POSADAS

Operational and Financial Results:
Third Quarter 2011

Grupo Posadas, S.A.B. de C.V. & Subsidiaries
Mexico City, October 28, 2011

With respect to the same quarter of previous year:

- Total revenues increased 10% in pesos
- System-wide RevPAR increased in average 9.7% in pesos and 12.5% in USD
- EBITDA increased 35% in pesos
- Seven new hotel openings in 2011
- Pipeline of 55 hotels with more than 7,600 rooms

> Financial Highlights

Million pesos as of September 30, 2011	3Q11	%	Variation YoY %	Accumulated 2011	%	Variation YoY %
Total Revenues	1,885.5	100	10.0	5,434.0	100	11.3
EBIT	135.0	7	160.9	481.7	9	18.7
EBITDA	221.6	12	34.8	798.5	15	7.5
Majority Net Result	(429.5)	(23)	508.8	(260.3)	(5)	na

During the third quarter of 2011 our hotels system-wide continued improving its performance. Our Revenue Per Available Room (RevPAR) increased 9.7% in pesos and 12.5% in USD.

Urban hotels which represent 84% of the total rooms operated continue to perform better with an increase in RevPAR of 12.1%. By region, all of them improved versus the same period of previous year, South America with 26%, North with 11%, Western and South with 10% each and Centre with 3%. By brand, the economic and business segments that include: One Hotels, Fiesta Inn and Caesar Business increased 15% while the upscale brands that include: Live Aqua, Fiesta Americana Grand, Fiesta Americana and Caesar Park increased 7%. These results are based on the strong positioning of our brands in this segment. Also, the operating margin improved by 1.4pp versus same quarter of 2010.

On the other hand, coastal hotel total revenues (same hotels) increased 18% over the same period of 2010 driven primarily by the closing of operations of three hotels with 661 rooms (or 22.8% of the average rooms operated) and our two hotels in Cancun and one in Cozumel that are operating under the all-inclusive format. All inclusives reported a 38% increase in total revenues. The operating margin was improved by 1.2pp versus same quarter of 2010.

EBITDA for the third quarter of 2011 increased 35% versus the same period of 2010 mainly due to an increase in Owned and Leased hotel EBITDA of 30% and to the extraordinary charge for uncollected receivables from NGA (Mexicana) that was accounted for in the 3Q10.

As of September 30, 2011, the Company received loans for an approximate amount of $308 million as well as advance for possible future capital increases of $52 million from its founding shareholders. As a result of these, the capital structure of Grupo Posadas was strengthened by more than $360 million.

The total indebtedness in pesos is $727 million higher than the one reported at the end of 2Q11, most of it is attributable to currency exchange loss and the balance to the new financings mentioned above in order to maintain a confortable amount of cash on hand. For the last quarter of 2011 the Company has scheduled amortizations of $206 million, including the revolving credit line of US$15 million that was renewed for another six months on October 24, 2011.
Cash available was $666 million (US$50 million) at

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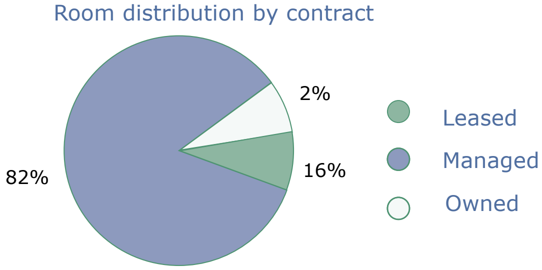
the end of 3Q11, 21% higher than previous quarter that include the new loans and does not include the margin calls posted due to the volatility in the currency markets that resulted in a 15% depreciation of the MXN versus the USD from 2Q11 to 3Q11.

> Development

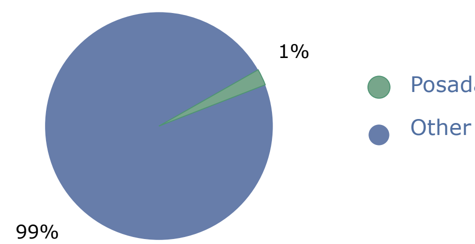
Our pipeline is comprised of 55 hotels with 7,700 rooms that represent an increase in capacity of approximately 39%, 85% of these will be under the economic and business formats and15% will be opened in South America. This plan includes 12 additional hotels with 1,869 rooms than previous quarter´s pipeline. These hotels are expected to open by December of 2013 according to commitments made with the different owners and represent a total investment of US$401 million of which 99% will be made by third parties and the balance by Posadas. Currently, these hotels are either under construction or with executed agreements.

