

POSADAS®



Operative & Financial Results: Fourth Quarter 2015



Grupo Posadas, S.A.B. de C.V. & Subsidiaries Mexico City, February 25, 2015

Information presented with respect to previous year under IFRS accounting standards:

- In 2015 total revenues, EBITDA and margin grew 18%, 43% and 3.4pp, respectively.
- 14 hotel openings in 2015 with 2,165 rooms, 9% increase vs. 2014.
- The pipeline considers 34 new hotels and 22% additional rooms to be open during the next 24 months.
- Cash available as of December 31, 2015 of \$1,214 million (US\$71 million). US\$26 million are denominated in dollars, representing 70% of the Senior Notes due 2017.

"During the fourth quarter 2015 we continued with an outstanding performance in our hotels system-wide exceeding by 10% the EBITDA of 4Q14." said Jose Carlos Azcarraga, Posadas' CEO

> Financial Highlights

Million pesos as of December 31, 2015	4Q15	%	Var. YY %	2015	%	Var. YY %
Total Revenues	1,734.6	100	11.6	6,901.2	100	18.0
EBIT	207.8	12	15.9	947.3	14	73.9
EBITDA	331.4	19	9.9	1,362.0	20	42.8

After recording six consecutive quarters exceeding our guidance. The Net Debt leverage ratio improved 0.9 times versus the same quarter of previous year (from 4.6x to 3.7x) and remains unchanged since 3Q15, despite an additional \$0.30 peso or 1.8% depreciation of the MXN versus the USD during the 4Q15.

During the 4Q15 System-wide hotel performance continued improving with better margins. Our Available Daily Rate(ADR) and occupancy increased 6.4% and 1.8 percent points ("pp") respectively, which resulted in a Revenue Per Available Room (RevPAR) growth of 9.4%, that represents a continued improving growth trend on a quarter by quarter basis for the last 15 consecutive quarters.

Urban hotels, which represent 79% of the total rooms operated, continue to perform better with an increase in RevPAR of 8.1% and our coastal hotels performed with a RevPAR increase of 10.1%.

Our portfolio of brands continues with our recently launched LAT20 by Live Aqua, a new alternative in the high-end segment in the 5th Avenue at Playa del Carmen. In 2015, fourteen Fiesta Inn "Business class" hotels evolved into the 2.10 concept, after these we have 31 fully refurbished hotels.

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The net loss of the 4Q15 was of \$39.3 million, due mainly to the exchange loss of \$95.0 million.

The EBITDA as our main source of cash, allowed us to invest more than \$600 million in maintenance and refurbishments in our hotels, fulfill our financial and fiscal commitments and generate more than \$450 million in net cash in 2015.

It's worth mentioning that from the cash balance of \$1.2 billion, US\$26 million are denominated in USD from excess cash collections in 2015 after honoring all USD denominated compromises including servicing our debt. Our USD generation performs as a hedge to the coupons of our Notes due in 2017 and 2022.

> Hotel Development

As of December 31, 2015, we continue with an aggressive pipeline comprised of executed agreements to operate 34 new hotels with 5,049 rooms. This development plan represents an increase in capacity of 22%. These hotels represent a total investment of US\$477 million and of these, 24% will be invested by Posadas and 76% will be invested by third parties. Openings are expected to begin in the first quarter of 2016 and we expect all of these to be operating by December 2017 according to commitments made with the different property owners. The average life to operate these contracts is over 15 years.

As we continue with an aggressive openings schedule, during the last twelve months 14 hotels with 2,165 additional rooms were opened (including 5 conversions to the Gamma by Fiesta Inn under a franchise model): One Cuernavaca, Gamma el Castellano Merida, Gamma Monterrey Ancira, One Villahermosa Tabasco 2000, Gamma Ixtapa, One Celaya, One Gran Sur, Gamma Xalapa Nubara, FI Loft Irapuato, Grand Fiesta Americana (GFA) All Inclusive Parks Vallarta, FI Loft Ciudad del Carmen, Gamma Campeche Malecón, LAT 20 by Live Aqua and FI Villahermosa.

