



POSADAS®

Operative & Financial Results -2Q16

07/21/2016

Disclaimer

This Presentation has been produced by Grupo Posadas, S.A.B. de C.V. (the “Company” or “Posadas”). This presentation is strictly confidential and may not be reproduced or delivered, in whole or in part, to any other person.

This Presentation contains information that may be deemed to be “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about our future financial position and results of operations, our strategy, plans, objectives, goals and targets, future developments in the markets where we participate or are seeking to participate and other statements contained in this offering memorandum that are not historical facts. Forward looking statements use the words “anticipate,” “believe,” “could,” “estimate,” “except,” “intend,” “may,” “plan,” “predict,” “project,” “will,” “would” and similar terms and phrases. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results, developments and business decisions to differ materially from those contemplated in these forward looking statements. These statements are based on assumptions and assessments made by our management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. In addition, our business and operations involve numerous risks and uncertainties, many of which are beyond our control, which could result in our expectations not being realized or otherwise materially affect our financial conditions, results of operations and cash flows. These risks and uncertainties include, among other factors: political and economic factors in Mexico and the United States; supply and demand changes for hotel rooms and vacation club memberships in our markets; the financial condition of the airline industry and its impact on the lodging industry; the impact of government regulations and resolutions, including land use, tax, health, safety and environmental laws; capital market volatility; risks related to our business, our strategy, our expectations about growth in demand for our services, our expectations as to our ability to increase the number of hotels and hotel rooms we manage and our business operations, financial condition and results of operations; statements of our plans, objectives or goals, including our ability to implement our strategy; the availability of funds to finance growth; currency fluctuations and inflation in the countries in which we operate; the impact of natural events, such as earthquakes, hurricanes and floods; and health pandemics, such as the 2009 H1N1 influenza outbreak. Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of the date of this Presentation. The Company undertakes no obligation (and expressly disclaims any such obligation) to update any forward looking statements to reflect events or circumstances after the date of this Presentation.

Highlights

- EBITDA of \$349 mm in 2Q16 and \$1,508 mm LTM.
- In 2Q16, total revenues and EBITDA grew 14% and 8%, respectively.
- In 1H16, total revenues and EBITDA grew 15% and 22%, respectively.
- US\$50 mm Retap to prepay in November 2016 the balance of the Senior Notes due 2017.
- 7 hotel openings in 1H16 and 5 in 2Q16; among these: Live Aqua Monterrey Valle, Grand Fiesta America Monterrey Valle and Grand Fiesta Americana Puebla hotels.
- The pipeline considers 34 new hotels and 21% additional rooms to be open during the next two years.
- Cash available as of June 30, 2016 of \$2.2 billion (equivalent to US\$122 million).



Income Statement (million pesos)

