.3%, driven mainly by growth in the occupancy rate of 2.0%. As a result, EBITDA in Spain amounted to €65.7 million in 2018, year-on-year growth of 8.1%.

Italy. Like-for-like revenue increased by 4.2% in this market (4.0% including hotels under refurbishment to €277.3 million) in 2018, fuelled by Rome, where this metric increased by 10%. NH's Italian hotels saw their RevPAR increase by 4.9% last year, thanks to growth of 3.0% in the ADR and of 1.8% in occupancy. EBITDA increased by 18.4% to €62.3 million, implying EBITDA margin expansion of 2.6 percentage points to 21.6%.

Benelux. Brussels was the growth engine in this region, with like-for-like revenue growth of 12.4%, compared to 6.0% for this business unit as a whole, which posted revenue of €347.3 million. RevPar increased by 7.4%, driven by growth of 4.0% in the ADR and of 3.3% in occupancy. EBITDA was 8.6% higher at €72.3 million, implying a margin of 20.8%.

Central Europe. Revenue, at €382.3 million, increased by 3.5%, thanks to a favourable trade fair line-up, which offset the opportunity cost implied by the refurbishment of three hotels. RevPAR was 4.2% higher, thanks to growth of 2.9% in the ADR and of 1.3% in occupancy. Munich, Berlin and Frankfurt posted above average growth. EBITDA registered growth of 18.2% to €30.9 million.

Latin America also reported a better trend despite adverse currency trends in Mexico and Argentina. The 2.3% decline in RevPAR was entirely attributable to the adverse impact of currency movements, which has no impact at the EBITDA level. Mexico reported revenue growth of 6.4% in local currency terms, while in Argentina the topline doubled in constant currency terms; however that growth narrows to 6.9% once the adverse current trends are factored in. EBITDA in Latin America was €26.8 million, growth of 4.1% from 2017.

For more information:

Department contact details

T: +34 91 4519718 (switchboard)
communication@nh-hotels.com
www.nh-hotels.com

About NH Hotel Group

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

NH Hotel Group's Communications Department

Tel: +34 91 451 9718 (switchboard)

Email: communication@nh-hotels.com

Corporate website: www.nhhotelgroup.com

Social media:

www.nh-hotels.com/social-media

Twitter | LinkedIn | YouTube | Instagram



For more information:

Department contact details

T: +34 91 4519718 (switchboard)
communication@nh-hotels.com
www.nh-hotels.com

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2018 RESULTS PRESENTATION

25th of February 2019



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Message from the CEO

“Dear Shareholders,

*2018 has been an **excellent year** in which the Group has **overachieved its financial targets**.*

*The positive operating trend and business improvement has continued during 2018 with **revenue up +4.6%** despite 2018 reforms and currency evolution. **At constant exchange rate, revenue grew +6.7%. Remarkable is the performance in Europe, with a LFL growth of +4.1%**, and in particular, strong evolution in Benelux (+6.5%), Italy (+4.2%) and Central Europe (+3.2%). Spain (+2.7%) comparison is affected by the remarkable growth of last year.*

*The combination of sound revenue growth and **constant focus on efficiency** has allowed NH to achieve **€265m of EBITDA (+€32m) and to improve its margin from 15% to 16%**.*

***Net Recurring income (€72m) has more than doubled**, an improvement higher than EBITDA growth, due to lower financial costs. **Total Net Income reached €104m**, positively impacted by net capital gains from asset rotation and including IAS 29 reached €118m.*

***The solid operating cash flow generation allowed the Group to reach a cash position of €266m**, bringing down Net Financial Debt to -€171m. The strong deleverage achieved has concluded the debt reduction process initiated in 2015, **reaching net financial debt leverage ratio of 0.6x at the end of 2018 from 5.6x in 2015**, improving 2018 revised guidance (0.8x-1.0x).*

***NH has started to work with Minor International** to define the Strategic Plan of NH to unlock value-accretive benefits across both complementary businesses.*

*Despite changes of perimeter and new repositioning investments identified, **€285m EBITDA guidance for 2019** is reiterated.*

*In light of these, we look forward to continue delivering record-setting results and it will be **proposed to the AGM the approval of a €0.15 dividend per share for the financial year 2018 (c.€59m)**, aligned with the dividend policy announced”.*

*Ramón Aragonés
CEO, NH Hotel Group*

2018 highlights: financial targets exceeded

- **Solid Revenue growth of +4.6% reaching €1,623m (+€71m). With constant FX, revenue grew +6.7%**
 - Sound performance in Europe, with a Revenue Like for Like (“LFL”) growth of +4.1%
 - Strong performance in Benelux (+6.5%) and Italy (+4.2%)
 - RevPAR: +3.8%, 61% through ADR which grew (+2.3%; €98)
- **Outstanding Recurring EBITDA⁽¹⁾ of €265m (+€32m; +14%) with a margin improvement of +1.3 p.p. to 16.3%**
 - Remarkable 45% EBITDA conversion rate. Excluding perimeter changes and reforms, LFL conversion rate reached 61%
- **Significant Net Recurring Income growth (+€38m) reaching €72m** due business improvement and lower financial costs. With IAS 29 impact (+€13m) Net Recurring Income reached €86m
- **Total Net Income reached €104m**, boosted by the higher contribution of net capital gains from asset rotation. Including IAS 29 Total Net Income is €118m
- **Deleverage phase accomplished:**
 - Net financial debt reached -€171m decreasing €484m from 31st December 2017 (-€655m) with a solid cash position (€266m)
 - Early redemption Convertible Bond (€250m; June) and voluntary cash redemption 2023 Bond (€40m; December)
- **Dividend:**
 - Proposal for AGM approval of a maximum gross dividend of €0.15 per share for 2018 financial year, implying an estimated payment of c.€59m based on outstanding shares (392,2 million shares)
- **Financial targets 2019** (excluding IFRS 16 and IAS 29 accounting impacts):
 - €285m EBITDA⁽¹⁾
 - c.€100m Net Recurring Income
- **2018 accounting impacts of IAS 29 (Argentina hyperinflation):**
 - P&L: Revenues -€3.6m; EBITDA -€1.6m; Total Net Income +€13.5m
 - Balance Sheet: +€54m in equity due to the historic revaluation of assets including deferred tax and minorities

2018 targets exceeded:

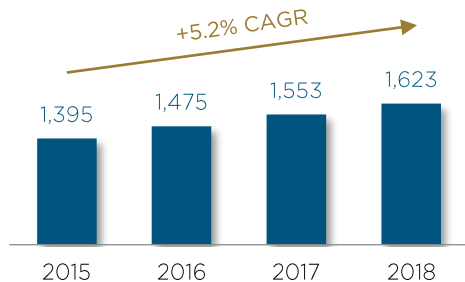
- **Recurring EBITDA €265m > €260m**
- **Leverage 0.6x < 0.8-1.0x**

Note: Hyperinflation accounting (IAS 29) not included in business performance figures unless stated

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

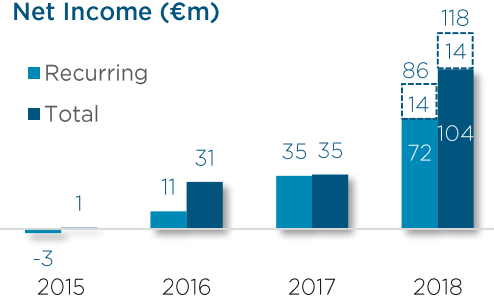
Key Financial Indicators: 2015-2018

Revenues ⁽¹⁾ (€m)



- An increase of more than €228m, a +5.2% CAGR from 2015
- In 2018 revenue grew +4.6% (+€71m) reaching €1,623m

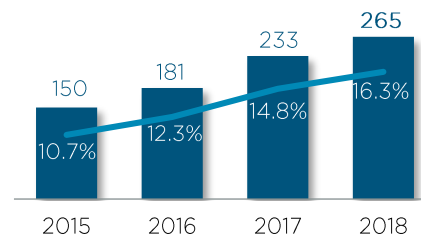
Net Income (€m)



- 2016: first year of positive Recurring Net Income since 2008
- In 2018 Net Recurring Income x 2 (excluding IAS 29) explained by business improvement and lower financial costs

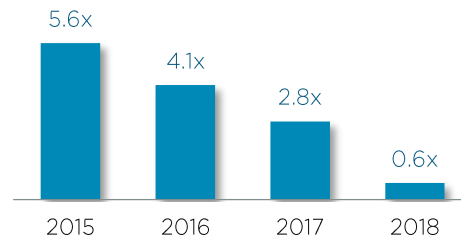
□ IAS 29 impact

Recurring EBITDA ⁽²⁾ (€m) % margin



- +21% CAGR, an increase of €115 from 2015
- Margin increased +5.6 p.p. in the period, reaching 16.3% in 2018
- In 2018 EBITDA grew +€32m (+14%) reaching €265m

Net Financial Debt / Recurring EBITDA ⁽¹⁾



- Deleveraging execution exceeded due to the favorable operating cash flow generation, Convertible Bond & partial 2023 Bond redemption and asset rotation
- Gross debt reduced by €299m in 2018 to -€437m

Note: Hyperinflation accounting (IAS 29) not included in business performance figures unless stated

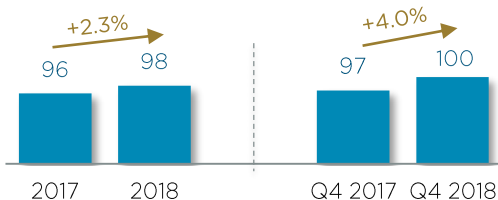
⁽¹⁾ From Q2 2018, rebates from procurement have been reclassified as less cost instead of an income in the revenue figure (Q1 2018 and 2017 figures also reclassified)

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

Key financial metrics: trend improved in Q4

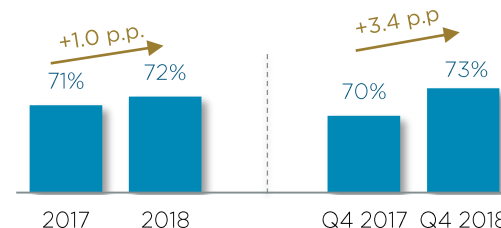
ADR (€)

- 2018: +2.3% price increase (+€2.2) reaching €98 contributing with 61% of RevPAR growth. Remarkable growth in Benelux (+3.8%) and Italy(+3.4%)
- Q4: +4.0% price increase (+€3.9). Notable growth in Spain (+5.1%) and Central Europe (+4.6%)



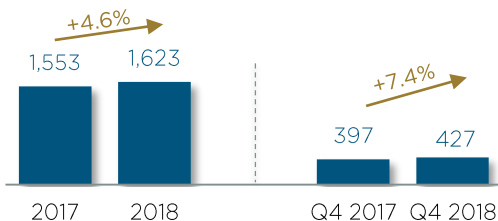
Occupancy (%)

- 2018: +1.5% activity increase (+1.0 p.p.) up to 72%. All regions increasing activity levels highlighting Benelux (+3.1%) boosted by Brussels recovery
- Q4: +4.9% activity increase (+3.4 p.p.) up to 73%



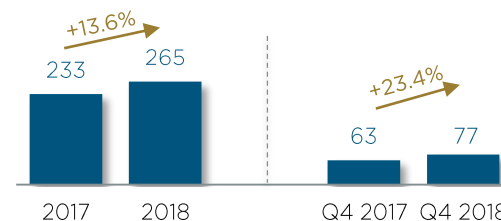
Revenues ⁽¹⁾ (€m; without IAS 29)

- 2018: +€71m revenue growth (+4.6%) despite 2018 reforms (-€14m). Strong performance in Benelux and Italy
- Q4: +€30m (+7.4%). Solid growth in Spain and Benelux



Recurring EBITDA ⁽²⁾ (€m; without IAS 29)

- 2018: +€32m (+13.6%) due to a 45% revenue conversion rate reaching €265m and a margin of 16.3% (+1.3 p.p.)
- Q4: +€15m (+23.4%) with a 18.1% margin (+2.4 p.p.)



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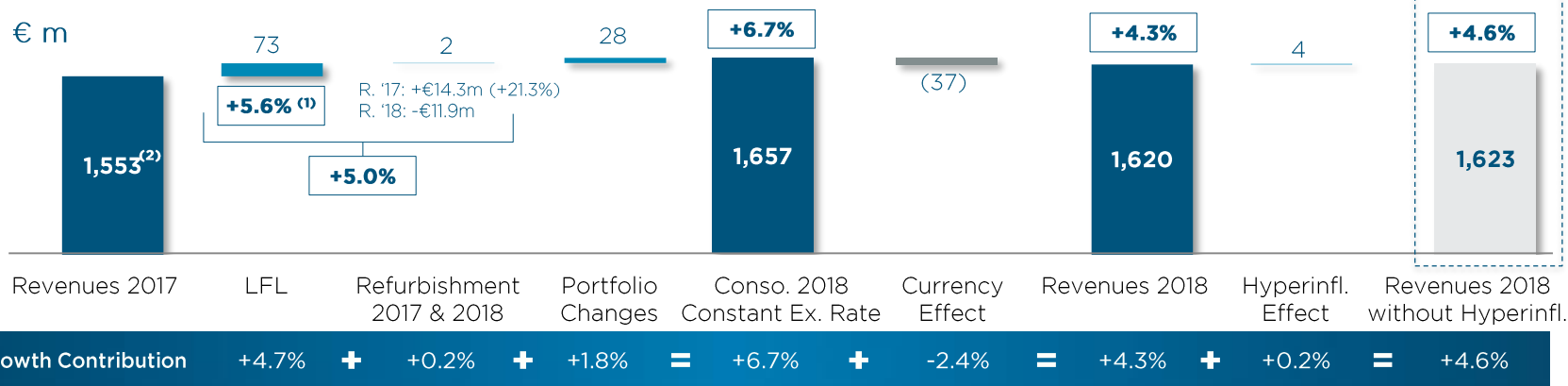
⁽²⁾ Recurring EBITDA before onerous reversal and capital gains from asset disposals

Solid revenue performance in 2018

- Total Revenue growth of +4.6% reaching €1,623m (+€71m), despite 2018 reforms (-€12m) and the negative currency effect (-€37m). +6.7% revenue growth at constant exchange rate**
- Revenue Like for Like (“LFL”): +5.6% with constant FX (+3.0% reported):
 - Sound performance in Europe with a growth of +4.1%. Strong performance in Benelux (+6.5%), Italy (+4.2%) and Central Europe (+3.2%). Spain (+2.7%) despite the remarkable 2017 LFL growth (+10%) and Barcelona negative evolution up to September
- Including the refurbished hotels, LFL&R grew +5.0% with constant FX (+2.6% reported)
 - 2017 refurbished hotels increased revenues by +€14.3m (+21.3%)
 - 2018 opportunity costs for renovations (-€11.9m): mainly from New York hotel (included in Spain B.U.) and Central Europe
- Including hyperinflation accounting effect (IAS 29) related to Argentina revenue growth is +4.3%**

Revenue Split	Var. 2018
Available Rooms	+1.7%
RevPAR	+3.8%
Room Revenue	+5.5%
Other Revenue	+2.3%
Total Hotel Revenue	+4.6%
Non Hotel Revenue*	+€0.0m
Total Revenue	+4.6%

* Other + Capex Payroll Capitalization



Note: Hyperinflation accounting (IAS 29) not included in business performance figures unless stated

⁽¹⁾ On its 2017 own base. With real exchange rate growth is +3.0%

⁽²⁾ From Q2 2018, rebates from procurement have been reclassified as less cost instead of an income in the revenue figure (Q1 2018 and 9M 2017 figures also reclassified)

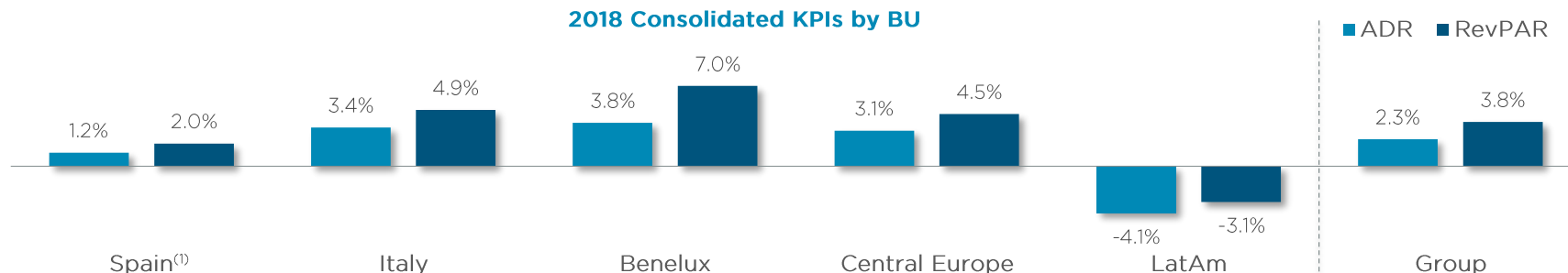
RevPAR growth supported by ADR (61% contribution)

▪ **+3.8% RevPAR increase in 2018, 61% through ADR**

- Outstanding RevPAR growth in Benelux (+7.0%), Italy (+4.9%) and Central Europe (+4.5%). Spain (+2.0%; +2.5% excluding Barcelona)
- ADR: +2.3% price increases (+€2.2) reaching €97.9. Remarkable growth in Benelux (+3.8%), Italy (+3.4%) and Central Europe (+3.1%). Lower growth in Spain (+1.2%) due to the remarkable 2017 evolution (+10.1%) and Barcelona
- Occupancy: +1.5% activity increase (+1.0 p.p.) reaching 72.0%. All regions increasing activity levels highlighting the demand growth in Benelux (+3.1%) boosted by Brussels recovery

▪ **LFL (excluding reforms) RevPAR grew +4.3% in 2018**

- Spain (+3%): Solid growth in Madrid (+4%) and secondary cities (+4%). Barcelona (-1%) explained by the lower domestic leisure demand due to the political situation
- Italy (+5%): Excellent evolution of Rome (+10%) and secondary cities (+5%). Milan (+3%) affected by negative trade fair calendar in H2
- Benelux (+8%): Outstanding growth in Brussels (+14%), Amsterdam (+6%) and Dutch secondary cities (+8%)
- Central Europe (+4%): positive trade fair calendar in cities like Munich (+19%), Berlin (+13%) and Frankfurt (+6%). Secondary cities (+2%)
- LatAm (-2%; real exchange rate): Buenos Aires +10%, Mexico DF -5% and Bogota -2%. Evolution explained by the negative currency evolution



⁽¹⁾Includes France and New York. Spain ADR +1.9% and RevPAR +3.2%

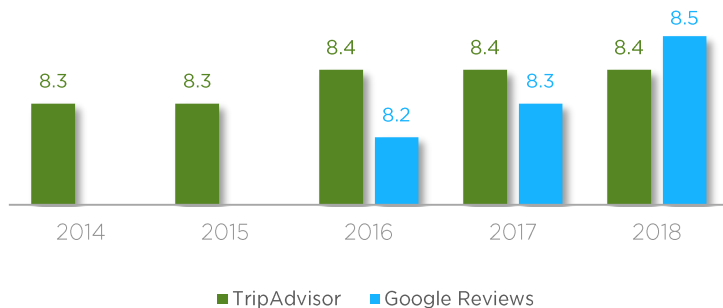
Focus on market share and quality

- Relative RevPAR outperformance of +1.5 p.p. in top cities vs. competitors through higher ADR (+1.0 p.p.) and relative occupancy (+0.5 p.p.)