Hotel Development	Hotels	Rooms	%
New Hotels			
Live Aqua	2	320	6.3
Grand Fiesta Americana	2	345	6.8
Fiesta Americana	5	885	17.5
FA Vacation	2	590	11.7
Fiesta Inn	10	1,349	26.7
Gamma by Fiesta Inn	1	48	1.0
One Hoteles	12	1,512	29.9
Total	34	5,049	100

Openings LTM	No. of Rooms	Type of Contract
One Cuernavaca	125	Managed
Gamma El Castellano, Mérida	153	Franchise
Gamma Monterrey Ancira	244	Franchise
One Villahermosa Tabasco 2000	126	Managed
Gamma Ixtapa	153	Franchise
One Celaya	126	Managed
One Gran Sur	144	Managed
Gamma Xalapa Nubara	121	Franchise
Fiesta Inn Loft Aeropuerto	44	Managed
Fiesta Americana Grand All Inclusive Parks Vallarta	444	Managed
Fiesta Inn Loft Ciudad del Carmen	120	Managed
Gamma Campeche Malecon	146	Franchise
Lat 20 by Live Aqua	60	Leased
Fiesta Inn Villahermosa	159	Managed
Total	2,165	

> Owned and Leased Hotels

4Q15 (QQ)	Total	% Var.	Urban	% Var.	Coastal	% Var.
Average Rooms	5,496	(0.5)	4,202	(1.1)	1,294	1.4
Available Daily Rate	1,427	14.8	1,282	12.3	1,898	19.9
Occupancy (Var. in pp)	75%	3.0	76%	2.8	72%	3.6
RevPAR	1,066	19.5	970	16.6	1,360	26.1

Accumulated	Total	% Var.	Urban	% Var.	Coastal	% Var.
Average Rooms	5,443	(2.9)	4,164	(3.9)	1,279	0.3
Available Daily Rate	1,383	14.8	1,213	10.2	1,867	23.3
Occupancy (Var. in pp)	73%	3.6	71%	3.4	78%	4.0
RevPAR	1,005	20.7	860	15.7	1,456	30.1

During the quarter, revenues from this segment represented 47.9% of the consolidated revenues. The EBITDA margin was 28.8% representing an 8.4pp improvement over the 4Q14.

A higher ADR (Average Daily Rate) of 14.8% and a 3.0pp increase in occupancy resulted in a RevPAR increase of 19.5%. The gross operating profit margin improved in 2.4pp QQ and 3.1pp YY.

Results for urban hotels showed an improvement when compared with 4Q14; on average with 1.1% less rooms owned and leased due to the shift of the leased Fiesta Inn San Luis Potosi Oriente hotel to a managed agreement, a 12.3% increase in ADR and a 2.8pp increase in occupancy, resulted in a RevPAR improvement of 16.6%.

With 1.4% more average number of rooms available for coastal hotels with the recent opening of the LAT20 hotel and more international travelers and the local yearend vacation period, this segment showed an increase in ADR of 19.9% and in occupancy of 3.6pp. As a result of a better mix of rates the RevPAR increased 26.1% when compared with the same period of previous year.

> Management

4Q15 (QQ)	Total	% Var.	Urban	% Var.	Coastal	% Var.
Average Rooms	20,619	7.1	17,502	5.5	3,117	17.4
Available Daily Rate	1,186	6.4	1,071	4.7	1,889	9.7
Occupancy (Var. in pp)	67%	1.8	68%	2.2	62%	0.2
RevPAR	800	9.4	732	8.1	1,180	10.1

Accumulated	Total	% Var.	Urban	% Var.	Coastal	% Var.
Average Rooms	19,946	8.0	17,157	7.9	2,788	8.8
Available Daily Rate	1,167	5.4	1,043	2.8	1,886	14.5
Occupancy (Var. in pp)	66%	2.1	65%	2.1	69%	1.8
RevPAR	765	8.8	678	6.3	1,294	17.5

Includes owned, leased, managed and franchised hotels.

The Management line includes management and brand services along with our loyalty management and call center businesses. Revenue represented 13.9% of total revenue in the quarter. The brands business line increased 3% QQ.

The following operating data considers all the hotels we manage in Mexico.

The average number of rooms operated recorded a 7.1% increase in the quarter, while System-wide hotels reported a 6.4% improvement in ADR, a 1.8pp increase in occupancy, and a RevPAR growth of 9.4%. The gross operating profit margin improved 0.5pp QQ and 1.7pp YY. By regions, all over performed versus the same period of previous year. As of the 4Q15 the remaining average life of our management contracts is over ten years.