2Q16	%	QoQ
1,902	100	14%
1,553	82	15%
349.0	18	8%
18%		(1.1pp)
(258)	(14)	630%

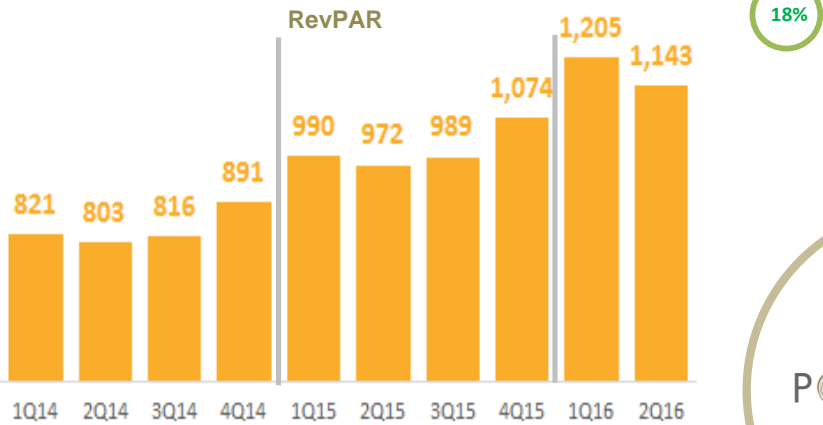
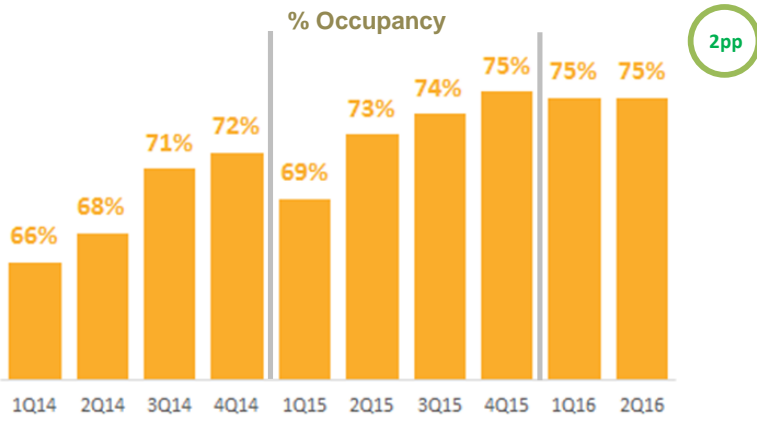
Total revenues
Expenses
EBITDA MXN
Margin
Net Income

1H16	%	YoY
3,949	100	15%
3,136	79	14%
814	21	22%
21%		1.1pp
(58)	(1)	(29%)

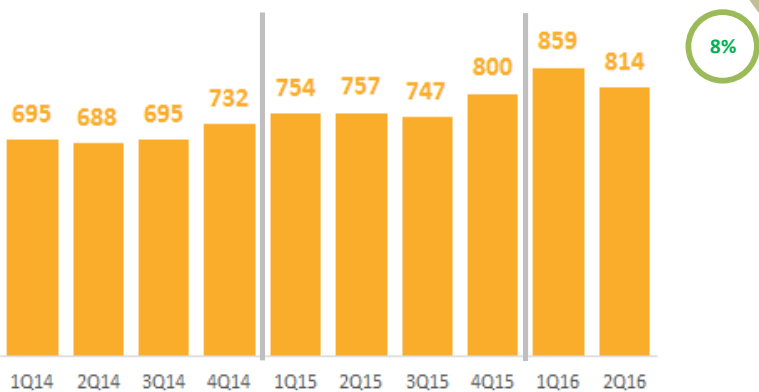
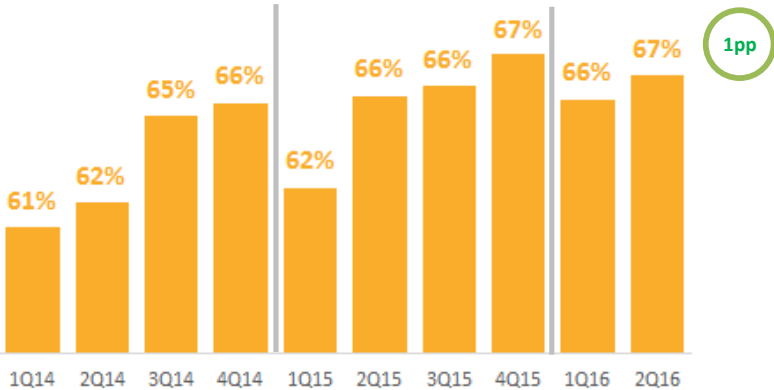