Brands	Mexico		South America		Total		%
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	
Fiesta Americana	5	835			5	835	11
Fiesta Inn	12	1,636			12	1,636	21
Caesar Park			2	398	2	398	5
Caesar Business			6	776	6	776	10
One hotels	29	3,839			29	3,839	50
Aqua	1	127			1	127	2
TOTAL	47	6,437	8	1,174	55	7,611	100

Room distribution by contract



Total investment US $401 M



Openings LTM	No. of rooms	Type
FI Zacatecas	146	Managed
CB Salvador Bahia	154	Managed
FI Insurgentes Sur	174	Leased
FI Nuevo Laredo	120	Managed
FA Hacienda San Antonio El Puente	74	Managed
One Guadalajara Periferico Norte	126	Managed
Total	794	

> Owned & Leased Hotels

	Total		Urban		Coastal	
		% Var.		% Var.		% Var.
3Q11 (QQ)						
Average No. of Rooms	9,177	(1.0)	8,080	1.9	1,097	(18.5)
Average Daily Rate	1,082	1.0	1,086	3.8	1,041	(18.7)
Occupancy (Var. in pp)	66%	4.9	68%	3.8	54%	9.0
REVPAR	712	9.1	733	10.0	558	(2.2)
Accumulated 2011						
Average No. of Rooms	9,215	(1.5)	8,008	(0.0)	1,206	(10.4)
Average Daily Rate	1,116	1.6	1,111	5.6	1,155	(22.9)
Occupancy (Var. in pp)	63%	4.3	63%	1.9	62%	18.5
REVPAR	705	9.1	703	9.0	714	10.0

For the third quarter, revenues from this segment represented 50% of consolidated revenues. The 7.8% increase in revenues is attributable to a higher average daily rate (ADR) of 2.1%, and an increase of 4.9 percentual points ("pp") in occupancy, resulting in a RevPAR increase of 9.1%. The average number of rooms available was lower by 1.0% as a result of transferring the room inventory of the Los Cabos Hotel to the Vacation Club.

The results of the urban hotels showed a significant improvement compared to the 3Q10; with 1.9% more average rooms operated, a 3.8% increase in ADR and an increase in occupancy of 3.8pp; the RevPAR improved by 10.0%.

The average number of rooms available for coastal hotels was lower by 18.5% due to the transfer of the hotel in Los Cabos to the Vacation Club business, and showed a decrease in ADR of 18.7% but an increase in occupancy of 9.0pp, this shift is attributable to the conversion of three hotels to the "All Inclusive" format and all these resulted in a RevPAR decrease of 2.2% when compared with the same period of last year.

> Management

	Total	% Var.	Urban	% Var.	Coastal	% Var.
3Q11 (QQ)						
Average No. of Rooms	18,351	(3.4)	16,118	0.1	2,233	(22.8)
Average daily Rate	1,061	1.8	1,047	4.8	1,176	(11.2)
Occupancy (Var. in pp)	64%	4.6	65%	4.2	57%	5.2
REVPAR	676	9.7	677	12.1	670	(2.3)
Accumulated						
Average No. of Rooms	18,564	(1.1)	16,158	1.8	2,406	(16.9)
Average Daily Rate	1,094	2.0	1,063	5.7	1,308	(12.6)
Occupancy (Var. in pp)	61%	3.3	61%	2.2	59%	8.5
REVPAR	662	7.9	646	9.7	765	2.3

Includes owned & leased and managed hotels

Revenue for the Management business represented 28% of total revenues in the quarter, growing 18% over 3Q10 due in part to the strong performance of our hotels. However, the business that manages loyalty programs "Ampersand", continues underperforming since the replacement of the previous co-brand credit card by the recently launched "Santander Fiesta Rewards" co-brand credit card that we have mentioned in our two previous reports as well as to the acceleration observed in redemption of points from the program that ended in December of 2010. As of September 2011, the number of credit cards that have been placed in the market represents over 60% of the total volume placed by previous program in the five years of operation.