System-wide urban hotels had an increase in the average number of operated rooms of 5.5% with an improvement in ADR of 4.7% and a 2.2pp in occupancy achieving a RevPAR increase of 8.1%.

Coastal hotels recorded a 17.4% increase in the average number of available rooms after including the Grand Fiesta Americana All Inclusive Parks Vallarta hotel since September 15, 2015, and the LAT 20. In addition, occupancy increased 0.2% while ADR, and RevPar increased 9.7% and 10.1% (after excluding these 2 openings RevPAR is 21.8%), respectively. The growth observed represents a better rate and occupancy mix.

The margin for the 4Q14 represented 3.2%. For 2015 the margin was 22.5%, 4.7pp lower than in the 2014.

> Vacation Club and Other

The Vacation Club and Other business segment primarily includes our vacation properties comprised of the Fiesta Americana Vacation Club (FAVC), The Front Door and KiVac programs. Revenue for the quarter amounted to 38.0% of the Posadas's consolidated revenues in 4Q15 and the contribution margin was 25.5%. The sale of memberships increased in 16% vs. the same quarter of the previous year. Food and beverages increased 45% QQ and 89% YY.

As of December 31, 2015, the portfolio profile of total receivables which is valued at approximately US\$210 million, US\$131 million belong to the Fiesta Americana Vacation Club "FAVC" and the remaining balance is a split between The Front Door and KiVac programs. The FAVC has more than 31,000 members and KiVac more than 26,000 travelers that have emerged from a new community that grows at an exceptional pace.

To continue developing our high-end program, last December we acquired a US\$5 million plot of land adjacent to the Grand Fiesta Americana hotel in Los Cabos for our The Front Door program, a 100 room facility will be built to be fully available by mid-2017. Meanwhile the Fiesta Americana Vacation Club Villas located in Acapulco Diamante remains in the evaluation phase.

> EBITDA

In the 4Q15 an EBITDA of \$331.4 million was recorded, that compares favorably with the \$301.7 million recorded in 4Q14 (+9.9%).

For the last twelve months, EBITDA (IFRS) was \$1,362.0 million (US\$85.6 million with an average exchange rate of MXN\$15.9063 per USD), that represent a 42.8% improvement versus the \$954 million in 4Q14 LTM.

> Capital Expenditures

The total consolidated capex was \$283 million; \$120 million for hotels, \$136 million for vocational properties and \$27 million for corporate.

For the full year 2015, consolidated capex was \$612 million.

Hotels: 43% was used for maintenance and refurbishing hotels –the Fiesta Americana Guadalajara, Fiesta Americana Condesa Cancun, Fiesta Inn Aeropuerto hotel in Mexico City, Fiesta Inn Cuautitlan, and Fiesta Americana Mérida.

The vacation properties capex: 33% was used for The Front Door in Los Cabos and Acapulco.

Corporate: 25% related to our new corporate offices, Information and technology.

> Comprehensive Financial Result

Concept	4Q15	4Q14	2015	2014
Interest earned	(7,789)	(2,911)	(33,066)	(22,509)
Interest expense	140,772	110,846	508,840	417,669
Fluctuations loss (gain)	94,953	328,519	707,162	427,934
Other expenses (products)	0	0	0	0
Financial expenses	31,738	19,004	100,080	60,763
Total	259,674	455,459	1,283,016	883,857

Figures in thousands of pesos.

At the end of the quarter, considering the effect of IFRS, the net coverage ratio was 2.9 times; 0.5 times higher than the observed in the same quarter of the previous year.

In 4Q15 the foreign exchange unrealized loss of \$0.30 depreciated 1.8% (MXN/USD) from September 30, 2015 to December 31, 2015.

> Net Majority Income

As a result of the aforementioned a net loss of \$39.3 million was recorded for the 4Q15 and \$470.2 million for 2015.

> Financial Situation

As of December 31, 2015 the cash balance was \$2,214 million (US\$70.6 million with an exchange rate at the end of period of \$17.2065 per USD). On November 18, 2015, the US\$50 million Euro-Commercial paper was paid.