2018	ADR % var.		"Relative" ADR	"Rel." Occupancy	"Rel." RevPAR
	NH	Comp. Set	Var.	Var.	Var.
Spain	1.0%	-0.2%	1.1 p.p.	0.3 p.p.	1.4 p.p.
Italy	4.5%	1.0%	3.5 p.p.	1.8 p.p.	5.4 p.p.
Benelux	3.5%	4.6%	-1.2 p.p.	2.4 p.p.	1.3 p.p.
Central Europe	4.7%	2.8%	1.9 p.p.	-1.6 p.p.	0.3 p.p.
Total NH	3.2%	2.2%	1.0 p.p.	0.5 p.p.	1.5 p.p.

Source: STR / MKG Competitive Set Average Growth

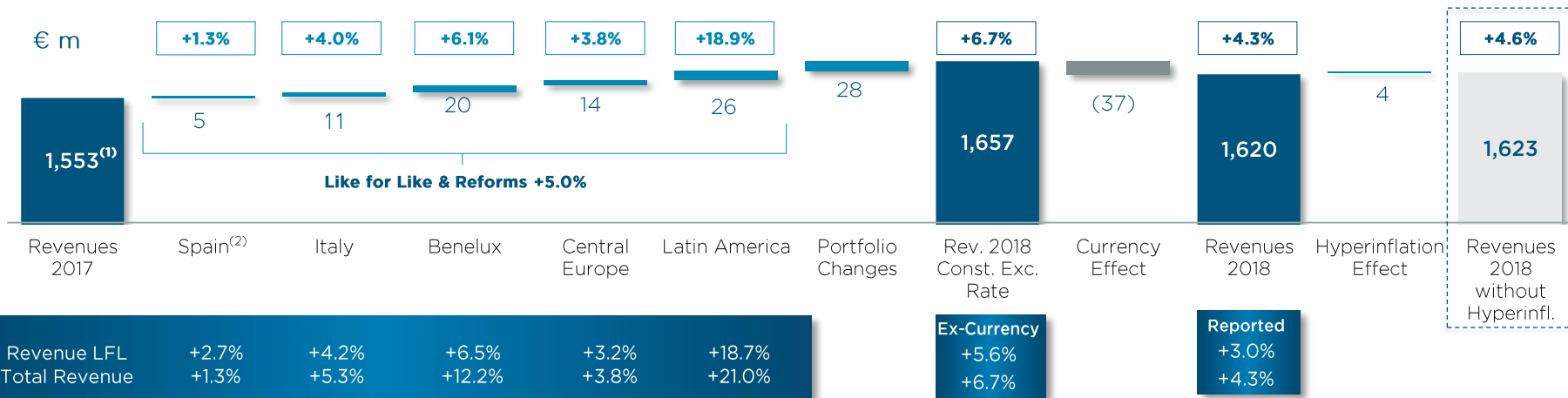
Focus on quality



- Outstanding performance in Italy with a relative RevPAR of +5.4 p.p. explained by higher relative ADR and occupancy boosted by the excellent performance of Rome
- Good result in Benelux with a relative RevPAR of +1.3 p.p. as a result of higher relative occupancy
- Central Europe: +0.3 p.p. relative RevPAR variation due to higher ADR with main cities reporting positive evolution
- Spain: +1.4 p.p. relative RevPAR outperformance explained by higher relative ADR and occupancy
- Strong performance in:**
 - Barcelona:** Relative ADR +1.6 p.p.; RevPAR +4.0 p.p.
 - Amsterdam:** Relative RevPAR +2.6 p.p.; Occupancy +3.7 p.p.
 - Munich:** Relative RevPAR +7.4 p.p.; Occupancy +4.7 p.p.
 - Vienna:** Relative ADR +5.4 p.p.; RevPAR +5.4 p.p.
 - Rome:** Relative ADR +7.5 p.p.; RevPAR +13.5 p.p.
- NH Hotel Group has focused its efforts on measuring quality using new sources of information and surveys with an important increase of both the volume of reviews and evaluations received

Sound revenue performance in all key markets

- Spain:** +2.7% LFL growth (+3.1% excluding Barcelona) despite the remarkable 2017 performance (+10.2% in LFL) and Barcelona (+0.2%) evolution. Madrid grew +3.9% despite the strong congress calendar of 2017. Including reforms total revenue grew +1.3% mainly explained by NY refurbishment (-€8.4m; excluding NY +3.4%)
- Italy:** remarkable +4.2% growth in LFL with a strong performance of Rome (+10.0%). Sound growth in Milan (+3.7%) despite negative fair calendar in H2. Including 3 hotels under reform with an opportunity cost of -€2.0m, LFL&R grew +4.0%
- Benelux:** outstanding +6.5% LFL growth partially driven by the recovery in Brussels (+12.4%). Strong performance in Amsterdam (+5.9%) and secondary cities (+5.0%). Total revenue +12.2% benefiting from the opening of 2 leased hotels in Brussels and 1 in Eindhoven
- Central Europe:** Positive LFL increase (+3.2%) due to a favorable trade fair calendar. Including the refurbished hotels in 2017 and the opportunity cost in 3 hotels under refurbishment in 2018 totaling -€6.4m, revenue increased +3.8% in LFL&R
- LatAm:** +18.9% growth in LFL&R with constant exchange rate (-7.0% reported). By regions, Mexico increased revenues +6% at constant exchange rate and including the negative currency evolution (-6%) reported revenues were stable. Argentina doubled revenues in local currency and including the -90% currency depreciation, reported figure is +7%. Hoteles Royal revenue decreased -1% in local currency and including the -3% currency evolution, reported figure is -4%



⁽¹⁾ From Q2 2018, rebates from procurement have been reclassified as less cost instead of an income in the revenue figure (Q1 2018 and 9M 2017 figures also reclassified)

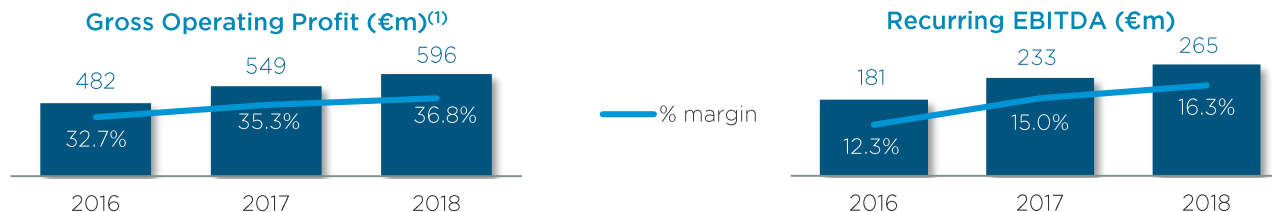
⁽²⁾ Includes France and New York.

2018 EBITDA increased +13% due to a 45% conversion rate

€ million / Recurring Activity	2018 ⁽¹⁾	2017	VAR.		2018 without IAS 29	
	€m.	€m.	€m.	%.	€m.	%.
TOTAL REVENUES	1,619.8	1,552.7	67.1	4.3%	1,623.5	4.6%
Staff Cost	(540.7)	(531.4)	(9.3)	1.7%		
Operating expenses	(483.5)	(472.5)	(11.0)	2.3%		
GROSS OPERATING PROFIT	595.6	548.8	46.8	8.5%		
Lease payments and property taxes	(332.4)	(315.7)	(16.7)	5.3%		
EBITDA BEFORE ONEROUS	263.2	233.1	30.1	12.9%	264.8	13.6%

Cost control in 2018 despite the occupancy growth (+1.5%)

- +1.7% increase in **Payroll cost** and +2.3% in **Operating Expenses**. Impact of perimeter changes (openings and closings) fully explains the increase of staff costs and 75% of the increase in Operating expenses
- Improvement in **GOP** of +€46.8m (+8.5%). GOP margin improved by +1.4 p.p. reaching 36.8% due to an excellent conversion rate of 70%
- Lease payments and property taxes increased -€16.7m (+5.3%). Perimeter changes (openings and closings) and reforms (2017 and 2018) explain 50% of the increase. Variable lease components explain 36% of the total increase
- Recurring EBITDA before onerous in 2018 reached €264.8m (+€31.7m; +13.6%)** with a 45% conversion rate from incremental revenue to EBITDA affected by new openings. Excluding perimeter changes and reforms, LFL conversion rate reached 61%. EBITDA margin improved by +1.3 p.p. to 16.3%.
 - Including hyperinflation** accounting standard effect (IAS 29) **recurring EBITDA reached €263.2m (+€30.1m; +12.9%)**



⁽¹⁾ Including hyperinflation accounting effect (IAS 29)

Significant improvement in Net Recurring Income

€ million	2018 ⁽¹⁾	2017	VAR.	
	€m.	€m.	€m.	%.
EBITDA BEFORE ONEROUS W/O IAS 29	264.8	233.1	31.7 ₁	13.6%
EBITDA WITH IAS 29	263.2	233.1	30.1	12.9%
Margin % of Revenues	16.3%	15.0%		1.2 p.p.
Onerous contract reversal provision	2.3	4.2	(1.9)	-44.8%
EBITDA AFTER ONEROUS	265.6	237.3	28.2	11.9%
Depreciation	(112.6)	(111.4)	(1.2) ₂	1.1%
EBIT	152.9	125.9	27.0	21.5%
Interest expense	(34.2)	(58.0)	23.8 ₃	-41.1%
IAS 29	25.7 ₄	0.0	25.7	N/A
Income from minority equity interest	(0.5)	(0.3)	(0.2)	43.3%
EBT	143.9	67.5	76.4	113.2%
Corporate income tax	(51.3)	(29.0)	(22.3) ₅	76.8%
NET INCOME BEFORE MINORITIES	92.6	38.5	54.1	140.6%
Minorities interests	(6.7)	(3.7)	(3.0)	80.8%
NET RECURRING INCOME W/O IAS 29	72.4	34.8	37.6 ₆	108.2%
NET RECURRING INCOME	85.9	34.8	51.1	147.0%
Non Recurring EBITDA ⁽²⁾	88.8	18.8	70.0	N/A
Other Non Recurring items ⁽³⁾	(56.9) ₇	(18.1)	(38.8)	N/A
TOTAL NET INCOME W/O IAS 29	104.3 ₈	35.5	68.8	N/A
TOTAL NET INCOME INCLUDING NON-RECURRING	117.8 ₉	35.5	82.3	N/A

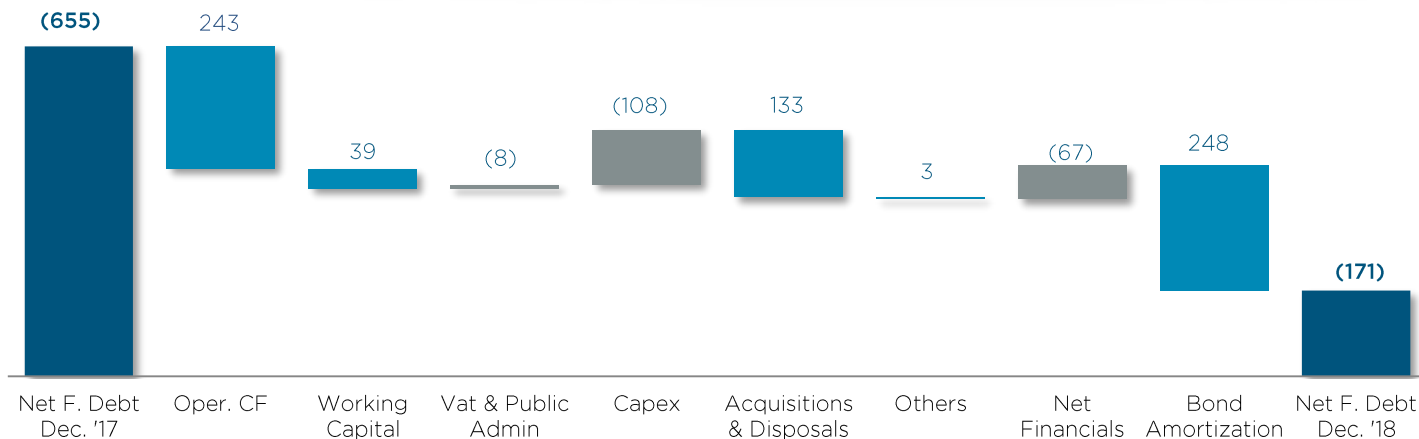
- Recurring EBITDA before onerous reached €264.8m (+€31.7m; +13.6%). Including hyperinflation (IAS 29) reached €263.2m (+€30.1m; +12.9%)**
- Depreciation:** increase of -€1.2m due to 2017-2018 repositioning capex
- Financial Expenses:** decrease of +€23.8m mainly due to:
 - Debt interest savings of +€20.3m mainly explained by: +€16.9m from the refinancing and early redemption of 2019 Bond, +€6.4m from early redemption convertible bond and -€2.8m repurchase premium and arranging expenses write off due to partial early redemption 2023 Bond
 - Net interest income (+€1.0m)
 - Exchange results from dollarization of cash balances in Argentina (+€1.8m)
- IAS 29** creates a financial income from the revaluation of Argentina assets +€25.7m
- Taxes:** The higher Corporate Income Tax (-€22.3m) is explained by a better EBT performance (50% of the increase) and tax holding provision related to IAS 29 (50%)
- Net Recurring Income:** significant growth of +€37.6m reaching €72.4m due to business progress and lower financials (higher than EBITDA growth). Including (IAS 29) Net Recurring Income reached €85.9m
- Non Recurring Items:** reached €32m due to net capital gains from asset rotation (+€74m), partially offset by provisions and redundancy payments of the efficiency plan (-€22m) and accelerated depreciation (-€18m) due to repositioning capex
- Total Net Income reached €104.3m**, +€68.8m higher than in 2017, affected by the higher contribution of net capital gains from asset rotation
- Including IAS 29 impact (+€13.5m due to the revaluation of fixed assets in Argentina) reported Total Net Income is €117.8m**

⁽¹⁾ Includes hyperinflation accounting effect (IAS 29) unless stated

⁽²⁾ Includes gross capital gains from asset rotation

⁽³⁾ Includes taxes from asset rotation

Cash Flow Evolution



Financial Position: 31 st December 2018
Gross Financial Debt: (€437m)
Cash: €266m
Net Financial Debt: (€171m) ⁽¹⁾
Treasury Stock: 0.6m shares (not included in cash position)