The average number of rooms operated recorded a 3.4% decrease in the quarter. System-wide hotels reported a 1.8 % improvement in ADR, which was supported by a 4.6pp higher occupancy, resulting in RevPAR growth of 9.7% in pesos and 12.5% in USD.

System-wide urban hotels, had a marginal increase of it´s average number of rooms operated, the improvement in ADR of 4.8%, was accompanied by a 4.2pp increase in occupancy to achieve a higher RevPAR by 12.1%. It is worth mentioning that hotels in South America reported a RevPAR growth of 25%, contributing significantly to this result.

Coastal hotels showed a decrease of 22.8% in the average available rooms as the contract to manage the Fiesta Inn Acapulco hotel with 220 rooms was not along with, the SF South Padre Is. hotel with a 192 rooms, FAG Los Cabos hotel with 249 rooms is now part of the Vacation Club business. ADR decreased 11.2%, but with a higher occupancy rate of 5.2pp, RevPAR decreased 2.3%.

During the last twelve months the company has opened the following hotels for a total of 794 additional rooms: Fiesta Inn Zacatecas, Caesar Business Salvador Bahia, Fiesta Inn Insurgentes Sur, Fiesta Inn Nuevo Laredo, Fiesta Americana Hacienda San Antonio El Puente and One Guadalajara Periferico Norte.

> Vacation Club & Other

The Vacation Club and Other business mainly include the Fiesta Americana Vacation Club, which represented 93% of this business line. Revenues represented 22% of consolidated revenues, an increase of 5.7% compared to the same quarter of the previous year.

Nevertheless, EBITDA decreased by 47.4% due mainly to the following items; (i) the shift of the hotel in Los Cabos that typically experiences a seasonal loss in the third quarter and in this occasion was of $12.1 million, (ii) to an increase of 22% in product cost related to the resort in Los Cabs where most membership sales have been closed recently and this resort shares a higher cost of product than the other three Vacation Club home resorts, and (iii) to the accounting charge of the KiVac reserves of $9.6 million, accounting practice that became standard during 4Q10.

> EBITDA

EBITDA of $221.6 million pesos recorded in the 3Q11 equivalent to 11.8% of total revenues represented an increase of 35% compared to 3Q10.

For the last twelve months, EBITDA was $1,076.9 million, US$80.2 million with an exchange rate at the end of the 3Q11 of 13.4217 per USD.

> Capital Expenditure

Capital expenditures during the quarter were $42.6 million; 93% were used for maintenance of hotels and corporate purposes and 7% were used for the Vacation Club business.

> Comprehensive Financing Cost

Item	3Q11	3Q10	2011	2010
Interest income	(2,716)	(4,341)	(11,403)	(15,005)
Accrued interest	118,634	107,356	347,800	329,406
Currency exchange fluctuations	294,962	(19,910)	197,726	(43,676)
Other financial costs (products)	245,604	(40,888)	133,004	(98,051)
Other financial expenses	14,425	18,480	39,548	75,438
Total Financing Cost	670,909	60,697	706,675	248,112

Figures in thousands of pesos

At the end of the quarter, net interest coverage was 2.4 times, 0.3 times lower than that observed in 3Q10.

Currency exchange loss along with Other financial expenses have been negatively affected due to the 7.3% depreciation of the MXN against the USD from 3Q10 to 3Q11.

As of September 30, 2011, the Company holds margin call deposits for approximately US$32 million, US$14 million more than the end of the 2Q11 due to the MXN depreciation versus the USD.

September 30, 2011	Indebtedness		SWAPS	
	Notional in:	Date	Cross Currency in:	Date
Concept:	MXN 000		USD 000	
Certificados Bursatiles (Posadas 08)	834,720	4-Abr-13	79,045	4-Abr-13
Certificados Bursatiles (Posadas 08)	677,858	4-Abr-13	65,773	4-Abr-13
TOTAL	1,512,578		144,818	

> Net Majority Result

As a result of the foregoing, net loss for the quarter was $429.5 million and $260.3 million for the nine months of 2011.