As of the end of the fourth quarter the total assets reached \$13,776.9 million (US\$800.7 million).

The main uses of cash during the quarter were, among other items, the Senior Notes coupons, capital expenditures and taxes.

Total Debt at the end of the quarter was \$6,243.6 million (US\$362.9 million), net of issuance expenses, while the Net Debt (IFRS) was \$5,029.8 million (US\$292 million), the Net Debt to EBITDA ratio was 3.7 times under IFRS, which compares favorably as this ratio was 4.6 times in 4Q14.

The Total Debt mix under IFRS at the end of the quarter was as follows: 100% in long-term, in U.S. dollars and with a fixed rate. The average debt maturity was 6.0 years and there was no secured debt outstanding.

As of the release date of this report, the existing corporate ratings are:

- Moody's: global scale "B2" with stable outlook.
- S&P: global "B" with stable outlook.
- Fitch: global Issuer Default Rating (IDR) "B" and local "BB+(mex)", both with stable outlook.

The ratings for the "7.875% Senior Notes Due 2017" and "7.875% Senior Notes Due 2022" were: Moody's: "B2"/ S&P:"B" / Fitch: "B+ RR3".

In compliance with article 4.033.02 Frac. VIII of the Mexican Stock Exchange rules, Grupo Posadas coverage is provided by:

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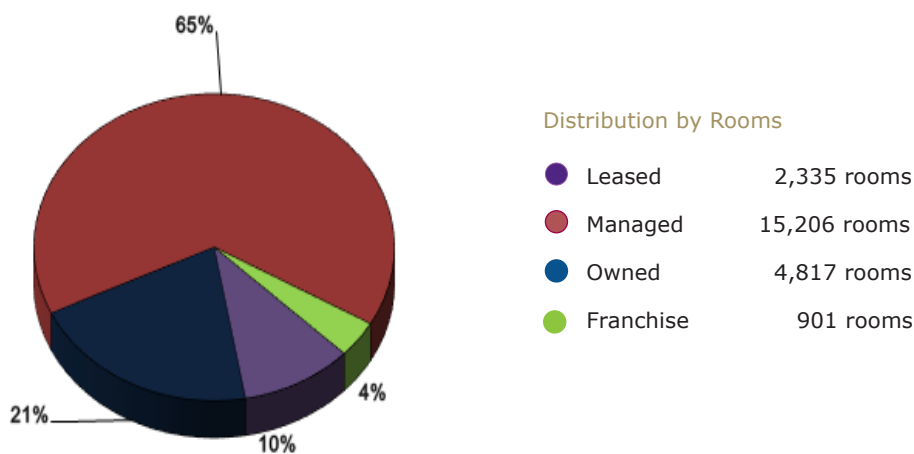
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> Grupo Posadas as of December 31, 2015

Posadas is the leading hotel operator in Mexico that owns, leases and manages 141 hotels and 23,259 rooms in the most important and visited urban and coastal destinations in Mexico (99% of total rooms) and owns one hotel in the United States (1%). 79% of rooms are in urban destinations and 21% in coastal. Posadas operates under the following main brands: Live Aqua, LAT20 by Live Aqua, Grand Fiesta Americana, Fiesta Americana, The Exploreat, Fiesta Americana Vacation Villas, Fiesta Inn, Gamma by Fiesta Inn and One Hotels.

Posadas trades in the MSE since 1992.



Brand	Mexico		USA		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Live Aqua	3	566			3	566
Fiesta Americana	18	5,333			18	5,333
Fiesta Inn	65	9,414			65	9,414
Gamma	9	1,335			9	1,335
FA Vacation Villas	7	1,613			7	1,613
One Hoteles	37	4,582			37	4,582
Otros	1	213	1	203	2	416
Total	140	23,056	1	203	141	23,259
%		99%		1%		100%

> Income Statement IFRS

(million pesos)