Hotel Performance

OWNED AND LEASED HOTELS

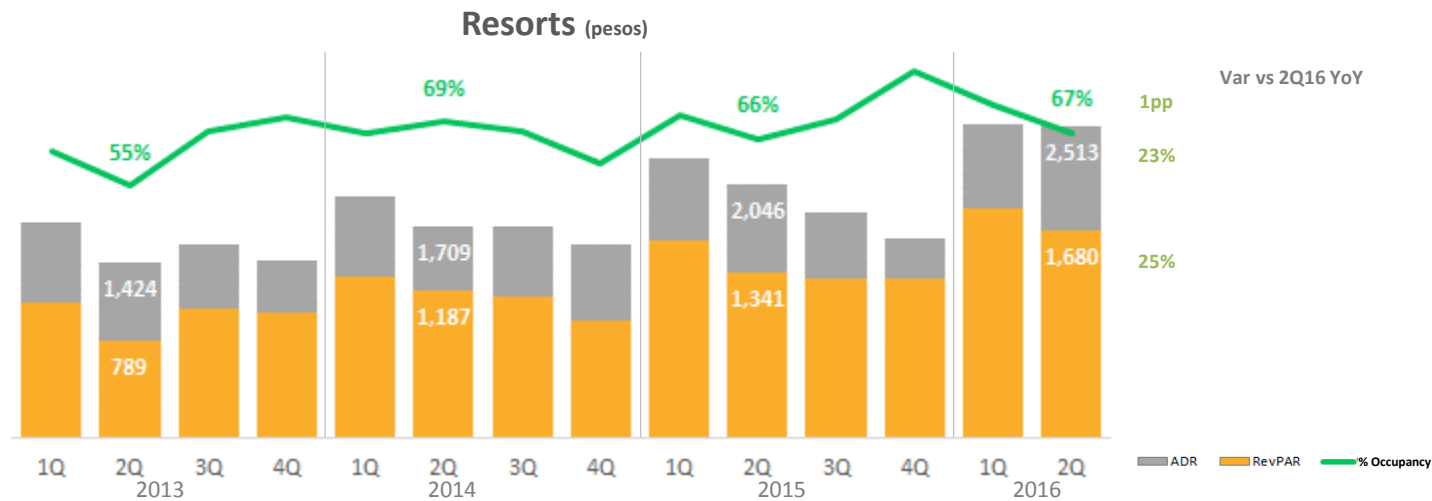
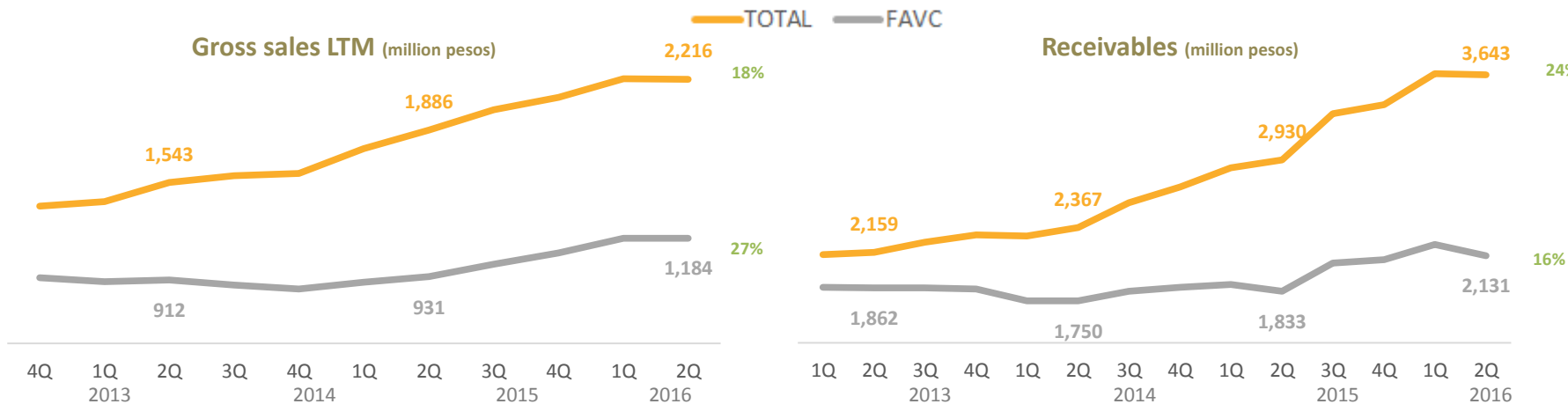