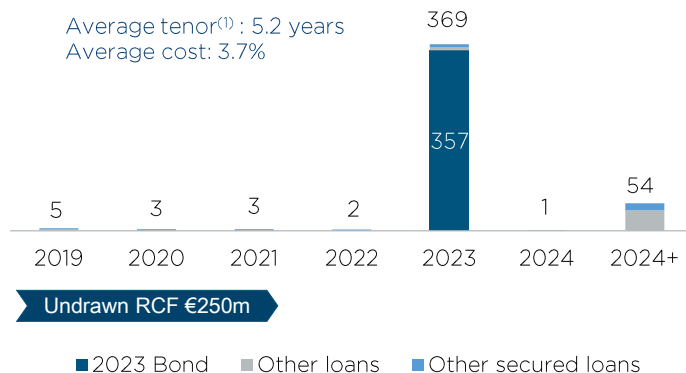
- **(+) Operating Cash Flow:** +€243.2m, including -€17.4m of credit card expenses and taxes paid of -€29.2m (excluding -€32.4m CIT Barbizon)
- **(+) Working Capital:** strong working capital management with focus on overdue recovery and DSR
- **(-) Capex payments:** -€107.8m deployed in 2018. Lower figure vs. 2018 guidance of c.€125m due to some calendar payments overflow to the beginning 2019 (c. -€25m)
- **(+) Other:** payment of severance and legal provisions
- **(+) Acquisitions & Disposals:** mainly +€121.8m from Barbizon S&LB in Q1 (net of €32.4m taxes paid in 2018). The rest corresponds to other asset rotation transactions, 2 leased contracts restructuring (1 cancellation and 1 acquisition) and Hesperia net inflow after compensation
- **(-) Net Financials & Dividends:** -€66.6m, including -€26.8m net interest expense and -€39.8m dividend payment (-€0.6m minority dividend)
- **(+) Early Redemption Convertible Bond (€250m)** in June 2018. €1.7m paid in cash

(1) NFD excluding accounting adjustments arrangement expenses €13.5m, accrued interest -€4.1m and (2) IFRS 9 adjustment €8.2m. Including these accounting adjustments, the Adj. NFD would be (€153m) at 31st Dec. 2018 and (€637m) at 31st Dec. 2017

(2) IFRS 9: The new IFRS 9 regulation about Accounting Treatment of Financial Assets and Liabilities has become enforceable on the 1st of Jan. 2018. The application of this accounting rule as a result of the better refinancing conditions achieved in 2017, compared with the previous conditions, has involved an impact in NH Hotel Group of €8.6m as of the 1st of Jan. 2018 (€8.2m as of 31st Dec. 2018 as per the financial expense)

Strong deleverage achieved & Rating improvement

Debt Maturity Profile 31st December 2018: Gross debt (€437m)



- Strong deleverage achieved in 2018:
 - €250m redemption of the Convertible Bond (€5m of coupon paid in 2018)
 - €43.2m redemption of the Bond 2023 (€1.6m annual coupon savings from 2019 onwards):
 - €3.2m tendered in change of control offer at 101% (Nov.)
 - €40m voluntary redemption at 103% (Dec.)

⁽¹⁾ Excluding subordinated debt (2024+)

Rating Improvement

Rating	NH	2023 Bond
S&P	B	BB-
Fitch	B+ ↑	BB
Moody's	B1	Ba3

↑ Positive Outlook

S&P Global

- On February 12th, 2019, S&P **revised the outlook on NH Hotel Group to stable from positive** “reflecting the application of our group rating methodology despite strong operating performance and significant improvement in credit metrics”

Fitch Ratings

- On March 28th, Fitch **upgraded the Corporate rating to 'B+' from 'B', and maintained the Positive Outlook**. Secured debt rating also upgraded from 'BB-' to 'BB'

MOODY'S

- On May 11th, Moody's **upgraded the corporate family rating of NH Hotel Group to 'B1' from 'B2'** and changed the outlook from positive to stable

IFRS 16: Impact of new accounting standard from 2019

- The application of IFRS 16 begins on January 1st, 2019 and establishes the principles for the recognition of operating leases:
 - A financial liability equal to the present value of the fixed installments of the leased contracts
 - An asset for the right of use the underlying asset
 - The interest expense of the lease liability is recorded separately from the amortization expense of the asset
- NH will adopt the Modified Retrospective method:
 - Liability: at transition date
 - Asset: right of use from the start date of the contract
 - Discount rate: incremental interest rate for each contract at transition date
 - Difference between Asset & Liability to be recorded in the equity reserves
- Balance Sheet and P&L impact based on portfolio at the transition date, without considering additions, cancellations or modifications of contracts that may occur after that date:

1 st January 2019	
Asset: Right of Use	c. €1.7bn
Liability: Operating Lease	c. -€2.1bn
Equity: Reserves	c. -€0.4bn
P&L (before taxes)	c. -€5m

- **Leverage:**

- Liability impact is in-line with 2017 annual accounts disclosure of operating leases and with the average calculation published by rating agencies
- No cash impact, leverage capacity or debt financial covenants

- **P&L:**

- The negative impact on P&L from the current lease portfolio will be reduced progressively in the coming periods

2018: a record year

Comparison vs. 2017

Revenue
€1,623m
+4.6%

Rec. EBITDA⁽¹⁾
€265m
+14%
+1.3 p.p. margin

Rec. Net Income
€72m
x 2

FFO⁽²⁾
€250m
+21%

Leverage
(NFD / EBITDA⁽¹⁾)
0.6x
vs. 2.8x

Dividend Proposal
per Share
€0.15
x 1.5

Note: Hyperinflation accounting (IAS 29) not included in business performance figures unless stated

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

(2) Funds From Operations

Update on NHH Integration with Minor Hotels

- NHH has already started to work with MINT to identify, formulate and quantify the potential synergistic benefits. The process is expected to take 6 months. Task force from both Minor Hotels & NHH have already been assigned to collaborate across various functions and below are the key initial findings that have been identified and pursued



TIVOLI INTEGRATION

- Transfer of Portugal & Brazil Tivoli operations is in process
- NH is in the process of identifying synergies through efficiencies across sales & marketing, procurement & back office

BRAND STREAMLINE

- Joint brand positioning has been agreed
- Over 5 hotels identified as potential accretive rebrand so far, o/w 3 to Anantara
- Strong interests for new expansion have been identified for both MINT and NH brands across geographies

NEGOTIATION WITH TRADE PARTNERS

- Both Minor & NHH in talks with partners for improved and win-win pricing scheme based on enlarged portfolio
- Partners include OTAs, travel agents and procurement suppliers
- Proposals are being discussed with suppliers to include the combined portfolio

COMBINATION OF GLOBAL SALES

- NH hotel portfolio has been incorporated in MINT websites
- Vision has been defined for websites at both group and brand levels
- Cross-selling has started; China office for Spanish hotels, Thailand office for German hotels, Madrid office for Oaks
- Joint-salesforce roadmap has been agreed

LEVERAGE ON HUMAN CAPITAL

- Initial movements are planned:
 - GM from Minor Hotels to NHH
 - Operations & revenue management from NHH to Minor Hotels
- Further employee mobility policy is in process

LOYALTY INTERFACE

- Completed respective database analysis
- Both parties are analyzing terms and benefits
- Global loyalty vision and roadmap to be defined by 3Q19, including assessment on merger, cross redemption and cross accumulation.

Annex

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

NH Collection Madrid Gran Vía

Strong revenue performance in Q4 2018

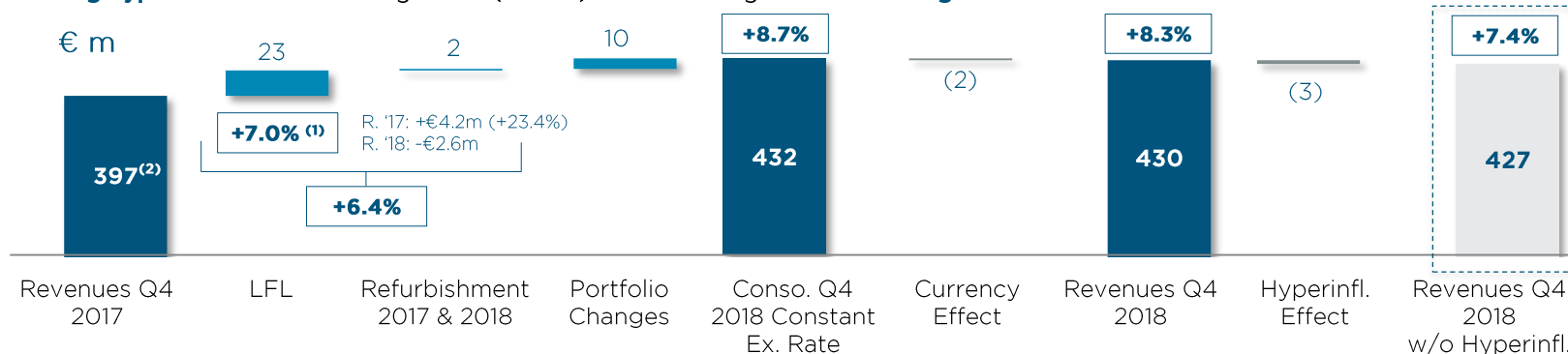
- **Total Revenue growth of +7.4% reaching €427m (+€30m), despite 2018 reforms (-€3m) and the negative currency effect (-€2m). +8.7% revenue growth at constant exchange rate**

- Revenue Like for Like (“LFL”): +7.0% with constant FX (+6.6% reported):
 - Sound performance in Europe with a growth of +5.6%. Strong performance in Spain (+8.9%) explained by easier comps in Barcelona and a relevant congress in Madrid and Benelux (+5.0%). Italy grew +3.8% and Central Europe +3.6%
- Including the refurbished hotels, LFL&R grew +6.4% with constant FX (+6.0% reported)
 - 2017 refurbished hotels increased revenues by +€4.2m (+23.4%)
 - 2018 opportunity costs for renovations (-€2.6m): mainly from New York hotel (included in Spain B.U.), a hotel in Amsterdam, Munich and Vienna

Revenue Split	Var. Q4 2018
Available Rooms	+1.5%
RevPAR	+9.1%
Room Revenue	+9.8%
Other Revenue	+3.7%
Total Hotel Revenue	+8.0%
Non Hotel Revenue*	-€1.7m
Total Revenue	+7.4%

* Other + Capex Payroll Capitalization

- **Including hyperinflation** accounting effect (IAS 29) related to Argentina revenue **growth is +8.3%**



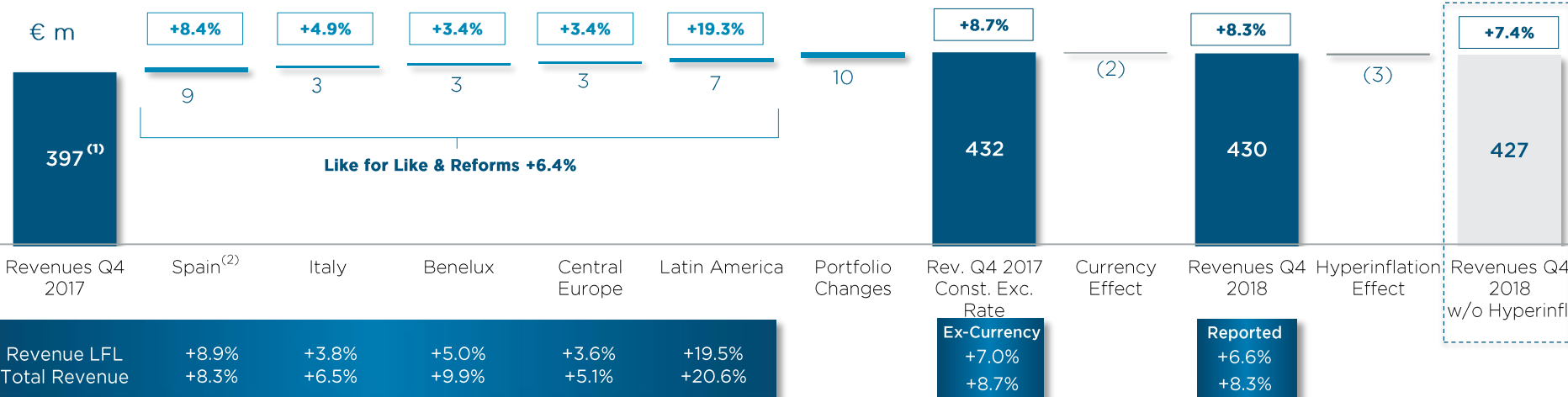
Growth Contribution	+5.9%	+	+0.4%	+	+2.4%	=	+8.7%	+	-0.4%	=	+8.3%	+	-0.8%	=	+7.4%
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⁽¹⁾ On its 2017 own base. With real exchange rate growth is +6.6%

⁽²⁾ From Q2 2018, rebates from procurement have been reclassified as less cost instead of an income in the revenue figure (Q1 2018 and 9M 2017 figures also reclassified)

Revenue performance by markets

- Spain:** +8.9% LFL evolution explained by the remarkable performance of Madrid (+12.5%) and stabilization of Barcelona (+18.5%; easier comps since Q4 2017). Including reforms, revenue grew +8.4% mainly explained by NY refurbishment (-€1.7m; excluding NY +10.2%)
- Italy:** +3.8% LFL growth with a strong evolution in Rome (+11.7%) and secondary cities (+4.4%). Milan (+1.6%) being negatively affected by the trade fair calendar in Q4. Including reforms revenue grew +4.9% and with the opening of a hotel in Venice total revenue grew +6.5%
- Benelux:** +5.0% LFL growth driven by Brussels (+10.7%) and secondary cities (+5.2%). Amsterdam grew +2.7%. Including the business loss from a hotel being refurbished in Amsterdam (-€1.0m) revenue grew +3.4%. Total revenue +9.9% benefiting from the opening of 2 leased hotels in Brussels and 1 in Eindhoven
- Central Europe:** solid +3.6% LFL revenue growth due to a slightly favorable trade fair calendar. Including the refurbished hotels in 2017 and the opportunity cost in 1 hotel under refurbishment in Munich totaling -€1.9m, revenue increased +3.4% in LFL&R. Total revenue grew +5.1% positively impacted by the 2 hotel openings (Essen and Graz)
- LatAm:** +19.3% growth in LFL&R with constant exchange rate (+14.6% reported). By regions, Mexico increased revenues +10% at constant exchange rate and including the negative currency evolution (-2%) reported revenues increased +8%. Argentina grew +259% in local currency and including the -12% currency depreciation, reported figure is +221%. Hoteles Royal revenue grew +1% and including the currency evolution (+4%) reported revenues increased +5%



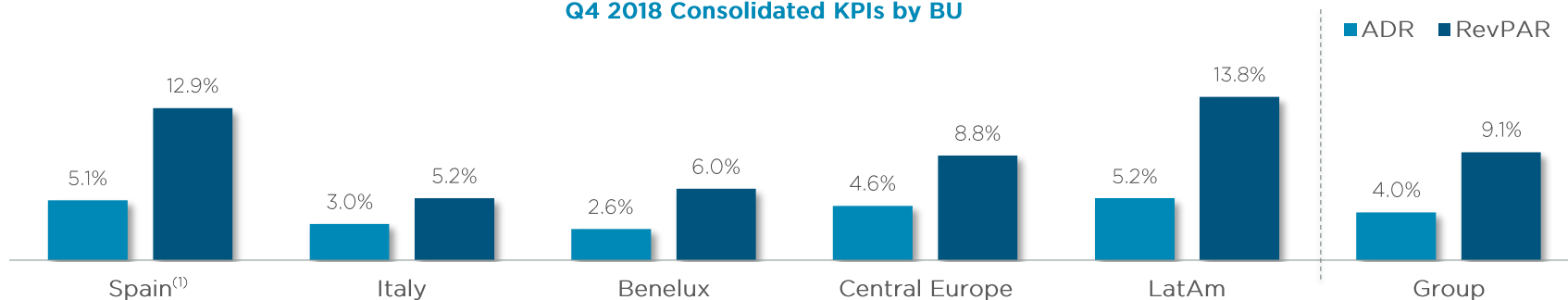
⁽¹⁾ From Q2 2018, rebates from procurement have been reclassified as less cost instead of an income in the revenue figure (Q1 2018 and 9M 2017 figures also reclassified)

⁽²⁾ Includes France and New York.