Concept	4Q15	%	4Q14	%	Var. %	2015	%	2014	%	Var. %
Total Revenues	1,734.6	100.0	1,553.9	100.0	11.6	6,901.2	100.0	5,848.3	100.0	18.0
Owned & Leased Hotels										
Revenues	830.1	100.0	755.7	100.0	9.8	3,103.8	100.0	2,717.8	100.0	14.2
Direct cost	591.2	71.2	601.6	79.6	(1.7)	2,335.9	75.3	2,265.1	83.3	3.1
Contribution	238.8	28.8	154.1	20.4	55.0	767.9	24.7	452.7	16.7	69.6
Management										
Revenues	241.6	100.0	289.9	100.0	(16.7)	1,123.2	100.0	1,107.9	100.0	1.4
Direct cost	233.9	96.8	206.0	71.1	13.6	870.2	77.5	806.5	72.8	7.9
Contribution	7.7	3.2	83.9	28.9	(90.8)	253.1	22.5	301.4	27.2	(16.0)
FA Vacation										
Revenues	608.5	100.0	482.4	100.0	26.1	2,619.8	100.0	1,996.7	100.0	31.2
Direct cost	453.5	74.5	325.0	67.4	39.5	2,011.5	76.8	1,520.7	76.2	32.3
Contribution	155.0	25.5	157.4	32.6	(1.5)	608.3	23.2	475.9	23.8	27.8
Corporate expenses	86.2	5.0	64.1	4.2	34.6	321.1	4.7	255.5	4.4	25.7
Depreciation / amortization	123.6	7.4	122.4	8.0	1.0	414.7	6.1	409.3	7.0	1.3
Asset impairment	0.0	0.0	0.0	0.0	na	0.0	0.0	0.0	0.0	na
Other expenses	38.3	2.2	55.5	3.6	(31.0)	0.5	0.0	46.4	0.8	(99.0)
Other revenues	(54.4)	(3.1)	(25.8)	(1.7)	110.6	(54.4)	(0.8)	(25.8)	(0.4)	110.6
Operating Profit	207.8	12.0	179.2	11.5	15.9	947.3	13.7	544.7	9.3	73.9
EBITDA	331.4	19.1	301.7	19.4	9.9	1,362.0	19.7	954.0	16.3	42.8
Comprehensive financing cost	259.7	15.0	455.5	29.3	(43.0)	1,283.0	18.6	883.9	15.1	45.2
Profit Before Taxes & Assoc. Co.	0.0	0.0	0.0	0.0	na	0.0	0.0	0.0	0.0	na
Part. in results of Associated Co.	(0.8)	(0.0)	0.2	0.0	na	(0.8)	(0.0)	(12.6)	(0.2)	(94.0)
Profit Before Taxes	(52.7)	(3.0)	(276.1)	(17.8)	(80.9)	(336.5)	(4.9)	(351.7)	(6.0)	(4.3)
Discontinued Operations	0.0	0.0	0.8	0.1	na	2.6	0.0	(8.7)	(0.1)	na
Income taxes	(23.1)	(1.3)	95.1	6.1	na	132.9	1.9	169.8	2.9	(21.7)
Deferred taxes	5.4	0.3	(389.4)	(25.1)	na	(1.6)	(0.0)	(1,231.1)	(21.1)	(99.9)
Net Income before Minority	(35.0)	(2.0)	17.4	1.1	na	(470.4)	(6.8)	718.2	12.3	na
Minority Interest	4.3	0.3	2.1	0.1	104.7	(0.2)	(0.0)	1.4	0.0	na
Net Majority Income	(39.3)	(2.3)	15.2	1.0	na	(470.2)	(6.8)	716.8	12.3	na

> Consolidated Balance Sheet as of December 31, 2015 & December 31, 2014 IFRS

(million pesos)