SYSTEM WIDE HOTELS



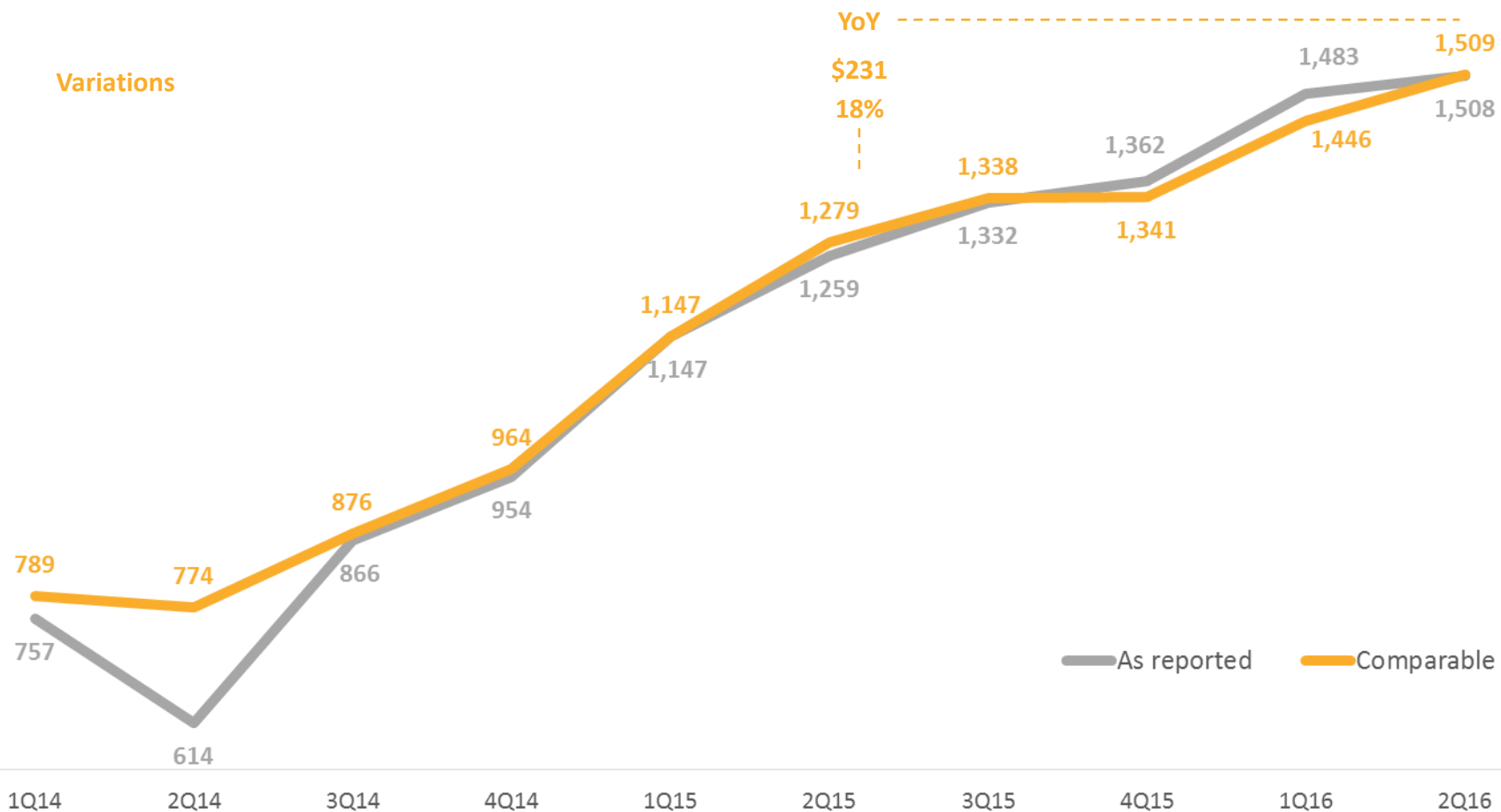
POSADAS.