Combined ADR & Occupancy growth

- +9.1% RevPAR increase in Q4 2018, combined growth strategy of ADR and Occupancy**
 - Outstanding RevPAR growth in Spain (+12.9%) and Central Europe (+8.8%). Benelux (+6.0%) and Italy (+5.2%)
 - ADR: +4.0% price increases (+€3.9) reaching €100. Remarkable growth in Spain (+5.1%) and Central Europe (+4.6%)
 - Occupancy: +4.9% activity increase (+3.4 p.p.) with strong demand growth across all regions highlighting LatAm (+8.2%) and Spain (+7.4%)
- LFL (excluding reforms) RevPAR grew +8.9% in Q4 2018**
 - Spain (+12%): explained by the remarkable growth in Madrid (+16%) impacted by a relevant congress in October 2018, Barcelona (+20%) affected by better comps since Q4 2018 and secondary cities (+4%)
 - Italy (+4%): Good performance of Rome (+11%) and secondary cities (+5%). Milan (0%) negatively affected by the trade fair calendar
 - Benelux (+8%): Outstanding performance in Brussels (+14%) and Dutch secondary cities (+8%). Amsterdam (+4%)
 - Central Europe (+7%): Munich +30%, Berlin +13% and secondary cities +4% due to the favorable trade fair calendar
 - LatAm (+18%; real exchange rate): Buenos Aires +34%, Mexico DF +7% and Bogota +29% including currency evolution

Q4 2018 Consolidated KPIs by BU



⁽¹⁾Includes France and New York. Spain ADR +10.0% and RevPAR +15.3%

Significant improvement in Net Recurring Income

€ million	Q4 2018 ⁽¹⁾	Q4 2017	VAR.	
	€m.	€m.	€m.	%.
TOTAL REVENUES W/O IAS 29	426.5	397.0	29.5 ¹	7.4%
TOTAL REVENUES	429.9	397.0	32.9	8.3%
Staff Cost	(140.6)	(135.2)	(5.3)	3.9%
Operating expenses	(127.4)	(119.4)	(8.0)	6.7%
GROSS OPERATING PROFIT	161.9	142.4	19.5 ²	13.7%
Lease payments and property taxes	(84.0)	(79.7)	(4.4)	5.5%
EBITDA BEFORE ONEROUS W/O IAS 29	77.4	62.7	14.7 ³	23.4%
EBITDA BEFORE ONEROUS WITH IAS 29	77.9	62.7	15.2	24.2%
Margin % of Revenues	18.1%	15.8%		2.3 p.p.
Onerous contract reversal provision	0.5	1.2	(0.7)	-59.5%
EBITDA AFTER ONEROUS	78.3	63.9	14.5	22.7%
Depreciation	(29.5)	(30.5)	0.9	-3.0%
EBIT	48.8	33.4	15.4	46.0%
Interest expense	(8.2)	(16.5)	8.3 ⁴	-50.5%
IAS 29	9.2 ⁵	0.0	9.2	N/A
Income from minority equity interest	(0.2)	(0.4)	0.1	-33.3%
EBT	49.6	16.5	33.1	N/A
Corporate income tax	(18.6)	(7.8)	(10.9) ⁶	139.3%
NET INCOME BEFORE MINORITIES	31.0	8.7	22.2	N/A
Minorities interests	(2.8)	(1.0)	(1.7)	166.7%
NET RECURRING INCOME W/O IAS 29	23.0	7.7	15.2 ⁷	197.3%
NET RECURRING INCOME	28.2	7.7	20.5	N/A
Non Recurring EBITDA ⁽²⁾	(12.7)	10.0	(22.7)	N/A
Other Non Recurring items ⁽³⁾	(4.3)	(6.7)	2.3	N/A
TOTAL NET INCOME W/O IAS 29	4.5	11.0	(6.5)	-59.0%
TOTAL NET INCOME inc. non-recurring	11.1 ⁸	11.0	0.1	1.0%

- Revenue** grew +7.4% reaching €426.5m (+€29.5m). Including IAS 29 revenue reached €429.9m (+€32.9m)
- GOP:** cost control allows to report a growth of +€19.5m in the fourth quarter reaching a margin of 38%
- EBITDA:** recurring EBITDA growth of +23.4% reaching €77.4m, which represents an increase of +€14.7m compared to Q4 2017. EBITDA margin improved +2.4 p.p. reaching 18.1%. Including hyperinflation (IAS 29) reached €77.9m (+€15.2m; +24.2%)
- Financial Expenses:** decrease of +€8.3m mainly due to early redemption convertible bond and partial early redemption 2023 Bond
- IAS 29** creates a financial income from the revaluation of Argentina assets +€9.2m
- Taxes:** The higher Corporate Income Tax (-€10.9m) is explained by a better EBT performance and tax holding provision related to IAS 29
- Net Recurring Income:** significant growth of +€15.2m reaching €23.0m. Including (IAS 29) Net Recurring Income reached €28.2m from revaluation of fixed assets in Argentina (IAS 29)
- Total Net Income** reached €11.1m, negatively impacted by business provisions, redundancy payments and accelerated depreciation

⁽¹⁾ Includes hyperinflation accounting effect (IAS 29) unless stated

⁽²⁾ Includes gross capital gains from asset rotation

⁽³⁾ Includes taxes from asset rotation

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SALES AND RESULTS 2018

25th February 2019



NH | HOTEL GROUP PART OF **MINOR**
HOTELS



2018 Main Financial Aspects ⁽¹⁾

- **Revenue growth of +4.6%** (+6.7% at constant rates) **reaching €1.623m** (+€71m) in the year, despite 2018 refurbishments (-€12m) and negative currency impacts (-€37m).
 - In the like-for-like ("LFL") perimeter, excluding refurbishments and perimeter changes, revenue grew +3.0% (+5.6% at constant rates):
 - Strong evolution in Europe with a growth of +4.1%. It is worth noting the positive performance of Benelux (+6.5%), Italy (+4.2%) and Central Europe (+3.2%). Spain (+2.7%), despite significant LFL growth in 2017 (+10%) and the situation in Barcelona.
 - Latin America was adversely affected by currency.
 - Above-market relative RevPAR growth of +1.5 p.p. in the main cities due to a relative increase in ADR (+1.0 p.p.) and higher relative occupancy (+0.5 p.p.), supported by perceived quality improvement.
 - **Including the accounting impact of hyperinflation (IAS 29), revenue was €1.620m (+4.3%).**
- **Increase in RevPAR of +3.8% in the year, with ADR growth** (+2.3%; +€2.2) accounting for 61% of the RevPAR increase and **occupancy rose +1.5% to 72.0%**. RevPAR growth in all regions except LatAm (negatively impacted by currency), highlighting Benelux (+7.0%), Italy (+4.9%) and Central Europe (+4.5%). RevPAR in Spain increased by +2.0% impacted by the situation in Barcelona (+2.5% excluding Barcelona).
 - **Growth in the activity level across all regions**, highlighting Benelux (+3.1%) driven by the continued recovery of Brussels.
- Revenue growth together with cost controls allowed to close the year with **recurrent EBITDA growth⁽²⁾ of +14%**, **reaching €265m**, which represents an **increase of +€32m and a margin of 16.3%** (+1.3 p.p.). **The conversion rate of incremental revenue to EBITDA is 45%**. Excluding perimeter changes and refurbishments, the LFL conversion rate reached 61%.
 - **Including the accounting impact of hyperinflation (IAS 29), recurring EBITDA reached €263m.**
- **Recurring Net Income doubled compared to 2017** (+€38m, higher than EBITDA growth), **reaching €72m in 2018** on business improvements and lower financial costs due to a reduction in financial indebtedness.
 - **Recurring Net Income including the accounting effect of hyperinflation (IAS 29)** due to the revaluation of fixed assets in Argentina **reached €86m.**
- **Total Net Income reached €104m**, +€69m higher than in 2017. The comparison is mainly affected by higher net capital gains from asset rotation.
 - **Total Net Income including the accounting effect of hyperinflation (IAS 29) is €118m.**
- Proposal to submit for AGM approval, the **distribution of a dividend** for the financial year 2018 of a maximum **gross amount of €0.15** per outstanding share, implying an estimated disbursement of €59m, in-line with the announced dividend policy.
- **Deleverage target exceeded with a net financial debt of -€171m** compared to -€655m at 31 December 2017, following the early conversion of the Convertible Bond (€250m) in June 2018 and the early voluntary partial repayment of the 2023 Bond (€40m) in December 2018, the **favourable operating cash flow generation**, and the asset rotation activity.
 - Strong cash position: €266m
 - A Net Financial Debt / Recurring EBITDA ratio⁽²⁾ of 0.6x (5.6x in 2015) was achieved, exceeding the revised target (0.8x-1.0x) of the year

(1) Business performance figures exclude hyperinflation accounting impact (IAS 29) explained in p.4 and p. 11

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

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Main figures of Q4 2018 ⁽¹⁾

- **Revenue grew +7.4%** (+8.7% at constant exchange rates) reaching €427m (+€30m). Strong LFL growth in Europe of +5.6% due to the great performance of Spain (+8.9%) with a better comparison in Barcelona and a better events and congresses calendar in Madrid and Benelux (+5.0%). Italy grew +3.8% and Central Europe +3.6%.
 - Including IAS 29, revenue was €430m (+8.3%).
- **RevPAR grew +9.1%** through a **combined growth strategy of both ADR** (+4.0%, +€3.9m) **and occupancy** (+4.9%). Remarkable RevPAR growth in Spain (+12.9%) and Central Europe (+8.8%).
- **EBITDA growth of +23.4%**⁽²⁾ representing an increase of +€15m to €77m and an improved margin of +2.4 p.p. to 18.1%.
 - Including IAS 29, recurring EBITDA is €78m.
- **Recurring Net Income** in Q4 amounted to €23m explained by the good performance of the business in the quarter and lower financial costs.
 - Recurring Net Income including IAS 29 due to the revaluation of fixed assets in Argentina reached €28m.

2019 Targets (excluding accounting impacts of IFRS 16 and IAS 29)

- Targets of **EBITDA⁽²⁾ of €285m** despite changes in the perimeter and new repositioning opportunities and **Recurring Net Income close to €100m by 31 December 2019** are confirmed.

(1) Business performance figures exclude hyperinflation accounting impact (IAS 29)

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

New Strategic Plan: NH + Minor

- NHH has already started to work with MINT to identify, formulate and quantify the potential synergistic benefits across both complementary businesses. The process is expected to take 6 months. Task force from both groups have already been assigned to collaborate across various functions.
- Key initiatives identified:
 - Tivoli integration: operations of Minor Hotels in Portugal and Brazil. NH is in the process of identifying synergies through efficiencies across sales & marketing, procurement & back office.
 - Brand streamline: joint brand positioning has been agreed. Over 5 hotels identified as potential accretive rebrand out of which 3 to Anantara. Potential for expansion has been identified for both MINT and NH brands across geographies.
 - Negotiation with trade partners (OTAs, travel agents and procurement suppliers): both groups in talks for improved and win-win pricing scheme based on enlarged portfolio.
 - Combination of Global Sales: NHH portfolio has been incorporated in MINT websites. Vision has been defined for websites at both group and brand levels. Cross-selling has started (China office for Spanish hotels, Thailand office for German hotels, Madrid office for Oaks). Joint-salesforce roadmap has been agreed.
 - Leverage on human capital: employee mobility policy is in process. Initial movements planned: hotel managers from Minor to NHH, operations & revenue management from NHH to Minor.
 - Loyalty interface: respective database analysis to identify benefits completed. Global loyalty vision and roadmap to be defined by 3Q19, including assessment on merger, cross redemption and cross accumulation.
- The Board of Directors of NH approved last 7th February, with the abstention of Minor's representatives:

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- A Governance Framework to establish relations between NHHG and Minor, including:
 - Mechanisms to prevent and solve possible conflicts of interest, as well as related party transactions.
 - Exchange of information.
 - Scope of action of the respective hotel groups, by identifying MINT's and NH's preferred business geographical areas.
- A reciprocal Brands Master Licensing agreement by means of which each party licenses to the other party the use of its corresponding commercial brands in the geographical areas where the other party operates.

IFRS 16: Impact of new accounting standard from 2019

- IFRS 16 establishes the recognition on the balance sheet of operating leases, being added a financial liability equal to the present value of the fixed lease commitments and an asset for the right of use the underlying asset. Therefore, the interest expense of the liability is recorded separately from the depreciation expense of the right-of-use asset.
- The Group decided to apply the retrospective modified method, calculating the asset at the start date of each contract and the liability at the transition date, using the incremental interest rate at transition date for both calculations and recording the difference between the two items as an adjustment in the consolidated reserves on the opening balance sheet.
- The estimated impact as of 1 January 2019 based on portfolio at the transition date, without considering additions, cancellations or modifications of contracts that may occur after that date, will be approximately an increase in right-of-use assets of €1,700m, increased operating lease financial liabilities of -€2,100m, and lower reserves of -€400m. In addition, it is estimated that the net profit before taxes will decrease by approximately -€5m.
 - Liability impact is in-line with 2017 annual accounts disclosure of operating leases and with the average calculation published by rating agencies.
 - No cash impact, leverage capacity or debt financial covenants.
 - The negative impact on P&L from the current lease portfolio will be reduced progressively in the coming periods.

Implementation of accounting standard IAS 29 (detail of financial information with impacts in annex p. 17):

- The following is an explanation of the effect on the Group's results as of 31 December 2018 on financial reporting in hyperinflationary economies. The application of this standard impacts the Group's results in Argentina and its effects on business figures from 1st January 2018 are:
 - Revenue: -€3.6m.
 - Recurring EBITDA: -€1.6m.
 - Total Net Income: +€13.5m, mainly explained by the revaluation of fixed assets in Argentina.
 - Balance Sheet: +€54m in equity due to the historic revaluation of assets in Argentina partly reduced by deferred tax and minorities.

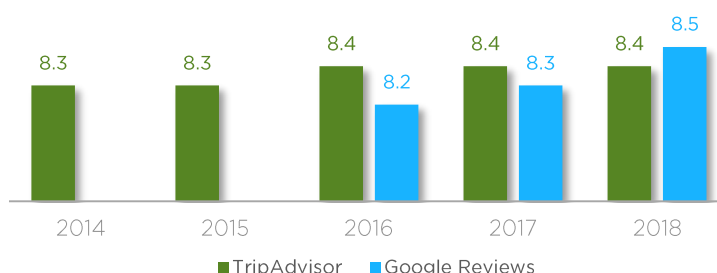
Other Highlights

- **Repositioning Plan:** In 2018 the following hotels are affected by refurbishments: NHC Palacio de Castellanos, NH Málaga, NH Plaza de Armas, NH Balboa, NH Imperial Playa, NH Madrid Paseo de la Habana, NH Luz Huelva,

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NH Logroño Herencia Rioja and NH Jolly Madison Towers in the BU of Spain. NHC Milano Porta Nuova, NH Pontevecchio, NHC Roma Centro, NH Bologna de la Gare and NH Napoli Ambassador in Italy. NH Schiphol and NHC Amsterdam Flower Market in Benelux and NH Berlin Alexanderplatz, NHC Frankfurt City, NHC München Bavaria and NH Vienna Airport, in Central Europe and NHC Bogotá WTC Royal and NH Buenos Aires Crillón in Latin America. The opportunity cost, as lower revenues due to the refurbishments was -€11,9m compared with 2017, mainly due to the refurbishments of hotels in New York, Germany, Italy and The Netherlands.

- **Brand:** NH had 350 hotels and 54,374 rooms as of 31st December 2018, of which 75 hotels and 11,821 rooms are NH Collection (22% of the portfolio), showing their potential both in prices (+43% higher price in 2018; ADR NH Collection €127 vs ADR NH €89) and quality (with improvements also in non-refurbished hotels). NH Hotel Group focuses on quality measurement using new sources of information and surveys, thus significantly increasing both the volume of reviews and the evaluations received.



- **Pricing & Revenue Management:** Higher relative RevPAR growth of +1.5 p.p. in the main cities compared to our competitors, through higher ADR (+1.0 p.p.) and occupancy (+0.5 p.p.):
 - Excellent growth in Italy, with a relative RevPAR of +5.4 p.p. on higher ADR and occupancy, driven by the favourable performance of Rome.
 - Spain: +1.4 p.p. relative RevPAR on higher ADR and occupancy.
 - Good results in Benelux, with a +1.3 p.p. increase in relative RevPAR due to higher occupancy.
 - Central Europe: +0.3 p.p. variation in relative RevPAR on higher ADR with the main cities showing a positive trend.

2018	ADR % var.		"Relative" ADR	"Relative" Occupancy	RevPAR % var.		"Relative" RevPAR
	NH	Compset	Var.	Var.	NH	Compset	Var.
Total NH	3.2%	2.2%	1.0 p.p.	0.5 p.p.	6.1%	4.5%	1.5 p.p.
Spain	1.0%	-0.2%	1.1 p.p.	0.3 p.p.	4.4%	2.9%	1.4 p.p.
Italy	4.5%	1.0%	3.5 p.p.	1.8 p.p.	7.6%	2.2%	5.4 p.p.
Benelux	3.5%	4.6%	-1.2 p.p.	2.4 p.p.	8.2%	7.0%	1.3 p.p.
Central Europe	4.7%	2.8%	1.9 p.p.	-1.6 p.p.	5.5%	5.1%	0.3 p.p.

- **Asset Rotation:**
 - In February 2018, the sale and leaseback of the NH Collection Amsterdam Barbizon Palace Hotel was recorded for a gross amount of €155.5m and net post-tax cash of c.€122m. Taxes have been paid during the course of 2018.
 - In addition, 5 hotels were signed throughout 2018, 2 leased (Hannover and Hamburg) and 3 managed (Oporto, La Habana and Guadalajara) with a total of 580 rooms. 4 of the signings are under NH brand and 1 under NH Collection.