> Financial Position

During the 3Q11, US$10.0 million of our Vacation Club business receivables were discounted under one of our existing credit facilities.

We concluded the renewal of a $180 million committed line for a twelve month period including an additional amount of $20 million for a total size of $200 million, also we renewed a factoring line for up to a $100 million. These resources will be applied for working capital purposes.

In September 2011 two new loans were granted, a $200 million short-term loan and a five year R$15 million loan (equivalent to approximately $108 million), as well as a $52 million contribution for future capital increases. All these have been used to strengthen our cash balance in case that the recent volatility experienced in the FX markets could be extended towards the end of 2011.

As of September 30, 2011 the cash balance of $666 million is $114 million higher than the balance reported at the end of 2Q11. The main uses of cash during the quarter were among other items: margin calls previously mentioned of $212 million, interests paid of $165 million, capital expenditures of $43 million and amortizations of $33 million.

Net debt at the end of 3Q11 was US$441 million.
The ratio of net debt to EBITDA is 5.5 times which is 0.5 times higher than that observed in the same quarter last year. The net debt mix was as follows: 13% short-term, 80% in U.S. dollars and 66% fixed rate. The average life of debt at the end of the quarter was 2.3 years and 19% of it was secured by real estate assets.

As of the date of the release of this report, the existing ratings for the "9.25% Senior Notes 2015" and the issuance of Certificados Bursátiles (POSADAS-08) were:
Fitch: global Issuer Default Rating (IDR) 'B' and local (Caval) "BB +", both with stable outlook.
Moody's: global scale "B3" and a negative outlook.
S&P: global "B-" and local (Caval) "mxBB-," both with negative outlook.

> Subsequent Events

On October 1st, 2011, the Company opened the Fiesta Inn San Cristobal de las Casas hotel with 80 rooms under a management agreement.

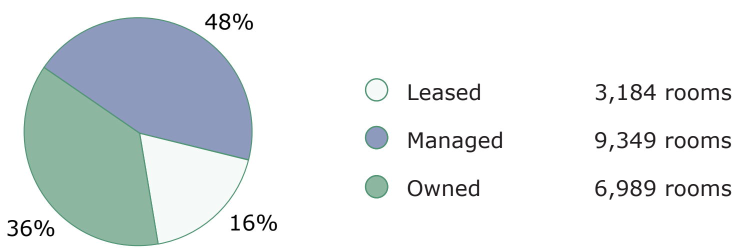
On October 24, 2011, a revolving line of credit of US$15 million equivalent to $203 million was renewed for another six months.

On October 27, 2011, the General Extraordinary, General Ordinary and Special shareholders meetings were convoked to be held on November 11, 2011.

> Grupo Posadas as of September 30, 2011

Grupo Posadas is the largest Latin-American hotel operator. Posadas operates 111 hotels and 19,522 rooms in the most important and visited urban and coastal destinations in Mexico (86% of total rooms), Brazil(11%), the United States(1%), Argentina(1%) and Chile(1%). Approximately 84% of rooms are in urban destinations and 16% in coastal. Grupo Posadas operates under the following top of mind brands: Live Aqua, Fiesta Americana Grand, Fiesta Americana, Fiesta Americana Vacation Villas, Fiesta Inn (FI), One Hotels in Mexico and Caesar Park, Caesar Business in Brazil, Argentina and Chile.

Room Distribución



Brand	Mexico		Brazil		USA		Argentina		Chile		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Live Aqua	1	371									1	371
Fiesta Americana	17	4,824									17	4,824
Fiesta Inn	59	8,655									59	8,655
Caesar Park			3	506			2	247			5	753
Caesar Business			8	1,619					1	142	9	1,761
FA Vacation Villas	4	982									4	982
One Hotels	14	1,761									14	1,761
Other	1	213			1	202					2	415
Total	96	16,806	11	2,125	1	202	2	247	1	142	111	19,522
%		86%		11%		1%		1%		1%		100%

> Income Statement
(Million pesos as of September 30, 2011 & 2010)