Vacation Properties



EBITDA LTM (million pesos)

Variations

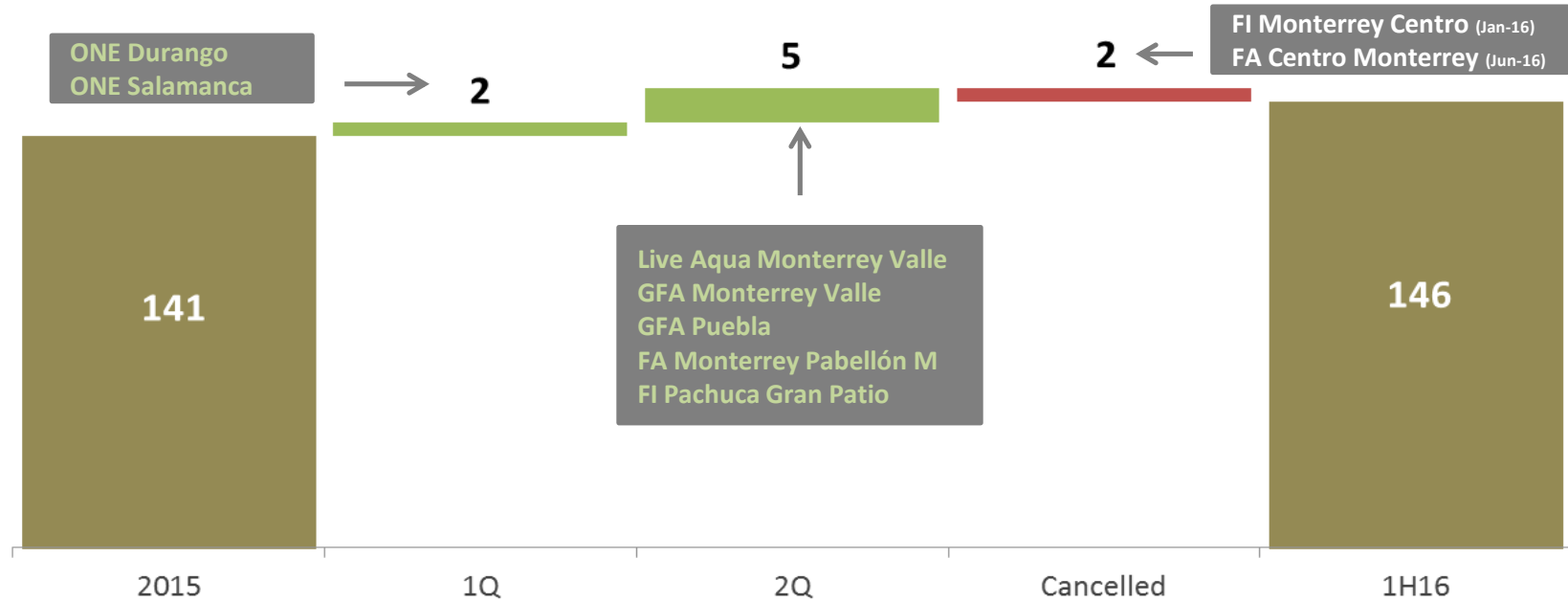


Free Cash Flow, Internal Reporting (million pesos)

Concept	1H16
EBITDA	813
Working capital & Other	37
CAPEX	(286)
Interests, Net	(299)
Taxes	(180)
Financings	923
Cash	1,008
Cash BOP	1,214
Cash EOP	2,222