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Q4 RevPAR evolution ⁽¹⁾:

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

NH HOTEL GROUP REVPAR Q4 2018/2017											
	AVERAGE ROOMS		OCCUPANCY %			ADR			REVPAR		
	2018	2017	2018	2017	% Var	2018	2017	% Var	2018	2017	% Var
Spain & Others LFL & R ⁽²⁾	11,052	11,215	76.1%	71.1%	7.0%	96.6	92.7	4.2%	73.5	65.9	11.5%
B.U. Spain Consolidated ⁽²⁾	11,422	11,736	75.8%	70.5%	7.4%	96.9	92.3	5.1%	73.5	65.1	12.9%
Italy LFL & R	7,181	7,182	69.5%	67.5%	2.9%	113.5	110.8	2.5%	78.9	74.8	5.5%
B.U. Italy Consolidated	7,325	7,182	69.0%	67.5%	2.1%	114.2	110.8	3.0%	78.7	74.8	5.2%
Benelux LFL & R	8,214	8,209	71.9%	69.6%	3.3%	117.5	115.1	2.1%	84.5	80.1	5.5%
B.U. Benelux Consolidated	8,979	8,455	71.7%	69.3%	3.3%	117.5	114.5	2.6%	84.2	79.4	6.0%
Central Europe LFL & R	11,792	11,851	76.0%	72.9%	4.4%	92.9	89.2	4.2%	70.7	65.0	8.8%
B.U. Central Europe Consolidated	12,258	12,088	75.7%	72.7%	4.1%	92.9	88.8	4.6%	70.3	64.6	8.8%
Total Europe LFL & R	38,239	38,457	74.0%	70.7%	4.7%	102.8	99.5	3.3%	76.0	70.3	8.1%
Total Europe Consolidated	39,984	39,462	73.6%	70.4%	4.5%	103.1	99.1	4.1%	75.9	69.8	8.7%
Latinamerica LFL & R	5,236	5,236	69.7%	64.6%	7.9%	81.0	75.6	7.1%	56.4	48.8	15.6%
Latinamerica Consolidated	5,566	5,425	68.9%	63.7%	8.2%	79.6	75.7	5.2%	54.8	48.2	13.8%
NH Hotels LFL & R	43,475	43,693	73.4%	69.9%	5.0%	100.3	96.9	3.5%	73.7	67.7	8.7%
Total NH Consolidated	45,550	44,887	73.0%	69.6%	4.9%	100.4	96.5	4.0%	73.3	67.2	9.1%

(1) Does not include IAS 29 impact

(2) Includes France and NY

- **RevPAR increase of +9.1%** through a **combined growth strategy of ADR (+4.0%: +€3.9) and occupancy (+4.9%)**. Outstanding RevPAR growth in Spain (+12.9%) and Central Europe (+8.8%).
- Remarkable **RevPAR growth** in:
 - **Spain:** +12.9% due to an increase in prices of +5.1% and activity of +7.4%, positively impacted by the fairs calendar in Madrid (+16%) and better comparison in Barcelona (+20%).
 - **Italy:** +5.2% explained by a higher level of prices (+3.0%), excellent evolution of Rome (+11%) and secondary cities (+5%). Milan (+0%) was affected by a worse calendar of fairs in Q4.
 - **Benelux:** +6.0% explained by Brussels (+14%, on higher occupancy), Dutch secondary cities (+8%) and Amsterdam (+4%).
 - **Central Europe:** +8.8% with higher level of prices (+4.6%) and activity (+4.1%), helped by a better trade fair calendar. Excellent LFL performance of Munich (+30%), Berlin (+13%), and Austria (+23%).
 - **LatAm:** +13.8% with an increase in ADR of +5.2% and occupancy (+8.2%), highlighting the good LFL performance of Buenos Aires (+34%) and Bogota (+29%).
- With regard to the Group’s **activity level** in the fourth quarter, occupancy increased **+4.9% (+3.4 p.p.)**, with growth in all regions, highlighting LatAm (+8.2%, +5.2 p.p.) due to the strong performance of Bogotá and Spain (+7.4%; +5.3 p.p.) driven by the improved comparison of Barcelona and good performance of Madrid.

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12-month RevPAR evolution ⁽¹⁾:

- **+3.8% increase in RevPAR** with a **61% contribution from prices** (ADR +2.3%; +€2.2) and a +1.5% boost in occupancy to 72.0%. RevPAR growth in all regions except LatAm (negatively impacted by currency) highlighting Benelux (+7.0%), Italy (+4.9%), and Central Europe (+4.5%). RevPAR in Spain increased by +2.0% (+2.5% excluding Barcelona).
- Growth in occupancy across all regions, highlighting Benelux (+3.1%) driven by strong the performance of Brussels.

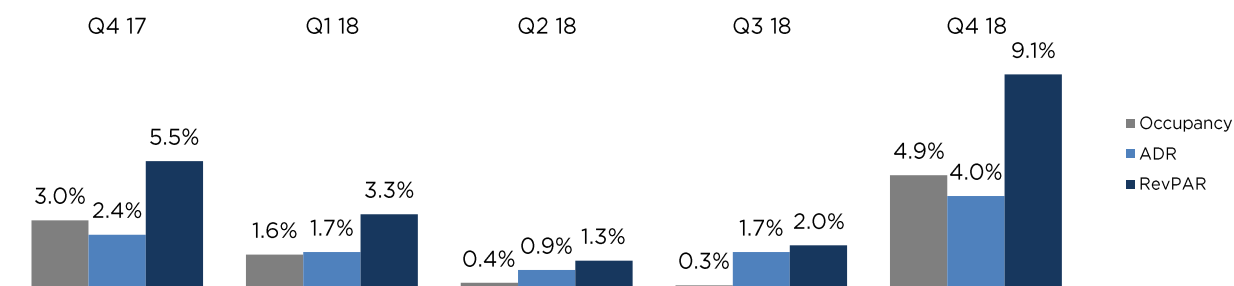
NH HOTEL GROUP REVPAR 12M 2018/2017

	AVERAGE ROOMS		OCCUPANCY %			ADR			REVPAR		
	2018	2017	2018	2017	% Var	2018	2017	% Var	2018	2017	% Var
Spain & Others LFL & R ⁽²⁾	11,032	11,252	74.8%	73.3%	2.0%	94.4	94.2	0.3%	70.7	69.1	2.3%
B.U. Spain Consolidated ⁽²⁾	11,558	11,741	74.5%	73.9%	0.8%	94.4	93.3	1.2%	70.3	69.0	2.0%
Italy LFL & R	7,160	7,163	70.3%	69.0%	1.8%	119.0	115.6	3.0%	83.7	79.8	4.9%
B.U. Italy Consolidated	7,258	7,163	70.1%	69.0%	1.5%	119.5	115.6	3.4%	83.7	79.8	4.9%
Benelux LFL & R	8,213	8,202	72.8%	70.5%	3.3%	111.7	107.4	4.0%	81.3	75.7	7.4%
B.U. Benelux Consolidated	8,901	8,360	72.5%	70.4%	3.1%	111.0	106.9	3.8%	80.5	75.3	7.0%
Central Europe LFL & R	11,865	11,721	74.5%	73.6%	1.3%	89.1	86.6	2.9%	66.4	63.7	4.2%
B.U. Central Europe Consolidated	12,111	11,958	74.5%	73.5%	1.4%	88.9	86.2	3.1%	66.2	63.3	4.5%
Total Europe LFL & R	38,269	38,338	73.5%	72.0%	2.0%	100.8	98.4	2.4%	74.1	70.9	4.5%
Total Europe Consolidated	39,828	39,222	73.3%	72.1%	1.5%	100.7	97.8	3.0%	73.8	70.6	4.6%
Latinamerica LFL & R	5,236	5,226	63.6%	63.1%	0.7%	74.4	76.7	-3.0%	47.3	48.4	-2.3%
Latinamerica Consolidated	5,545	5,386	62.6%	62.0%	1.0%	73.6	76.8	-4.1%	46.1	47.6	-3.1%
NH Hotels LFL & R	43,505	43,564	72.3%	70.9%	1.9%	98.0	96.1	2.0%	70.8	68.2	3.9%
Total NH Consolidated	45,373	44,608	72.0%	70.9%	1.5%	97.9	95.6	2.3%	70.4	67.8	3.8%

(1) Does not include IAS 29 impact

(2) Includes France and NY

Evolution of Consolidated Ratios by quarter:



Consolidated Ratios % Var	Occupancy					ADR					RevPAR				
	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18
Spain ⁽²⁾	3.0%	1.2%	-0.4%	-1.6%	7.4%	5.7%	4.8%	-2.6%	-3.8%	5.1%	8.9%	6.1%	-3.0%	-5.3%	12.9%
Italy	2.6%	3.2%	0.3%	0.6%	2.1%	7.5%	6.5%	2.4%	2.9%	3.0%	10.3%	9.9%	2.8%	3.5%	5.2%
Benelux	5.6%	2.6%	2.2%	3.2%	3.3%	5.4%	6.4%	4.2%	2.5%	2.6%	11.3%	9.1%	6.5%	5.7%	6.0%
Central Europe	1.8%	2.1%	-0.2%	1.0%	4.1%	-2.9%	-2.6%	2.9%	5.7%	4.6%	-1.2%	-0.6%	2.7%	6.7%	8.8%
TOTAL EUROPE	3.1%	2.0%	0.3%	0.6%	4.5%	3.4%	3.4%	1.7%	1.8%	4.1%	6.6%	5.5%	2.0%	2.4%	8.7%
Latin America real exc. rate	2.8%	-1.9%	0.0%	-2.2%	8.2%	-5.9%	-13.1%	-8.1%	-1.1%	5.2%	-3.3%	-14.8%	-7.9%	-3.1%	13.8%
NH HOTEL GROUP	3.0%	1.6%	0.4%	0.3%	4.9%	2.4%	1.7%	0.9%	1.7%	4.0%	5.5%	3.3%	1.3%	2.0%	9.1%

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RECURRING HOTEL ACTIVITY *								
(€ million)	2018 Q4	2017 Q4 ⁽³⁾	DIFF. 18/17	%DIFF.	2018 12M	2017 12M ⁽³⁾	DIFF. 18/17	%DIFF.
SPAIN ⁽¹⁾	111.3	102.7	8.6	8.3%	414.9	409.7	5.2	1.3%
ITALY	71.3	68.0	3.3	4.9%	288.4	277.3	11.1	4.0%
BENELUX	89.1	86.2	2.9	3.4%	347.3	327.7	19.6	6.0%
CENTRAL EUROPE	98.8	95.4	3.4	3.5%	382.3	369.3	13.0	3.5%
AMERICA	41.1	35.8	5.2	14.6%	126.2	135.7	(9.5)	(7.0%)
TOTAL RECURRING REVENUE LFL&R	411.6	388.1	23.4	6.0%	1,559.1	1,519.7	39.4	2.6%
OPENINGS, CLOSINGS & OTHERS	18.3	8.9	9.4	106.1%	60.7	33.0	27.7	83.9%
RECURRING REVENUES	429.9	397.0	32.9	8.3%	1,619.8	1,552.7	67.1	4.3%
SPAIN ⁽¹⁾	67.8	65.5	2.3	3.5%	257.6	258.8	(1.2)	(0.5%)
ITALY	44.5	43.1	1.4	3.2%	175.1	173.6	1.5	0.9%
BENELUX	54.8	54.1	0.7	1.3%	217.3	210.6	6.6	3.2%
CENTRAL EUROPE	62.0	60.7	1.3	2.1%	246.1	240.1	6.0	2.5%
AMERICA	26.9	24.5	2.4	9.9%	87.0	96.9	(9.9)	(10.2%)
RECURRING OPEX LFL&R	256.0	247.9	8.1	3.3%	983.1	980.0	3.1	0.3%
OPENINGS, CLOSINGS & OTHERS	12.0	6.7	5.3	78.5%	41.1	23.9	17.2	72.1%
RECURRING OPERATING EXPENSES ⁽²⁾	268.0	254.6	13.3	5.2%	1,024.2	1,003.9	20.3	2.0%
SPAIN ⁽¹⁾	43.5	37.2	6.3	16.9%	157.3	150.8	6.4	4.3%
ITALY	26.8	24.9	1.9	7.8%	113.3	103.7	9.6	9.3%
BENELUX	34.3	32.1	2.2	7.0%	130.1	117.1	12.9	11.1%
CENTRAL EUROPE	36.8	34.7	2.1	6.0%	136.2	129.2	7.0	5.4%
AMERICA	14.1	11.3	2.8	24.8%	39.2	38.8	0.4	0.9%
RECURRING GOP LFL&R	155.5	140.2	15.4	11.0%	576.1	539.7	36.4	6.7%
OPENINGS, CLOSINGS & OTHERS	6.4	2.2	4.2	190.4%	19.6	9.1	10.5	114.8%
RECURRING GOP	161.9	142.4	19.5	13.7%	595.6	548.8	46.8	8.5%
SPAIN ⁽¹⁾	23.2	22.7	0.4	1.9%	91.5	90.1	1.5	1.7%
ITALY	12.8	13.3	(0.5)	(3.8%)	51.0	51.1	(0.1)	(0.1%)
BENELUX	14.3	12.0	2.3	19.3%	57.8	50.6	7.2	14.3%
CENTRAL EUROPE	26.3	26.2	0.1	0.5%	105.3	103.0	2.3	2.2%
AMERICA	3.4	3.3	0.1	2.0%	12.4	13.1	(0.7)	(5.5%)
RECURRING LEASES&PT LFL&R	79.9	77.5	2.4	3.1%	318.0	307.8	10.2	3.3%
OPENINGS, CLOSINGS & OTHERS	4.1	2.2	1.9	88.2%	14.4	7.9	6.5	82.0%
RECURRING RENTS AND PROPERTY TAXES	84.0	79.7	4.4	5.5%	332.4	315.7	16.7	5.3%
SPAIN ⁽¹⁾	20.3	14.5	5.9	40.5%	65.7	60.8	4.9	8.1%
ITALY	14.0	11.6	2.5	21.2%	62.3	52.7	9.7	18.4%
BENELUX	20.0	20.1	(0.1)	(0.4%)	72.3	66.5	5.7	8.6%
CENTRAL EUROPE	10.5	8.6	1.9	22.7%	30.9	26.1	4.7	18.2%
AMERICA	10.8	8.0	2.7	34.2%	26.8	25.7	1.1	4.1%
RECURRING EBITDA LFL&R	75.7	62.7	12.9	20.6%	258.1	231.9	26.2	11.3%
OPENINGS, CLOSINGS & OTHERS	2.2	(0.0)	2.2	N/A	5.2	1.2	4.0	N/A
RECURRING EBITDA EX. ONEROUS PROVISION	77.9	62.7	15.2	24.2%	263.2	233.1	30.1	12.9%

⁽¹⁾ Business performance figures include the IAS 29 accounting standard on financial reporting in hyperinflationary economies

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

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

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

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Recurring Results by Business Unit (LFL&R basis)

Spain B.U. (*):

- Q4: +11.5% increase in RevPAR in the fourth quarter, mainly explained by the better comparison over the same period of 2017 in Barcelona and the good performance of Madrid, partly explained by better calendar of events and congresses in the quarter.
- 12M: +2.3% RevPAR increase (+3.0% excluding Barcelona) despite the difficult comparison with the previous year. ADR grew +0.3% and occupancy +2.0%. It is noteworthy the LFL RevPAR evolution of Madrid (+3.9%) and secondary cities (+4.2%). The evolution of Barcelona is normalised in the last quarter of the year.
 - LFL revenue showed positive growth of +2.7% (+3.1% excluding Barcelona) despite the excellent performance of 2017 (+10% LFL revenue) and the evolution of Barcelona (+0.2%). Madrid grew +3.9% despite the strong fair calendar in 2017. Including refurbishments, revenue grew +1.3% affected by New York (-€8.4m). Excluding said refurbishment, revenue rose +3.4%.
 - Operating expenses remained stable at -0.5% (-€1.2m) in the year.
 - GOP reached €157.3m, rising +4.3% (+€6.4m), while lease payments rose +€1.5m (+1.7%).
 - As a result, in 2018 EBITDA increased +8.1% (+€4.9m) to €65.7m, with a margin at 15% (+0.1 p.p.).

(*): Includes the New York hotel and France

Italy B.U.:

- Q4: +5.5% RevPAR growth in the quarter with an increase of +2.5% in prices and +2.9% in occupancy, reaching a revenue growth of +4.9%, despite being a quarter in which Milan was negatively affected by the fairs calendar.
- 12M: 4.9% RevPAR growth in the year with ADR +3.0% (+€3.5) and occupancy +1.8%. Outstanding performance of RevPAR LFL in Rome (+10.1%), secondary cities (+4.8%), and Milan (+3.4%).
 - This allows for LFL revenue growth of +4.2% with a strong performance in Rome (+10.0%). Solid growth in Milan (+3.7%; despite the negative calendar of fairs in the second half of the year) and in secondary cities (+3.5%). Including the -€2.0m opportunity cost of three hotels being refurbished, LFL&R revenue growth was +4.0% (+€11.1m).
 - Operating expenses grew by +0.9% in the year and GOP by +9.3% (+€9.6m) to €113.3m.
 - Thus, EBITDA in 2018 improved +€9.7m (+18.4%) to €62.3m with a margin increase of +2.6 p.p. to 21.6%.