Concept	Dec 2015	%	Dec 2014	%	Var. %
ASSETS					
Current					
Cash & investments	763.8	5.5	997.8	7.5	(23.4)
Short term investments	450.0	3.3	519.1	3.9	(13.3)
Notes & accounts receivable	2,496.5	18.1	2,627.1	19.7	(5.0)
Inventories	232.2	1.7	321.0	2.4	(27.7)
Other assets	280.1	2.0	212.0	1.6	32.1
Total current assets	4,222.6	30.6	4,676.9	35.1	(9.7)
Long Term					
Accounts and notes receivable	2,285.5	16.6	1,726.7	13.0	32.4
Investments in shares & other investments	404.4	2.9	305.0	2.3	32.6
Property, plant and equipment, net	6,286.0	45.6	6,267.3	47.1	0.3
Intangible and deferred assets	404.9	2.9	269.4	2.0	50.3
Other	173.6	1.3	72.6	0.5	139.0
Non current assets	9,380.8	68.1	8,568.4	64.3	9.5
Total Assets	13,777.0	100.0	13,318.0	100.0	3.4
LIABILITIES					
Current					
Suppliers	438.4	3.2	400.1	3.0	9.6
Bank loans					
Stock market loans	-	0.0	1,447.7	10.9	(100.0)
Taxes and Other	1,601.1	11.6	1,047.5	7.9	52.9
Other current liabilities	1.4	0.0	2.3	0.0	(38.1)
Total current liabilities	2,041.0	14.8	2,897.5	21.8	(29.6)
Long Term					
Bank loans					
Stock market loans	6,242.3	45.3	4,432.3	33.3	40.8
Other liabilities	1,140.3	8.3	963.5	7.2	18.4
Deferred tax liabilities and Other	725.9	5.3	915.4	6.9	(20.7)
Total Liabilities	10,149.5	73.7	9,208.7	69.1	10.2
STOCKHOLDERS' EQUITY					
Majority interest	3,430.8	24.9	3,890.5	29.2	(11.8)
Minority interest	196.7	1.4	218.7	1.6	(10.0)
Total	3,627.5	26.3	4,109.2	30.9	(11.7)
Total Liabilities & Stockholders' Equity	13,777.0	100.0	13,318.0	100.0	3.4

>Consolidated Cash Flow Statement - IFRS

(Million pesos from January 1st to December 31, 2015 & 2014)

Consolidated Cash Flow statement		
	DEC 2015	DEC 2014
Consolidated Net Income Before Taxes	(336.5)	(351.7)
+ (-) Items not requiring cash		
+ (-) Other unrealized items		
+ (-) Entries related to Investments	444.7	408.1
+ Asset impairment, Depreciation and Amortization for the year	414.7	409.3
+ (-) Gain or loss on sale property, plant and equipment	88.1	
+ (-) Equity in results of associates and joint ventures	0.8	12.6
+ (-) Interest income	(34.5)	(22.5)
+ (-) Other items	(24.4)	8.7
+ (-) Items related to financing activities	1,493.3	1,004.4
+ Accrued interest	508.8	417.7
+ (-) Currency fluctuations	984.5	586.8
+ Derivatives		
Cash before taxes	1,601.6	1,060.8
Cash flow provided or used in operation	(119.2)	(712.8)
+ (-) Decrease (increase) in accounts receivable	(442.2)	(192.6)
+ (-) Decrease (increase) in inventories	88.8	(179.2)
+ (-) Decrease (increase) in other accounts receivables and other assets	(210.3)	(93.4)
+ (-) Increase (decrease) in suppliers	38.3	51.8
+ (-) Increase (decrease) in other liabilities	867.0	295.9
+ (-) Income taxes paid or returned	(466.6)	(595.2)
Net cash flows from operation	1,482.3	348.0
Net cash flow from investing activities	(510.3)	(382.4)
(-) Permanent investments	69.1	6.3
(-) Investment in property, plant and equipment	(612.4)	(437.4)
+ Business sales		26.2
+ Interest received	33.1	22.5
+ Sale of property, plant and equipment	5.7	
+ (-) Other items		
Net cash flow financing activities	972.1	(34.4)
Net cash flows	(1,246.0)	314.5
+ Bank financing		
+ Stock market financing	1,219.4	740.2
+ Issuance costs	(339.5)	
+ Other financing, includes margin calls		
(-) Bank financing amortization		
(-) Stock market financing amortization	(1,542.8)	
(-) Other financing amortization	(7.7)	
+(-) Increase (decrease) in equity		
(-) Dividends paid		(8.0)
+ Premium on issuance of shares		11.0
+ Contribution for future capital increases		
(-) Interest expense	(573.3)	(427.1)
(-) Repurchase of shares	(2.0)	
+ (-) Other items		(1.5)
Net increase (decrease) in cash and cash equivalents	(273.9)	280.1
Changes	39.9	11.3
Cash and cash equivalents at the beginning of period	997.8	706.4
Cash and cash equivalents at the end of period	763.8	997.8

For more information visit www.posadas.com