	3Q11		3Q10		Var%	2011		2010		Var%
Total revenues	1,885.5	100.0	1,714.6	100.0	10.0	5,434.0	100.0	4,881.4	100.0	11.3
Owned & Leased Hotels										
Revenues	939.4	100.0	871.6	100.0	7.8	2,837.4	100.0	2,566.5	100.0	10.6
Direct cost	831.3	88.5	789.0	90.5	5.4	2,512.8	88.6	2,320.4	90.4	8.3
Contribution	108.0	11.5	82.7	9.5	30.7	324.6	11.4	246.0	9.6	31.9
Management										
Revenues	530.2	100.0	449.4	100.0	18.0	1,410.7	100.0	1,300.8	100.0	8.5
Direct cost	439.8	82.9	323.4	72.0	36.0	1,102.7	78.2	878.2	67.5	25.6
Contribution	90.4	17.1	126.0	28.0	(28.2)	308.1	21.8	422.6	32.5	(27.1)
FA Vacation Club & Other										
Ingresos	415.9	100.0	393.6	100.0	5.7	1,185.9	100.0	1,014.2	100.0	16.9
Costo Directo	360.2	86.6	287.7	73.1	25.2	923.5	77.9	737.5	72.7	25.2
Contribución	55.7	13.4	105.9	26.9	(47.4)	262.4	22.1	276.7	27.3	(5.2)
Corporate expenses	32.6	1.7	150.2	8.8	(78.3)	96.6	1.8	202.3	4.1	(52.3)
Depreciation / amortization	86.6	4.6	112.6	6.6	(23.1)	316.8	5.8	337.3	6.9	(6.1)
Other	0.0	0.0	0.0	0.0	na	0.0	0.0	0.0	0.0	na
Operating profit	135.0	7.2	51.8	3.0	160.9	481.7	8.9	405.7	8.3	18.7
EBITDA	221.6	11.8	164.4	9.6	34.8	798.5	14.7	743.0	15.2	7.5
Comprehensive fin. cost.	670.9	35.6	60.7	3.5	1,005.3	706.7	13.0	248.1	5.1	184.8
Other expenses (revenues)	63.1	3.3	93.3	5.4	(32.4)	119.4	2.2	135.3	2.8	(11.7)
Result before Tax & Assoc. Co.	(598.9)	(31.8)	(102.3)	(6.0)	485.6	(334.3)	(6.3)	22.3	0.5	na
Part. in results of Assoc. Co.	0.7	0.0	0.7	0.0	(1.1)	2.1	0.0	2.0	0.0	5.6
Result before taxes	(598.2)	(31.7)	(101.5)	(5.9)	489.2	(342.3)	(6.3)	24.2	0.5	na
Income taxes	16.2	0.9	5.5	0.3	193.4	39.1	0.7	28.6	0.6	36.7
Deferred taxes	(193.4)	(10.3)	(39.5)	(2.3)	389.5	(139.6)	(2.6)	(20.8)	(0.4)	570.1
Consolidated net result	(421.0)	(22.3)	(67.5)	(3.9)	523.4	(241.8)	(4.5)	16.5	0.3	na
Minority interest	8.5	0.5	3.0	0.2	181.8	18.5	0.3	15.9	0.3	16.4
Net Majority result	(429.5)	(22.8)	(70.5)	(4.1)	508.8	(260.3)	(4.8)	0.6	0.0	na

Grupo Posadas shares are quoted and traded on the Mexican Stock Exchange since 1992 under the ticker names POSADASA & POSADASL; in addition, series A & L are quoted and traded in the U.S. in the POR-TAL system under the ticker names GRPALP and GRPYP, respectively.