Benelux B.U.:

- Q4: +5.5 RevPAR growth in Q4 with an increase in prices of +2.1% and +3.3% in occupancy (continued recovery of Brussels and increased demand for Conference Centres in the Netherlands and in secondary cities). Revenues grew +3.4% due to the excellent performance of Brussels and secondary cities. Amsterdam grew +2.7%.
- 12M: excellent RevPAR growth of +7.4% with an increase of +4.0% in prices and +3.3% in occupancy. It is worth noting the RevPAR LFL growth of Brussels (+14.3%, 76% on higher occupancy), Dutch secondary cities (+8.0%) and Amsterdam (+6.3%).
 - This led to a strong LFL&R revenue growth of +6.0% (+€19.6m), given the positive performance of Brussels (+12.4%), Amsterdam (+5.9%) and secondary cities (+5.0%).
 - Operating expenses in 2018 increased +3.2% (+€6.6m) on higher activity levels.

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- With all this, GOP for the year grew +11.1% (+€12.9m). Leases rose +€7.2m (+14.3%) explained by the leaseback of the hotel sold in Amsterdam early in the year.
- Thus, EBITDA climbed +8.6% (+€5.7m) to €72.3m, representing a margin of 20.8% (+0.5 p.p.).

Central Europe B.U.:

- Q4: +8.8% RevPAR growth in the quarter with an increase of +4.2% in prices and +4.4% in occupancy to 76.0%. Strong LFL revenue growth in the quarter (+3.6%) due to a slightly favourable calendar of fairs. Including the hotels refurbished in 2017 and the opportunity cost of -€1.9m for one hotel under refurbishment in 2018, revenue rose +3.5% (+€3.4m) in LFL&R.
- 12M: +4.2% RevPAR growth in the year with ADR +2.9% (68% weight) and occupancy +1.3%. Good performance in key cities: Munich +18.8%, Berlin +13.1% and Frankfurt +5.5%.
 - LFL&R revenue grew +3.5% (+€13.0m) on a slightly favourable calendar of fairs and despite the -€6.4m opportunity cost to refurbish three hotels during the year.
 - Operating expenses rose +2.5% in the year (+€6.0m), in part due to the higher cost of the hotels refurbished in 2017. GOP grew +5.4% (+€7.0m) to €136.2m.
 - In 2018, EBITDA rose +18.2% (+€4.7m) to €30.9m.

Americas B.U. ⁽¹⁾:

- Q4: +15.6% RevPAR growth in the fourth quarter with an increase of +7.1% in prices and +7.9% in occupancy. Significant RevPAR increases in Argentina (+25%) and Colombia (+20%). At constant exchange rates, the growth of the BU LFL&R revenue is +19.3% in the quarter, and at real exchange rates revenue rose by +14.6%.
- 12M: -2.3% decline in RevPAR in the year, due entirely to negative currency evolution with no impact on EBITDA:
 - By region, Mexico shows revenue growth of +6.4% in local currency. Taking currency evolution into account (-6%), revenue remained stable at real exchange rates.
 - In Argentina, revenue doubled at constant rates, due primarily to a hike in average prices resulting from hyperinflation. Including the negative currency impact (-90%), reported revenue is -6.9%.
 - At Hoteles Royal, revenue fell -0.9% in local currency and, including the -3% currency devaluation, revenue fell -4.2%.

(1) Includes IAS 29 impact in Argentina

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Consolidated Income Statement

NH HOTEL GROUP P&L ACCOUNT ⁽¹⁾									
(€ million)	Q4 2018	Q4 2017 ⁽⁴⁾	Var.		12M 2018	12M 2017 ⁽⁴⁾	Var.		12M 2018 w/o IAS 29 ⁽⁵⁾
	€ m.	€ m.	€ m.	%	€ m.	€ m.	€ m.	%	
TOTAL REVENUES	429.9	397.0	32.9	8.3%	1,619.8	1,552.7	67.1	4.3%	1,623.5
Staff Cost	(140.6)	(135.2)	(5.3)	3.9%	(540.7)	(531.4)	(9.3)	1.7%	
Operating expenses	(127.4)	(119.4)	(8.0)	6.7%	(483.5)	(472.5)	(11.0)	2.3%	
GROSS OPERATING PROFIT	161.9	142.4	19.5	13.7%	595.6	548.8	46.8	8.5%	
Lease payments and property taxes	(84.0)	(79.7)	(4.4)	5.5%	(332.4)	(315.7)	(16.7)	5.3%	
EBITDA BEFORE ONEROUS	77.9	62.7	15.2	24.2%	263.2	233.1	30.1	12.9%	264.8
Margin % of Revenues	18.1%	15.8%		2.3 p.p.	16.3%	15.0%		1.2 p.p.	16.3%
Onerous contract reversal provision	0.5	1.2	(0.7)	(59.5%)	2.3	4.2	(1.9)	(44.8%)	
EBITDA AFTER ONEROUS	78.3	63.9	14.5	22.7%	265.6	237.3	28.2	11.9%	
Depreciation	(29.5)	(30.5)	0.9	(3.0%)	(112.6)	(111.4)	(1.2)	1.1%	
EBIT	48.8	33.4	15.4	46.0%	152.9	125.9	27.0	21.5%	
Interest expense	(8.2)	(16.5)	8.3	(50.5%)	(34.2)	(58.0)	23.8	(41.1%)	
IAS 29	9.2	0.0	9.2	N/A	25.7	0.0	25.7	N/A	
Income from minority equity interests	(0.2)	(0.4)	0.1	(33.3%)	(0.5)	(0.3)	(0.2)	43.3%	
EBT	49.6	16.5	33.1	N/A	143.9	67.5	76.4	113.2%	
Corporate income tax	(18.6)	(7.8)	(10.9)	139.3%	(51.3)	(29.0)	(22.3)	76.8%	
NET INCOME before minorities	31.0	8.7	22.2	N/A	92.6	38.5	54.1	140.6%	
Minority interests	(2.8)	(1.0)	(1.7)	166.7%	(6.7)	(3.7)	(3.0)	80.8%	
NET RECURRING INCOME	28.2	7.7	20.5	N/A	85.9	34.8	51.1	147.0%	72.4
Non Recurring EBITDA ⁽²⁾	(12.7)	10.0	(22.7)	N/A	88.8	18.8	70.0	N/A	
Other Non Recurring items ⁽³⁾	(4.3)	(6.7)	2.3	N/A	(56.9)	(18.1)	(38.8)	N/A	
NET INCOME including Non-Recurring	11.1	11.0	0.1	1.0%	117.8	35.5	82.3	N/A	104.3

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

(2) Includes gross capital gains from asset rotation

(3) Includes taxes from asset rotation

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

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

2018 Comments:

- **Revenue growth of +4.6%** (+6.7% at constant rates) **reaching €1.623.5m** (+€70.8m) in the year, despite 2018 refurbishments (-€12m) and negative currency impacts (-€37m).
 - In the like-for-like ("LFL") perimeter, excluding refurbishments and perimeter changes, revenue grew +3.0% (+5.6% at constant rates):
 - Strong evolution in Europe with growth of +4.9%. It is worth noting the positive performance of Benelux (+6.5%), Italy (+4.2%) and Central Europe (+3.2%). Spain (+2.7%), despite significant LFL growth in 2017 (+10%) and the situation in Barcelona.
 - Latin America was negatively impacted by currency (+18.7% at constant rates).
 - **Including the accounting impact of hyperinflation (IAS 29) revenue growth was 4.3%.**
- **Evolution of costs:** cost controls in the year despite higher occupancy (+1.5%).
 - **Personnel costs** rose +1.7% (-€9.3m). The effect of perimeter changes (openings and closings) explains entirely the increase.

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- **Other direct operating costs** rose +2.3% (-€11.0m), also due to perimeter changes.
- **GOP Improvement of +€46.8m (+8.5%)**. The margin on revenues improved +1.4 p.p. in the year, reaching 36.8% with a conversion rate of 70%.
- **Leases and property taxes** climbed -€16.7m (+5.3%) partly explained by the leaseback of the hotel sold in Amsterdam early in the year. As a whole, perimeter changes (openings and closings) and the hotels refurbished in 2017 and 2018 account for 50% of the total increase. In addition, variable components of contracts account for 36% of the variation.
- Revenue growth and cost controls allowed to close the year with recurring EBITDA⁽¹⁾ **growth of +14%, reaching €264.8m**, which represents an increase of **+€31.7m and a margin of 16.3%** (+1.3 p.p.). **The conversion rate of incremental revenue to EBITDA is 45%**. Excluding perimeter changes and the conversion rate, LFL reached 61%.
 - **Including the accounting impact of hyperinflation (IAS 29), recurring EBITDA reached €263.2m** (+€30.1m; +12.9%).
- **Depreciations:** -€1.2m increase due to the impact of repositioning investments in 2017 and 2018.
- **Financial Costs:** -€23.8m reduction mainly explained by:
 - Debt interest savings of +€20.3m, due to: +€16.9m from the refinancing and early repayment of the 2019 Bond, +€6.4m from early redemption of the Convertible Bond, and -€2.8m for the repurchase premium and arranging expenses right off due to early partial repayment of the 2023 Bond.
 - Income net of interest (+€1.0m).
 - Financial income from exchange rate fluctuations from the dollarization of cash balances in Argentina (+€1.8m).
- The application of IAS 29 generated financial income from the appreciation of assets in Argentina of +€25.7m.
- **Corporate tax:** the higher amount of Corporate Tax (-€22.3m) is largely due to the improved performance of EBT (explaining 50% of the increase), and the tax holding provision related to the application IAS 29 (50%).
- **Recurring Net Income doubled compared to 2017** (+€37.6m, and higher than EBITDA growth), **reaching €72.4m in 2018** on business improvements and lower financial costs.
 - **Recurring Net Income including the accounting effect of hyperinflation (IAS 29) reached €85.9m** due to the revaluation of fixed assets in Argentina.
- **Total Net Income reached €104.3m**, exceeding the total in 2017 by +€68.8m. The comparison is affected by higher net gains from asset rotation.
 - **Total Net Income including the accounting effect of hyperinflation (IAS 29) is €117.8m.**

Q4 2018 Comments ⁽¹⁾:

- **Revenue growth of +7.4%** (+8.7% at constant rates) **reaching €426.5m** (+€29.5m) in the year, despite 2018 refurbishments.
 - In the like-for-like ("LFL") perimeter, excluding refurbishments and perimeter changes, revenue grew +6.6% (+7.0% at constant rates):

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- Solid performance in Europe with growth of +5.6% on strong performance of Spain (+8.9%) with a better comparison in Barcelona and the better calendar of congresses and events in Madrid and Benelux (+5.0%). Italy grew +3.8% and Central Europe by +3.6%.
- Latin America negatively affected by currency (+19.5% at constant rates).
 - Including IAS 29, revenue was €429.9m (+8.3%).
- Revenue growth and cost controls helped to present a **recurring EBITDA growth of 23.4%, reaching €77.4m**, which represents an increase of +€14.7m and a **margin of 18.1%** (+2.4 p.p.).
 - Including IAS 29, recurring EBITDA is €77.9m.
- **Significant increase in Recurring Net Income of +€15.2m** (exceeding EBITDA growth), on good performance of the business in the quarter and lower financial costs.
 - Recurring Net Income including IAS 29 reached €28.2m due to the revaluation of fixed assets in Argentina.
- **Total Net Income reached €4.5m**, negatively affected in the fourth quarter by business provisions, allowances and depreciation accelerated due to refurbishments.
 - Total Net Income including IAS 29 reached €11.1m.

(1) Does not include IAS 29 impact

Financial Debt and Liquidity

As of 31/12/2018 Data in Euro million	Maximum Available	Availability	Drawn	Repayment schedule								
				2019	2020	2021	2022	2023	2024	2025	2026	Rest
Senior Credit Facilities												
Senior Secured Notes due 2023	356.9	-	356.9	-	-	-	-	356.9	-	-	-	-
Senior Secured RCF due in 2021	250.0	250.0	-	-	-	-	-	-	-	-	-	-
Total debt secured by the same Collateral	606.9	250.0	356.9	0.0	0.0	0.0	0.0	356.9	0.0	0.0	0.0	0.0
Other Secured loans ⁽¹⁾	31.7	-	31.7	2.7	2.6	2.5	2.1	6.0	1.3	0.9	0.7	12.8
Total secured debt	638.5	250.0	388.5	2.7	2.6	2.5	2.1	362.9	1.3	0.9	0.7	12.8
Unsecured loans ⁽²⁾	46.2	38.2	8.0	2.3	0.26	-	-	5.5	-	-	-	-
Unsecured credit lines	62.2	62.2	0.01	0.01	-	-	-	-	-	-	-	-
Subordinated loans	40.0	-	40.0	-	-	-	-	-	-	-	-	40.0
Total unsecured debt	148.4	100.4	48.0	2.3	0.3	0.0	0.0	5.5	0.0	0.0	0.0	40.0
Total Gross Debt	786.9	350.4	436.6	5.0	2.8	2.5	2.1	368.4	1.3	0.9	0.7	52.8
Cash and cash equivalents ⁽³⁾			(265.9)									
Net debt			170.7									
Arranging expenses			(13.5)	(2.9)	(2.9)	(2.9)	(2.5)	(2.0)	(0.03)	(0.03)	(0.03)	(0.3)
Accrued interests			4.1	4.1								
IFRS 9 ⁽⁴⁾			(8.2)	(1.3)	(1.4)	(1.5)	(1.7)	(1.4)	(0.1)	(0.1)	(0.1)	(0.6)
Total adjusted net debt			153.0									

⁽¹⁾ Bilateral mortgage loans.

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

⁽³⁾ Does not include treasury stock. As of 31/12/2018 the Group had 600,000 own shares with €2.4m€ market value as of 31/12/2018 (€4.056/share).

⁽⁴⁾ IFRS 9 – The new IFRS 9 related to the accounting treatment of financial assets and liabilities with implementation on 1 January 2018. The application of the new accounting rule as a result of improved terms and conditions of the 2017 refinancing, compared to former conditions, results in an impact on NH Hotel Group (accounted within reserves, according to the rule) of less debt for €8.6m as of 1 January 2018 (€8.2m as of 31 December 2018 due to financial expense accounted in 2018 and the positive impact of the refinancing of a mortgage loan in Chile with better terms and conditions than before).

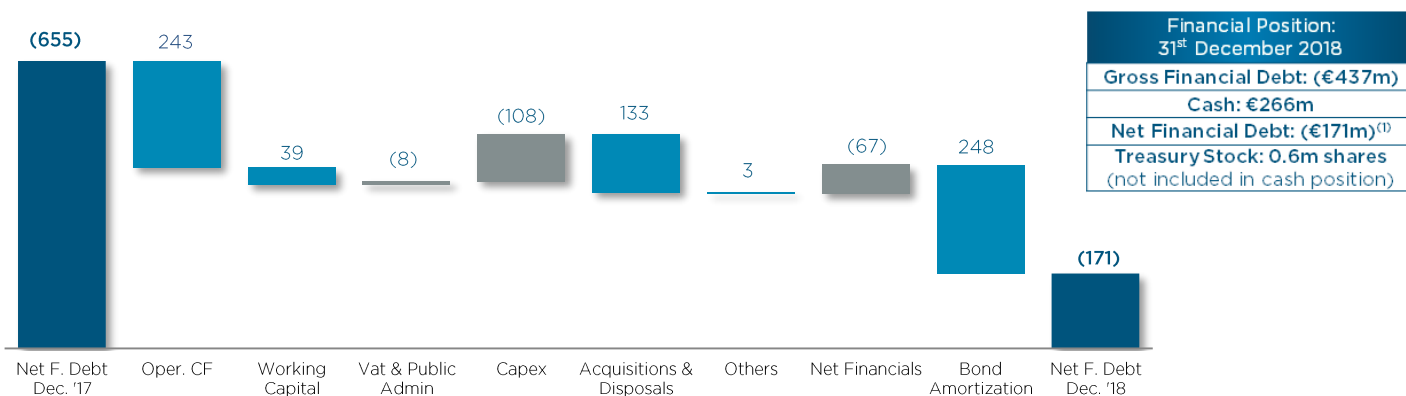
- **Reduction in net financial debt to -€171m compared to -€655m at 31 December 2017**, following the early redemption of the Convertible Bond (€250m) in June 2018, the early voluntary partial redemption of the 2023 Bond (€40m) in December 2018, the **favourable operating cash flow generation** and the asset rotation activity.

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- Strong cash position: €266m
 - A Net Financial Debt / Recurring EBITDA ratio⁽²⁾ of 0.6x (5.6x in 2015) was achieved, exceeding the revised target (0.8x-1.0x) of the year
- At 31 December 2018, the Company had cash amounting to €266m and available credit facilities amounting to €312.2m (excluding the available portion is related to the loan for New York capex), of which €250m relate to the long-term syndicated credit facility with maturity at 29 September 2021.

2018 Net Financial Debt Evolution



- (1) Net Financial Debt excluding accounting adjustments arrangement expenses €13.5m, accrued interest -€4.1m and ⁽²⁾ IFRS 9 adjustment €8.2m. Including these accounting adjustments, the Adj. NFD would be (€153m) at 31st December 2018 and (€637m) at 31st December 2017.
- (2) The new IFRS 9 regulation about Accounting Treatment of Financial Assets and Liabilities has become enforceable on the 1st January 2018. The application of this accounting rule as a result of the better refinancing conditions achieved in 2017, compared with the previous conditions, has involved an impact in NH Hotel Group of €8.6m as of the 1st January 2018 (€8.2m as of 31st December 2018 as per the financial expense).