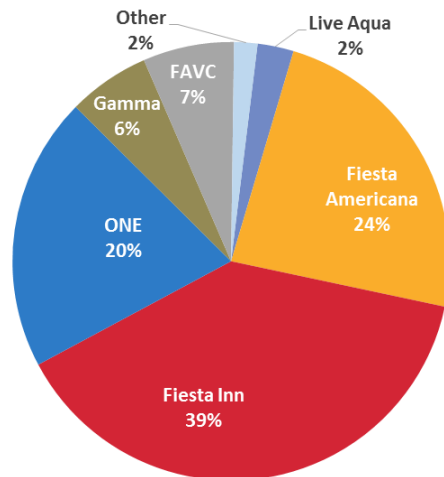


2016 hotel openings



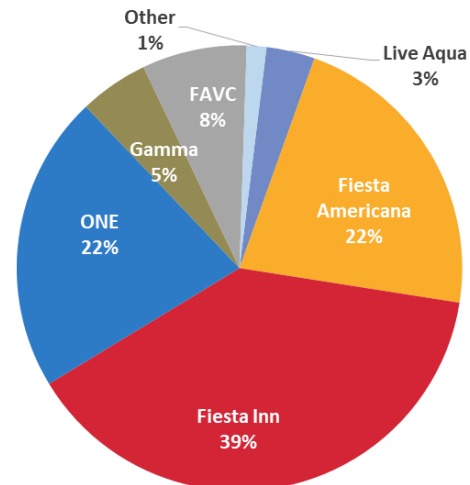
Development Plan

As of June 2016 (23,921 rooms)



34 Hotels / 5,025 Rooms
USD\$453 mm 75%
Managed

Estimated portfolio June 2018 (28,946 rooms) +21%



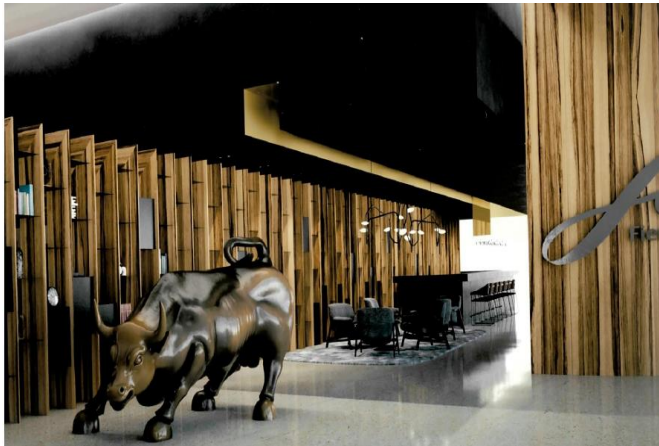
Hotels	2016	2017	2018	TOTAL
Live Aqua		1	1	2
Fiesta Americana	1	2	1	4
Fiesta Inn	7	6	2	15
ONE	3	8		11
Gamma				
FA Vacation Club*		1	1	2
TOTAL	11	18	5	34

(*) FA Vacation Club (OWNED Properties)