> Consolidated Balance Sheet
(Million pesos as of September 30, 2011 & 2010)

	Sep-11	%	Sep-10	%	Var. (%)
ASSETS					
Current					
Cash & marketable securities	665.9	4.9	620.9	4.6	7.2
Notes & accounts receivables	1,961.1	14.5	1,766.0	13.2	11.0
Inventories	130.8	1.0	105.2	0.8	24.3
Other assets	90.0	0.7	76.0	0.6	18.5
Total current assets	2,847.8	21.1	2,568.2	19.2	10.9
Long Term					
Notes receivables	916.9	6.8	877.5	6.6	4.5
Other investments & Investments in shares of subsidiaries and Assoc. Co.	514.1	3.8	493.2	3.7	4.3
Property and equipment, net	8,698.2	64.3	8,814.7	65.8	(1.3)
Intangible and deferred assets	544.4	4.0	641.7	4.8	(15.2)
Total Assets	13,521.5	100.0	13,395.2	100.0	0.9
LIABILITIES					
Current					
Suppliers	452.2	3.3	479.6	3.6	(5.7)
Bank loans	812.8	6.0	358.8	2.7	126.5
Stock market loans	0.0	0.0	0.0	0.0	0.0
Other current liabilities	972.0	7.2	1,365.8	10.2	(28.8)
Total current liabilities	2,237.0	16.5	2,204.1	16.5	1.5
Long Term					
Bank loans	714.4	5.3	597.4	4.5	19.6
Stock market loans	4,934.3	36.5	4,750.2	35.5	3.9
Otros liabilities	1,592.6	11.8	2,063.3	15.4	(22.8)
Deferred credits and Other	94.9	0.7	87.0	0.6	9.0
Total Liabilities	9,573.3	70.8	9,702.1	72.4	(1.4)
Stockholders Equity					
Majority stockholders equity	3,292.6	24.4	3,046.8	22.7	8.1
Minority interest	655.7	4.8	646.3	4.8	1.4
Total	3,948.2	29.2	3,693.1	27.6	6.9
Total Liabilities and Stockholders Equity	13,521.5	100.0	13,395.2	100.0	0.9

> Consolidated Cash Flow Statement
(Million pesos as of September 30, 2011 & 2010)

	Accumulated 2011	2010
Consolidated Net Income Before Taxes	(342.3)	24.2
+ (-) Items that do not require the use of cash	405.1	(374.7)
+ (-) Other items	405.1	(374.7)
+ (-) Entries related to investments	326.9	363.3
+ Depreciation and amortization for the year	316.8	337.3
+ (-) Gain or loss on sale of property, plant and equipment	23.6	43.0
+ (-) Participation in associated and joint business	(2.1)	(2.0)
(-) Interest income	(11.4)	(15.0)
+ (-) Entries related with external financing	347.8	329.4
+ Accrued interests	347.8	329.4
+ (-) Other items	0.0	0.0
Cash generated (used) in operating activities	(430.0)	(65.9)
+ (-) Decrease (increase) in accounts receivables	(210.8)	106.8
+ (-) Decrease (increase) in inventory	10.1	(0.4)
+ (-) Decrease (increase) in other accounts receivables and other assets	(32.6)	(5.7)
+ (-) Increase (decrease) in supplier accounts	(126.9)	(62.1)
+ (-) Increase (decrease) in other liabilities	(64.3)	(36.7)
+ (-) Profit taxes paid or returned	(5.5)	(68.0)
Net cash from investment activities	(176.5)	(440.2)
(-) Stock investments of permanent nature	0.0	0.0
(-) Investment in property, plant and equipment	(109.3)	(144.0)
+ Dividends received	0.0	0.0
+ Interests received	11.4	15.0
+ (-) Other items	(78.7)	(311.2)
Net cash from financing activities	(42.7)	127.0
+ Bank financing	802.1	3,138.4
+ Stock market financing	0.0	0.0
+ Other financing, includes margin calls	(55.4)	71.5
(-) Bank financing amortization	(415.0)	(1,838.3)
(-) Stock market financing amortization	0.0	(459.8)
(-) Dividends paid	(4.3)	(224.1)
+ Premiun on sales of shares	(10.0)	(16.6)
+ Contribution for future capital increases	52.0	(89.4)
(-) Interest expenses	(405.7)	(302.7)
(-) Repurchase of sales	0.0	(1.1)
+ (-) Other items	(6.3)	(150.9)
Net increase (decrease) in cash and cash equivalents	88.1	(36.8)
Cash and equivalents at the beginning of period (Dec. 31, 2010)	577.6	657.8
Cash and equivalents at the end of period (Jun. 30, 2011)	665.9	620.9