Cash flow generation in the twelve months of the year:

- (+) Operating cash flow: +€243.2m, including -€17.4m of credit card expenses and taxes paid of -€29.2m (excluding -€32.4m from Barbizon income tax).
- (+) Working capital: solid recovery in accounts receivable together with a reduction in the average payment period.
- (-) Capex payments: -€107.8m deployed in 2018. Lower figure vs. 2018 guidance of c.€125m due to some calendar payments overflow to the beginning 2019 (c.-€25m).
- (+) Acquisitions and Disposals: mainly +€121.8m from the Barbizon sale and leaseback transaction in Q1, net of taxes (€32.4m paid in 2018). The remainder corresponds to other asset rotation transactions, 2 leased contracts restructuring (1 cancellation and 1 acquisition) and Hesperia net inflow after compensation.
- (+) Other: payment of legal provisions.
- (-) Net financial cash flows and dividends: -€66.6m including -€26.8m from net financial costs and -€39.8m from dividend payments (-€0.6m to minority shareholders).
- (+) Early redemption of the convertible bond (€250m) in June 2018. €1.7m paid in cash.

Appendix

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HOTELS



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Anexo 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 2018.

In addition, the abridged consolidated financial statements as at 31 December 2018 are shown below which include the effects of the application of IAS 29 "Financial information in hyperinflation economies " that concern the incorporation of the consolidated financial statements of the business unit of Argentina:

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

	12/31/2018	12/31/2017		12/31/2018	12/31/2017
NON-CURRENT ASSETS:			EQUITY:		
Goodwill	109,432	111,684	Share capital	784,361	700,544
Intangible assets	110,569	151,083	Reserves of the parent company	681,068	526,243
Property, plant and equipment	1,637,718	1,583,164	Reserves of fully consolidated companies	(44,723)	38,877
Investments accounted for using the equity method	8,971	9,419	Reserves of companies consolidated using the equity method	(23,436)	(23,087)
Non-current financial investments-	54,126	75,895	Other equity instruments	-	27,230
<i>Loans and accounts receivable not available for trading</i>	42,598	65,154	Exchange differences	(60,854)	(157,542)
<i>Other non-current financial investments</i>	11,528	10,741	Treasury shares and shareholdings	(2,530)	(39,250)
Deferred tax assets	138,724	137,996	Consolidated profit for the period	117,785	35,489
Other non-current assets	13,427	16,448	Equity attributable to the shareholders of the Parent Company	1,451,671	1,108,504
Total non-current assets	2,072,967	2,085,689	Non-controlling interests	52,351	43,472
			Total equity	1,504,022	1,151,976
			NON-CURRENT LIABILITIES		
			Debt instruments and other marketable securities	342,485	387,715
			Debts with credit institutions	71,473	71,246
			Other financial liabilities	1,762	12,481
			Other non-current liabilities	47,296	38,976
			Provisions for contingencies and charges	51,178	50,413
			Deferred tax liabilities	177,478	167,433
			Total non-current liabilities	691,672	728,264
CURRENT ASSETS:			CURRENT LIABILITIES:		
Non-current assets classified as held for sale	55,974	109,166	Liabilities associated with non-current assets classified as held for sale	2,456	2,377
Inventories	10,435	9,809	Debt instruments and other marketable securities	73	246,195
Trade receivables	106,601	132,582	Debts with credit institutions	4,881	11,724
Non-trade receivables-	38,195	42,786	Other financial liabilities	710	11,618
<i>Tax receivables</i>	19,451	23,743	Trade and other payables	252,704	222,951
<i>Other non-trade debtors</i>	18,744	19,043	Tax payables	59,453	45,860
Accounts receivable with related entities	978	-	Provisions for contingencies and charges	2,713	8,971
Cash and cash equivalents	265,869	80,249	Other current liabilities	44,444	41,768
Other current assets	12,109	11,423	Total current liabilities	367,434	591,464
Total current assets	490,161	386,015	NET ASSETS AND LIABILITIES	2,563,128	2,471,704
TOTAL ASSETS	2,563,128	2,471,704			

NH HOTEL GROUP, S.A. AND SUBSIDIARIES
CONSOLIDATED COMPREHENSIVE PROFIT AND LOSS STATEMENT AT 31 DECEMBER 2018 AND 31 DECEMBER 2017
(Thousands of euros)

	31/12/2018	31/12/2017
Revenues	1,613,388	1,546,086
Other operating income	6,132	11,101
Net gains on disposal of non-current assets	85,982	30,148
Procurements	(74,810)	(75,712)
Staff costs	(422,671)	(427,140)
Depreciation and amortisation charges	(116,301)	(123,085)
Net Profits/(Losses) from asset impairment	(304)	9,005
Other operating expenses	(852,924)	(815,011)
<i>Variation in the provision for onerous contracts</i>	4,342	4,216
<i>Other operating expenses</i>	(857,266)	(819,227)
Gains on financial assets and liabilities and other	(373)	(1,927)
Profit (Loss) from entities valued through the equity method	(499)	(349)
Financial income	6,039	2,995
Change in fair value of financial instruments	-	(7)
Financial expenses	(59,997)	(76,747)
Result from hiperinflation (IAS 29)	25,674	
Net exchange differences (Income/(Expense))	1,054	(6,360)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	210,390	72,997
Income tax	(85,314)	(33,512)
PROFIT FOR THE PERIOD - CONTINUING	125,076	39,485
<i>Profit (loss) for the year from discontinued operations net of tax</i>	(568)	(278)
PROFIT FOR THE PERIOD	124,508	39,207
Exchange differences	(2,187)	(26,494)
Income and expenses recognised directly in equity	(2,187)	(26,494)
TOTAL COMPREHENSIVE PROFIT	122,321	12,713
Profit / (Loss) for the year attributable to:		
<i>Parent Company Shareholders</i>	117,786	35,489
<i>Non-controlling interests</i>	6,722	3,718
<i>Non-controlling interests in discontinued operations</i>	-	-
Comprehensive Profit / (Loss) attributable to:		
<i>Parent Company Shareholders</i>	117,610	11,712
<i>Non-controlling interests</i>	4,709	1,001
	0.32	0.02

NH HOTEL GROUP, S.A. AND SUBSIDIARIES

ABRIDGED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIOD ENDED

31 DECEMBER 2018 AND 31 DECEMBER 2017

(Thousands of euros)

	Equity attributed to the Parent Company							Non-controlling interest	Total Equity
	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			
Ending Balance at 31/12/2017	700,544	542,033	(39,250)	35,489	27,230	(157,542)	43,472	1,151,976	
Adjustment for changes in accounting policies	-	8,571	-	-	-	-	-	8,571	
Application adjustment IAS29	-	(50,724)	-	-	-	-	7,093	(43,631)	
Adjusted balance at 31/12/2017	700,544	499,880	(39,250)	35,489	27,230	(157,542)	50,565	1,116,916	
Net profit (loss) for 2018	-	-	-	117,785	-	-	6,722	124,507	
Exchange differences	-	-	-	-	-	(174)	(2,013)	(2,187)	
Total recognised income / (expense)	-	-	-	117,785	-	(174)	4,709	122,320	
Transactions with shareholders or owners	83,817	118,049	36,720	-	(27,230)	-	(2,375)	208,981	
Distribution of dividends	-	(39,158)	-	-	-	-	(729)	(39,887)	
Convertible Bonds	83,817	156,022	35,691	-	(27,230)	-	-	248,300	
Remuneration Scheme in shares	-	1,185	1,029	-	-	-	-	2,214	
Other changes in equity	-	(5,020)	-	(35,489)	-	-	(548)	(41,057)	
Transfers between equity items	-	35,489	-	(35,489)	-	-	-	-	
Application adjustment IAS29	-	(43,199)	-	-	-	-	(548)	(43,747)	
Other changes	-	2,690	-	-	-	-	-	2,690	
Ending balance at 31/12/2018	784,361	612,909	(2,530)	117,785	-	(157,716)	52,351	1,407,160	

	Equity attributed to the Parent Company							Non-controlling interest	Total Equity
	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			
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	-	-	-	-	-	-	-	-	
Remuneration Scheme in shares	-	1,508	733	-	-	-	-	2,241	
Business combination	-	-	-	-	-	-	-	-	
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	

NH HOTEL GROUP, S.A. AND SUBSIDIARIES

ABRIDGED CONSOLIDATED CASH FLOW STATEMENTS PRODUCED
IN THE PERIOD ENDED 31 DECEMBER 2018 AND 2017
(Thousands of euros)

	31.12.2018	31.12.2017
1. OPERATING ACTIVITIES		
Consolidated profit (loss) before tax:	210,389	72,997
Adjustments:		
Depreciation of tangible and amortisation of intangible assets (+)	116,301	123,085
Impairment losses (net) (+/-)	304	(9,005)
Allocations for provisions (net) (+/-)	(4,342)	(4,216)
Gains/Losses on the sale of tangible and intangible assets (+/-)	(85,982)	(30,148)
Gains/Losses on investments valued using the equity method (+/-)	499	349
Financial income (-)	(6,039)	(2,995)
Financial expenses and variation in fair value of financial instruments (+)	59,997	76,754
	(25,674)	-
Net exchange differences (Income/(Expense))	(1,053)	6,360
Profit (loss) on disposal of financial investments	373	1,927
Other non-monetary items (+/-)	25,031	10,036
Adjusted profit (loss)	289,804	245,144
Net variation in assets / liabilities:		
(Increase)/Decrease in inventories	(626)	61
(Increase)/Decrease in trade debtors and other accounts receivable	28,387	10,405
(Increase)/Decrease in other current assets	(10,760)	6,072
Increase/(Decrease) in trade payables	10,480	(3,088)
Increase/(Decrease) in other current liabilities	2,948	(196)
Increase/(Decrease) in provisions for contingencies and expenses	3,330	(7,196)
(Increase)/Decrease in non-current assets	(403)	748
Increase/(Decrease) in non-current liabilities	(9,437)	(412)
Income tax paid	(61,561)	(21,903)
Total net cash flow from operating activities (I)	252,163	229,635
2. INVESTMENT ACTIVITIES		
Finance income	527	1,345
Investments (-):		
Group companies, joint ventures and associates	(1,000)	(22,269)
Tangible and intangible assets and investments in property	(133,677)	(81,750)
Non-current financial investments	(671)	-
	(135,348)	(104,019)
Disinvestment (+):		
Group companies, joint ventures and associates	85	62
Tangible and intangible assets and investments in property	48,291	60,301
	154,137	-
	202,513	60,363
Total net cash flow from investment activities (II)	67,692	(42,311)
3. FINANCING ACTIVITIES		
Dividends paid out (-)	(39,767)	(18,552)
Interest paid on debts (-)	(44,717)	(67,781)
Financial expenses for means of payment	(17,379)	(16,317)
Interest paid on debts and other interest	(27,338)	(51,464)
Variations in (+/-):		
Equity instruments		
Debt instruments:		
- Bonds and other tradable securities (+)	(44,894)	(135,000)
- Loans from credit institutions (+)	6,323	-
- Loans from credit institutions (-)	(11,147)	(21,772)
- Other financial liabilities (+/-)	(262)	(681)
Total net cash flow from financing activities (III)	(134,464)	(243,786)
4. GROSS INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III)	185,391	(56,462)
5. Effect of exchange rate variations on cash and cash equivalents (IV)	325	-
6. Effect of variations in the scope of consolidation (V)	(96)	(22)
7. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV+V)	185,620	(56,484)
8. Cash and cash equivalents at the start of the financial year	80,249	136,733
9. Cash and cash equivalents at the end of the financial year (7+8)	265,869	80,249

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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 2018	12M 2017
		M €.	M €.
Total revenues	A+B	1,619.8	1,552.7
Total recurring revenue LFL & Refurbishment	A	1,559.1	1,519.7
Openings, closing & others	B	60.7	33.0

It has been provided a reconciliation for the “Total Revenues” line in Point II for the period of nine months ended 31 December 2018.

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

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

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

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

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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 Earnings Report of 12 months of 2018:

I. ADR y RevPar

Earnings Report of 12 months of 2018 details the cumulative evolution of RevPar and ADR in the following tables:

NH HOTEL GROUP REVPAR 12M 2018/2017											
	AVERAGE ROOMS		OCCUPANCY %			ADR			REVPAR		
	2018	2017	2018	2017	% Var	2018	2017	% Var	2018	2017	% Var
Spain & Others LFL & R ⁽²⁾	11,032	11,252	74.8%	73.3%	2.0%	94.4	94.2	0.3%	70.7	69.1	2.3%
B.U. Spain Consolidated ⁽²⁾	11,558	11,741	74.5%	73.9%	0.8%	94.4	93.3	1.2%	70.3	69.0	2.0%
Italy LFL & R	7,160	7,163	70.3%	69.0%	1.8%	119.0	115.6	3.0%	83.7	79.8	4.9%
B.U. Italy Consolidated	7,258	7,163	70.1%	69.0%	1.5%	119.5	115.6	3.4%	83.7	79.8	4.9%
Benelux LFL & R	8,213	8,202	72.8%	70.5%	3.3%	111.7	107.4	4.0%	81.3	75.7	7.4%
B.U. Benelux Consolidated	8,901	8,360	72.5%	70.4%	3.1%	111.0	106.9	3.8%	80.5	75.3	7.0%
Central Europe LFL & R	11,865	11,721	74.5%	73.6%	1.3%	89.1	86.6	2.9%	66.4	63.7	4.2%
B.U. Central Europe Consolidated	12,111	11,958	74.5%	73.5%	1.4%	88.9	86.2	3.1%	66.2	63.3	4.5%
Total Europe LFL & R	38,269	38,338	73.5%	72.0%	2.0%	100.8	98.4	2.4%	74.1	70.9	4.5%
Total Europe Consolidated	39,828	39,222	73.3%	72.1%	1.5%	100.7	97.8	3.0%	73.8	70.6	4.6%
Latinamerica LFL & R	5,236	5,226	63.6%	63.1%	0.7%	74.4	76.7	-3.0%	47.3	48.4	-2.3%
Latinamerica Consolidated	5,545	5,386	62.6%	62.0%	1.0%	73.6	76.8	-4.1%	46.1	47.6	-3.1%
NH Hotels LFL & R	43,505	43,564	72.3%	70.9%	1.9%	98.0	96.1	2.0%	70.8	68.2	3.9%
Total NH Consolidated	45,373	44,608	72.0%	70.9%	1.5%	97.9	95.6	2.3%	70.4	67.8	3.8%

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

	12M 2018	12M 2017
	€ Thousand	€ Thousand
A Room revenues	1,152.8	1,089.6
Other revenues	464.2	456.5
Revenues according to profit & loss statement	1,617.0	1,546.1
B Thousand of room nights	11,776	11,396
A / B = C ADR	97.9	95.6
D Occupancy	72.0%	70.9%
C x D RevPAR	70.4	67.8

(*) Without IAS adjustment

II. INCOME STATEMENT 12 MONTHS OF 2018 AND 2017

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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12M 2018

	Income Statements	Reclassification according to the Financial Statements	Financial expenses for means of payment	Oursourcing	Assets Disposal	Scrapping and non recurring depreciation	Claims, severance payments and other non recurring	P&L according to the Financial Statements	
APM Total revenues	1,619.8	(1,619.8)	-	-	-	-	-		
Revenues	-	1,609.6	-	-	2.7	-	1.1	1,613.4	Revenues
Other operating income	-	6.1	-	-	-	-	-	6.1	Other operating income
APM TOTAL REVENUES	1,619.8	(4.1)	-	-	2.7	-	1.1	1,619.5	
Net gains on disposal of non-current assets	-	(0.1)	-	-	104.3	(17.5)	(0.7)	86.0	Net gains on disposal of non-current assets
APM Staff Cost	(540.7)	0.2	-	120.7	(0)	-	(2.6)	(422.7)	Staff costs
APM Operating expenses	(483.5)	(253.6)	17.4	(120.7)	-	-	(16.9)	(857.3)	Other operating expenses
Procurements	-	(74.8)	-	-	-	-	-	(74.8)	Procurements
APM GROSS OPERATING PROFIT	595.6	(332.4)	17.4	-	106.7	(17.5)	(19.0)	350.8	
APM Lease payments and property taxes lease payments and property taxes nr	(332.4)	332.4	-	-	-	-	-	-	
APM EBITDA BEFORE ONEROUS	263.2	(0.0)	17.4	-	106.7	(17.5)	(19.0)	350.8	
APM Onerous contrate reversal provision	2.3	-	-	-	-	2.02	-	4.3	Variation in the provision for onerous contrates
APM EBITDA AFTER ONEROUS	265.6	(0.0)	17.4	-	106.7	(15.5)	(19.0)	355.1	
Net Profits/(Losses) from asset impairment	-	3.7	-	-	0.8	(5.0)	-	(0.3)	Net Profits/(Losses) from asset impairment
APM Depreciation	(112.6)	(3.7)	-	-	-	-	-	(116.3)	Depreciation and amortisation charges
APM EBIT	152.9	(0.0)	17.4	-	107.5	(20.6)	(18.7)	238.5	
Gains on financial assets and liabilities and other	-	(0.4)	-	-	-	-	-	(0.4)	Gains on financial assets and liabilities and other
APM Interest expense	(34.2)	(8.5)	(17.4)	-	-	-	-	(60.0)	Finance costs
IAS 29	25.7	-	-	-	-	-	-	25.7	
Finance Income	-	6.0	-	-	-	-	-	6.0	Finance income
Change in fair value of financial instruments	-	-	-	-	-	-	-	-	Change in fair value of financial instruments
Net exchange differences (Income/(Expense))	-	1.1	-	-	-	-	-	1.1	Net exchange differences (Income/(Expense))
APM Income from minority equity interests	(0.5)	-	-	-	-	-	-	(0.5)	Profit (loss) from companies accounted for using the equity method
APM EBT	143.9	(1.8)	-	-	107.5	(20.6)	(18.7)	210.4	Profit (loss) before tax from continuing operations
APM Corporate Income Tax	(51.3)	4.2	-	-	(38.2)	-	-	(85.3)	Income tax
APM Net Income before minorities	92.6	2.4	-	-	69.4	(20.6)	(18.7)	125.1	Profit for the financial year - continuing
Profit/ (Loss) for the year from discontinued operations net of tax	-	(0.6)	-	-	-	-	-	(0.6)	Profit (loss) for the year from discontinued operations net of tax
APM NET INCOME before minorities	92.6	1.8	-	-	69.4	(20.6)	(18.7)	124.5	Profit for the financial year - continuing
APM Minority interests	(6.7)	0.0	-	-	-	-	-	(6.7)	Non-controlling interests
APM Net Recurring Income	85.9	1.9	-	-	69.4	(20.6)	(18.7)	117.8	Profits for the year attributable to Parent Company Shareholders
APM Non Recurring EBITDA	88.8	-	-	-	(107.5)	-	18.7		
APM Other Non Recurring items	(56.9)	(1.9)	-	-	38.2	20.6	-		
APM NET INCOME including Non-Recurring	117.8	-	-	-	-	-	-	117.8	Profits for the year attributable to Parent Company Shareholders