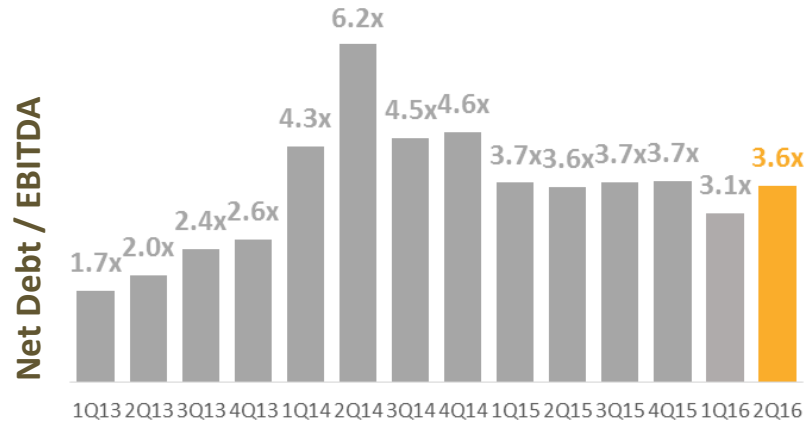
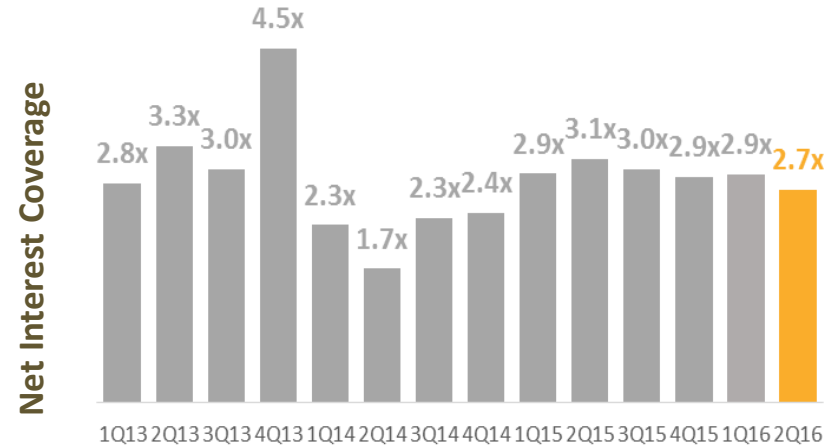
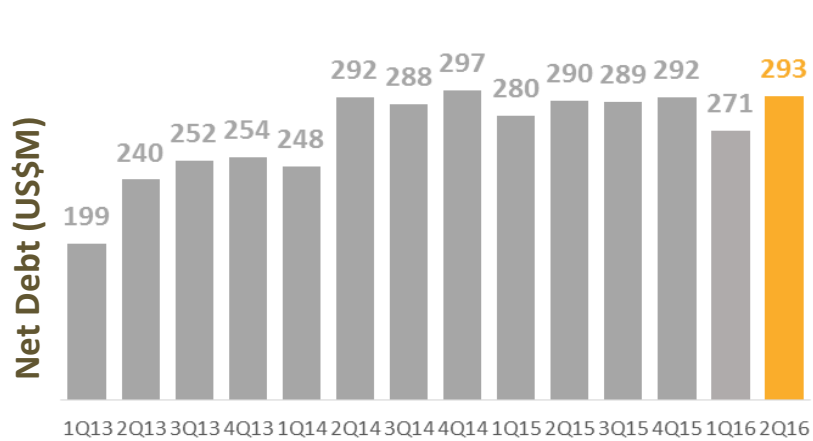
Rooms	2016	2017	2018	TOTAL
Live Aqua		130	250	380
Fiesta Americana	252	330	120	702
Fiesta Inn	843	760	340	1,943
ONE	402	1,008		1,410
Gamma				
FA Vacation Club*		100	490	590
TOTAL	1,497	2,328	1,200	5,025

(*) FA Vacation Club (OWNED Properties)

Fiesta Americana Toreo (252 rooms)

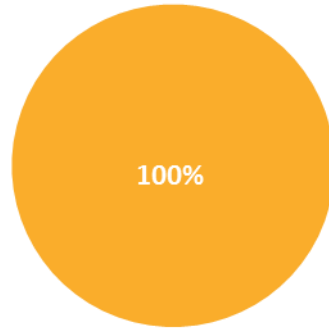


Financial Health



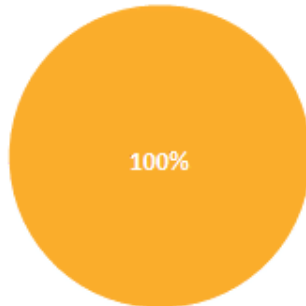
Debt mix – 2Q16

Tenor



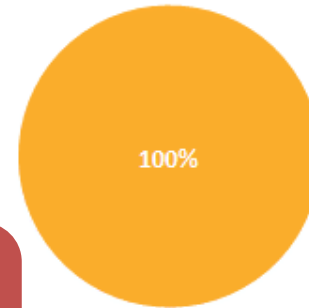
■ LT ■ ST

Guaranty



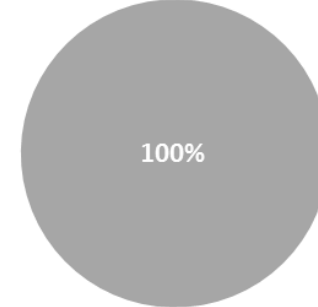
■ Unsecured ■ Secured ■ Non recourse

Currency (Total Debt)



■ USD ■ MXN

Rate



■ Variable ■ Fixed

Gross debt:	US\$438 mm
Capitalized expenses:	(US\$24 mm)
Total debt:	US\$414 mm
Cash:	US\$122 mm

Refinancing Benefits

Liability management “Reopening” – US\$50 mm:

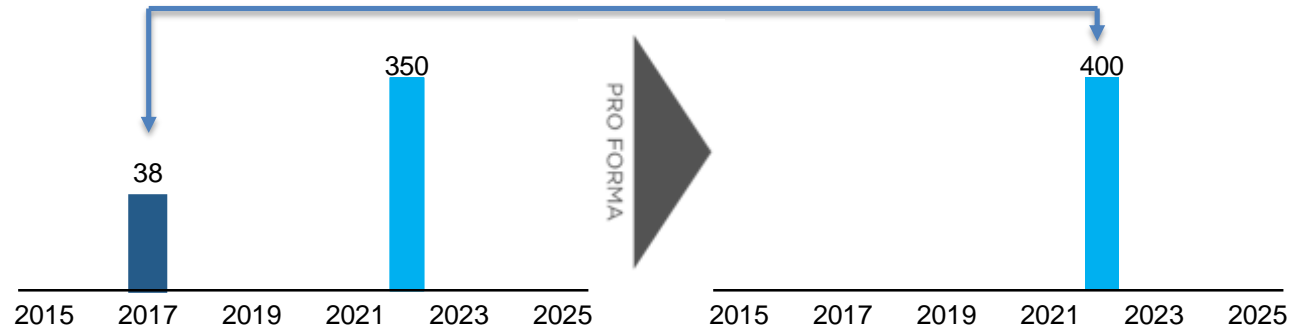
- Eliminate near term refinancing risk.
- Take advantage of still low rates and market moving events.
- Capitalize on recent Senior Notes 2022 rally, 2015 and 1Q16 results.
- Larger and more liquid issuance of US\$400 mm outstanding Notes.



Transaction sources and uses, pro forma maturity profile

Sources		Uses	
Reopening	\$50	Senior Notes 2017	\$38
		Cash incremental	\$12
Total sources	\$50	Total uses	\$50

Eliminate near-term refinancing risk and extend debt maturity profile



POSADAS.

Rating Agencies

- Standard & Poor's
 - Upgraded to “B+” from “B” on stronger financial performance, Outlook positive.
 - Improved operating performance, cash flow generations and liquidity beyond expectations.
 - Strengthening of capital structure.
- Moody's
 - Moody's changes rating Outlook to positive from stable; affirms B2 ratings.
 - The action follows Posadas US\$50 mm add on to its Notes due 2022.
 - Placement of the notes is in line with the Company's liability management plan.
 - Better operating results.
 - Clear deleveraging trend.
- Fitch Ratings
 - Fitch affirms Posadas rating after the US\$50 mm reopening; “B+/RR3”.
 - Strengthening of operations.
 - Solid business position.
 - Capex funded with cash flow.



POSADAS

LIVE
AQUA
HOTELS & RESORTS

Grand
Fiesta Americana
HOTELS & RESORTS

Fiesta
Americana
HOTELS & RESORTS

F
FIESTA INN.
HOTELS BUSINESS CLASS

GAMMA
HOTELS & RESORTS

one
hoteles

EXPLOREAN
HOTELS & RESORTS

FIESTA
REWARDS.

THE
FRONT
DOOR
LEISURE RESORTS

Fiesta
Americana
VACATION CLUB

Kivac.
LA LLAVE DE TUS VACACIONES