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12M 2017

	Income Statements	Reclassification 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	1,552.7	(1,552.7)	-	-	-	-	-	-	-	
Revenues	-	1,546.1	(18.4)	-	-	-	-	-	1,546.1	Revenues
Other operating income	-	11.1	-	-	-	-	-	-	11.1	Other operating income
APM TOTAL REVENUES	1,552.7	4.5	(18.4)	-	-	-	-	-		
Net gains on disposal of non-current assets	-	0.0	-	-	-	33.4	(3.3)	-	30.1	Net gains on disposal of non-current assets
APM Staff Cost	(531.4)	2.9	-	-	111.9	-	-	(10.6)	(427.1)	Staff costs
APM Operating expenses	(472.5)	(240.1)	-	16.3	(111.9)	(1.4)	0.3	(9.9)	(819.2)	Other operating expenses
Procurements	-	(75.7)	18.4	-	-	-	-	-	(75.7)	Procurements
APM GROSS OPERATING PROFIT	548.8	(308.5)	-	16.3	-	32.0	(3.0)	(20.4)		
APM Lease payments and property taxes	(315.7)	315.7	-	-	-	-	-	-	-	
APMEBITDA BEFORE ONEROUS	233.1	7.2	-	16.3	-	32.0	(3.0)	(20.4)		
APM Onerous contrate reversal provision	4.2	-	-	-	-	-	-	-	4.2	Variation in the provision for onerous contrates
APMEBITDA AFTER ONEROUS	237.3	7.2	-	16.3	-	32.0	(3.0)	(20.4)		
Net Profits/(Losses) from asset impairment	-	2.3	-	-	-	-	6.7	-	9.0	Net Profits/(Losses) from asset impairment
APM Depreciation	(111.4)	(3.4)	-	-	-	-	(8.3)	-	(123.1)	Depreciation and amortisation charges
APMEBIT	125.9	6.1	-	16.3	-	32.0	(4.5)	(20.4)		
Gains on financial assets 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/(Expense))
APM Income from minority equity interests	(0.3)	-	-	-	-	-	-	-	(0.3)	Profit (loss) from companies accounted for using the equity method
APMEBT	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 attributable 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 attributable to Parent Company Shareholders

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III. DEBT AND STATEMENT OF CASH FLOWS AS AT DECEMBER 2018 AND DECEMBER 2017

III.1 Debt presented in the earnings report of 12 Months 2018.

As of 31/12/2018 Data in Euro million	Maximum Available	Availability	Drawn	Maturities						
				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Remainder
Mortgage loans	31,686	-	31,686	-	2,736	2,575	2,507	2,094	6,045	15,729
Fixed rate	25,959	-	25,959	-	1,313	1,339	1,458	1,484	5,425	14,940
Variable rate	5,727	-	5,727	-	1,423	1,236	1,050	611	620	788
Subordinated loans	40,000	-	40,000	-	-	-	-	-	-	40,000
Variable rate	40,000	-	40,000	-	-	-	-	-	-	40,000
Senior secured notes	356,850	-	356,850	-	-	-	-	-	356,850	-
Fixed rate	356,850	-	356,850	-	-	-	-	-	356,850	-
Unsecured loans	46,197	38,167	8,030	-	2,271	258	-	-	5,501	-
Variable rate	46,197	38,167	8,030	-	2,271	258	-	-	5,501	-
Secured RCF	250,000	250,000	-	-	-	-	-	-	-	-
Variable rate	250,000	250,000	-	-	-	-	-	-	-	-
Credit lines	62,200	62,192	8	-	8	-	-	-	-	-
Variable rate	62,200	62,192	8	-	8	-	-	-	-	-
Borrowing at 31/12/2018	786,933	350,360	436,574	0	5,014	2,833	2,507	2,094	368,396	55,729
Arrangement expenses	(13,517)	-	a (13,517)	-	(2,889)	(2,941)	(2,890)	(2,454)	(1,957)	(386)
IFRS 9	(8,237)	-	b (8,237)	-	(1,263)	(1,396)	(1,545)	(1,714)	(1,436)	(883)
Accrued interests	4,091	-	c 4,091	-	4,091	-	-	-	-	-
Adjusted total debt at 31/12/2018	769,271	350,360	418,911	-	4,954	(1,504)	(1,927)	(2,073)	365,002	54,460
Adjusted total debt at 31/12/2017	1,033,225	316,345	716,880	257,919	292	(371)	(643)	(624)	403,897	56,410

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

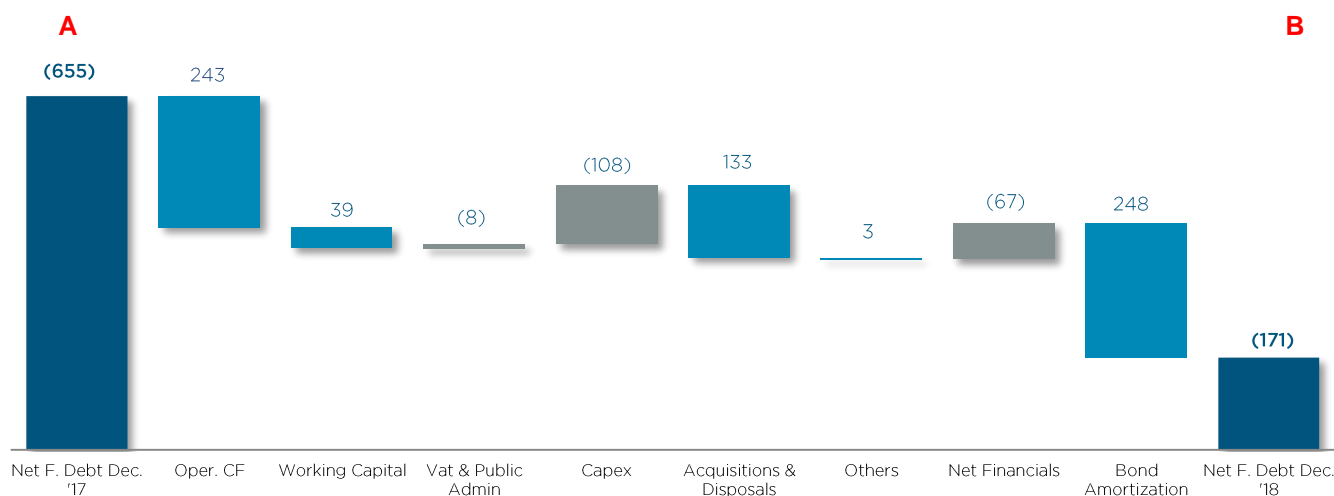
III.2 Statement of cash flows included in the earnings report of 12 Months of 2018.

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

	12/31/2018	12/31/2017	VAR.
<i>Debt instruments and other marketable securities according to financial statements</i>	342,485	387,715	
<i>Bank borrowings according to financial statements</i>	71,473	71,246	
<i>Bank borrowings and debt instruments and other marketable securities according to financial statements</i>	413,958	458,961	
<i>Debt instruments and other marketable securities according to financial statements</i>	73	246,195	
<i>Bank borrowings according to financial statements</i>	4,881	11,724	
<i>Bank borrowings and debt instruments and other marketable securities according to financial statements</i>	4,954	257,919	
<i>Total Bank borrowings and debt instruments and other marketable securities according to financial statements</i>	418,912	716,880	
<i>Arrangement expenses</i>	a 13,517	19,304	
<i>IFRS 9</i>	b 8,237	-	
<i>Convertible liability</i>	-	5,394	
<i>Borrowing costs</i>	c (4,091)	(6,024)	
<i>APM Gross debt</i>	436,575	735,554	
<i>Cash and cash equivalents according to financial statements</i>	(265,869)	(80,249)	
<i>APM Net Debt</i>	B 170,706	A 655,305	(484,599)

The following chart reconciles the change in net financial debt shown in the earnings report of 12 Months of 2018:

Evolution of Net Financial Debt of 12M 2018



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

	Oper. CF	Working capital	VAT & Public Admin	Capex	Acquisitions & Disposals	Others	Net Financials	Redemption Convertible Bond	Total
Total	(243.2)	(38.9)	7.9	107.8	(133.1)	(3.4)	66.6	(248.3)	(484.6)
Adjusted profit (loss)	289.8								289.8
Income tax paid	(29.2)								(29.2)
Financial expenses for means of payments	(17.4)								(17.4)
(Increase)/Decrease in inventories		(0.6)							(0.6)
(Increase)/Decrease in trade debtors and other accounts receivable		28.4							28.4
(Increase)/Decrease in trade payables		11.1							11.1
(Increase)/Decrease in VAT & public Administration			(7.9)						(7.9)
Tangible and intangible assets and investments in property				(107.8)					(107.8)
Change in the scope of consolidation					(0.1)				(0.1)
Group companies, joint ventures and associates					(1.6)				(1.6)
Tangible and intangible assets and investments in property				134.8					134.8
(Increase)/Decrease in current assets						(0.6)			(0.6)
(Increase)/Decrease in provision for contingencies and expenses						3.3			3.3
- Other financial liabilities (+/-)						(0.3)			(0.3)
Increase/(Decrease) in other non current assets and liabilities and others						(0.4)			(0.4)
Interests paid in debts and other interests (without means of payments)							(27.3)		(27.3)
Dividends paid							(39.8)		(39.8)
Finance Income							0.5		0.5
Redemption Convertible Bond								248.3	248.3

All of the aforementioned information has been obtained from the condensed consolidated statement of cash flows from 31 December 2018 which we include at the beginning of this document.

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

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Appendix II: Portfolio changes & Current portfolio

New Agreements, Openings and Exits

Hotels signed from 1st January to 31st December 2018

City / Country	Contract	# Rooms	Opening
La Habana / Cuba	Management	31	2018
Hannover / Alemania	Leased	89	2020
Hamburgo / Alemania	Leased	261	2021
Oporto / Portugal	Management	79	2019
Guadalajara / Mexico	Management	120	2021
Total Signed Hotels		580	

Hotels opened from 1st January to 31st December 2018

Hotels	City / Country	Contract	# Rooms
NH Collection Victoria La Habana	La Habana / Cuba	Management	31
NH Collection Marseille	Marseille / France	Leased	176
NH Brussels Bloom	Brussels / Belgium	Leased	305
NH Brussels EU Berlaymont	Brussels / Belgium	Leased	214
NH Monterrey La Fe	Monterrey / Mexico	Leased	152
NH Venezia Rio Novo	Venice / Italy	Leased	144
NH Collection Madrid Gran Vía	Madrid / Spain	Leased	94
NH Graz City	Graz / Austria	Leased	157
NH Essen	Essen / Germany	Leased	183
NH Toulouse Airport	Toulouse / France	Leased	148
Total Openings			1,604

Hotels exiting from 1st January to 31st December 2018

Hotels	City / Country	Month	Contract	# Rooms
NH Lingotto Tech	Turin / Italy	January	Management	140
NH Shijiazhuang Financial Center	Shijiazhuang / China	January	Management	78
NH Puerto de Sagunto	Valencia / Spain	February	Franchised	99
NH Collection Royal La Merced	Cartagena / Colombia	May	Leased	9
NH Marquette	Heemskerk / The Netherlands	July	Owned	65
NH Barcelona Centro	Barcelona / Spain	July	Leased	156
NH Atlántico	La Coruña / Spain	August	Leased	199
NH Zurich Airport	Zurich / Switzerland	December	Leased	140
NH Dessau	Dessau / Germany	December	Leased	152
Total Exits				1,038

* In addition, on 30th November 2018, 28 managed hotels in Spain and Andorra with a total of 3,914 rooms exited after the termination of the management contract with Hesperia due to change of control.

HOTELS OPENED BY COUNTRY AT 31st DECEMBER 2018

Business Unit	Country	TOTAL		Leased			Owned		Management		Franchised	
		Hotels	Rooms	Call Option	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
BU Benelux	Belgium	13	2,134		5	1,017	8	1,117				
	Luxembourg	1	148				1	148				
	South Africa	1	198		1	198						
	The Netherlands	35	6,767	2	20	3,362	14	2,954	1	451		
	United Kingdom	1	121		1	121						
BU Benelux		51	9,368	2	27	4,698	23	4,219	1	451		
BU Central Europe	Austria	7	1,340	1	7	1,340						
	Czech Republic	3	581						3	581		
	Germany	57	10,292	3	52	9,292	5	1,000				
	Hungary	1	160		1	160						
	Poland	1	93								1	93
	Romania	2	159		1	83			1	76		
	Slovakia	1	117						1	117		
	Switzerland	3	382		2	260					1	122
BU Central Europe		75	13,124	4	63	11,135	5	1,000	5	774	2	215
BU Italy	Italy	51	7,823	1	35	5,531	13	1,803	3	489		
BU Italy		51	7,823	1	35	5,531	13	1,803	3	489		
BU Spain	Spain	103	12,515		72	8,833	13	1,957	13	1,333	5	392
	Portugal	3	278		2	171			1	107		
	France	5	871		4	721			1	150		
	USA	1	242				1	242				
BU Spain		112	13,906		78	9,725	14	2,199	15	1,590	5	392
BU America	Argentina	15	2,144				12	1,524	3	620		
	Brasil	1	180		1	180						
	Colombia	14	1,691		14	1,691						
	Cuba	2	251						2	251		
	Chile	4	498				4	498				
	Dominican Republic	6	2,503						6	2,503		
	Ecuador	1	124		1	124						
	Haiti	1	72						1	72		
	Mexico	16	2,554		5	733	4	685	7	1,136		
	Uruguay	1	136				1	136				
BU America		61	10,153		21	2,728	21	2,843	19	4,582		
TOTAL OPEN		350	54,374	7	224	33,817	76	12,064	43	7,886	7	607

SIGNED PROJECTS AS OF 31st DECEMBER 2018

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

Business Unit	Country	TOTAL		Leased		Management	
		Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
BU Benelux	Belgium	1	180	1	180		
	The Netherlands	1	650	1	650		
	United Kingdom	1	190			1	190
BU Benelux		3	1,020	2	830	1	190
BU Central Europe	Germany	6	1,575	6	1,575		
BU Central Europe		6	1,575	6	1,575		
BU Italy	Italy	3	435	2	285	1	150
BU Italy		3	435	2	285	1	150
BU Spain	Spain	2	111	1	64	1	47
	France	1	79			1	79
BU Spain		3	190	1	64	2	126
BU America	Chile	3	367			3	367
	Mexico	5	644	3	380	2	264
	Panama	1	83			1	83
	Peru	2	429			2	429
BU America		11	1,523	3	380	8	1,143
TOTAL SIGNED		26	4,743	14	3,134	12	1,609

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

	2019	2020	2021
Expected Investment (€ millions)	18.6	3.1	0.1

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HOTELS



2018 Results Presentation Conference Call

Tuesday 26th of February 2019, 12.00 (CET)

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

Speakers **Mr. Ramón Aragonés (CEO) and
Ms. Beatriz Puente (CFO)**

Date **26/02/2019**

Time **12.00 (CET)**

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

+34 91 114 01 01
PIN CODE: 16286692#

PLAYBACK

Telephone number for the playback: **+34 91 038 74 91**
Conference reference: **418833437#**