

POSADAS[™]

Operative & Financial Results -4Q16

Conference Call

02/17/2017

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2016 Achievements

Financial health

- EBITDA growth of **21%**.
- Margin improvement of **1pp**.
- FCF of **\$71**.
- Cash available at the eop of **\$1,770** million.
- **US\$50** million “7.875% Senior Notes 2022” Retap.
- **3.7x** ND/EBITDA.

Openings/Development pipeline

- **13** hotel openings with **1,864** rooms, including Live Aqua Monterrey Valle, GFA Puebla, GFA Monterrey Valle, FA Toreo and FA Monterrey Pabellon M.
- **22** new hotel contracts signed (**3,428** rooms), reaching a total pipeline of 39 hotels and 5,754 rooms.
- Refurbishment of hotels in process (FA Condesa Cancun and FA Guadalajara).



2016 Achievements

Management

- Results:
 - Occupancy “Same hotels” **+2.8pp** and RevPAR of **+12.4%**.
- Marketing:
 - **70%** of all reservations are made through direct channels, distribution cost remained at **US\$7.8** per reservation.
 - More than **82,000** rooms sold by International Groups.
 - OTAS’s growth of **62%**.
 - **30%** YoY increase in wholesale.
- TripAdvisor:
 - **27** hotels with the “Eco Leader Distinctive by TripAdvisor”.
 - **13** hotels with the “Hotel Hydro Sustainable Distinctive”.
 - **78** managed hotels hold the Excellency Certificate.
 - Live Aqua Cancún All Inclusive: Traveler's Choice 2016 Top 25 resorts in Mexico and rest of the world.
 - Live Aqua Urban Resort México: Traveler's Choice 2016 Top 25 hotels in Mexico.
- Top **10** Companies to work in Mexico (GPTW).



2016 Achievements

Marketing/Digital Accomplishments

- Advertising campaigns:
 - Seventh consecutive year of the summer travel campaign “*Viaja*”.
 - **900,000** gift certificates given.
- Relaunch of our loyalty program Fiesta Rewards with 220 thousand active members (new image and more benefits).
- First hotel chain in Mexico to handle sales and service processes as well as crisis control in social networks through a “Command Center” .



2016 Achievements

Vacation Properties

- Members:
 - **32,364** members FAVC and **540** members LARC.
- KIVAC:
 - **33,100** Travelers, growth of **+25%, YoY**.
- Resorts:
 - Food & beverages revenues: **+27%, YoY**.
- Second room nights provider to Posadas managed hotels after Expedia.
- Receivables collection efficiency of **91.5%**.



Income Statement

(million pesos)

4Q16	%	QoQ
1,931	100	11%
1,536	80	9%
395	20	19%
20%		1.3pp
(520)	(27)	1,224%

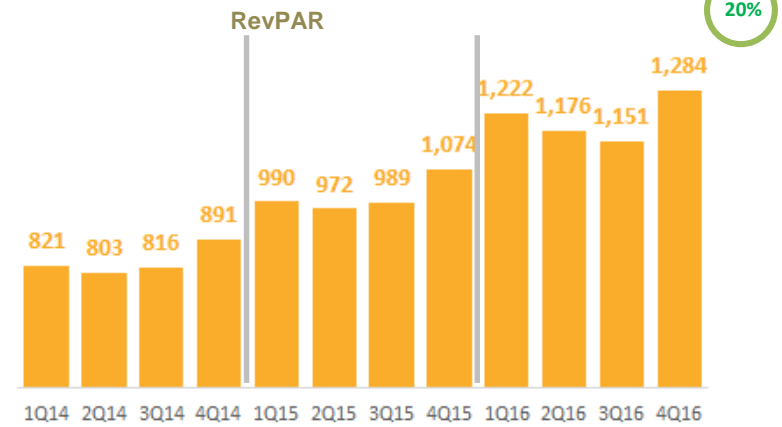
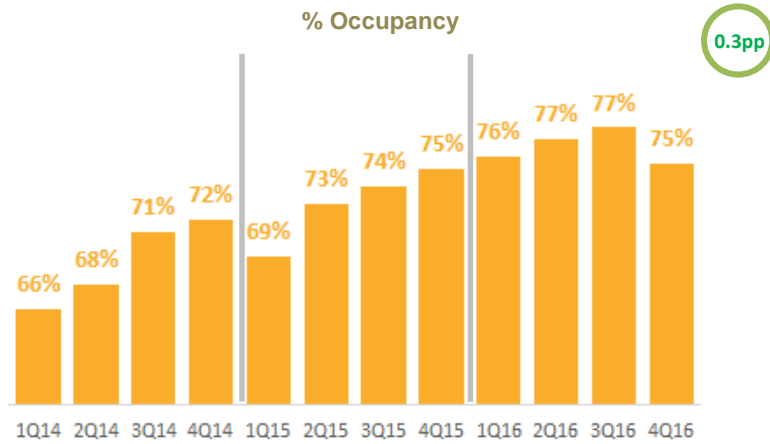
Total revenues
Expenses
EBITDA MXN
Margin
Net Income

2016	%	YoY
7,979	100	16%
6,330	80	14%
1,650	20	21%
21%		1.0pp
(706)	(7)	50%

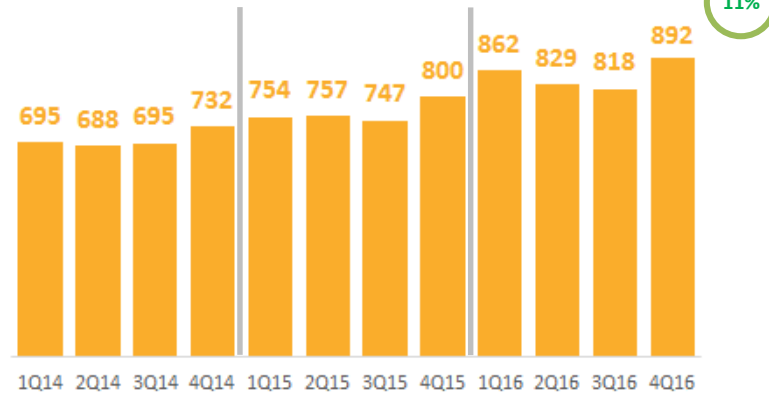
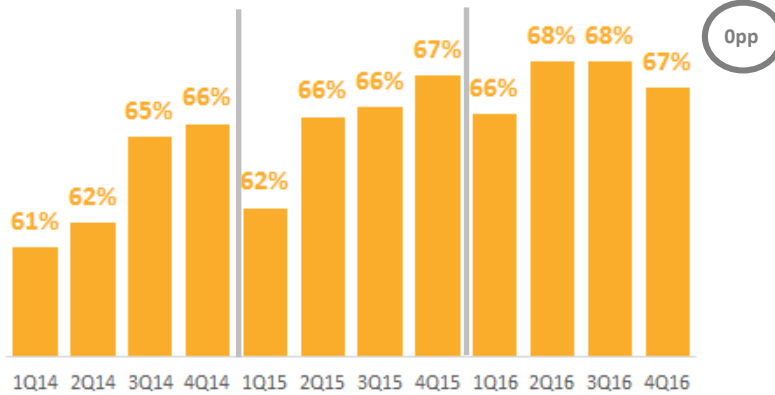


Hotel Performance

OWNED AND LEASED HOTELS

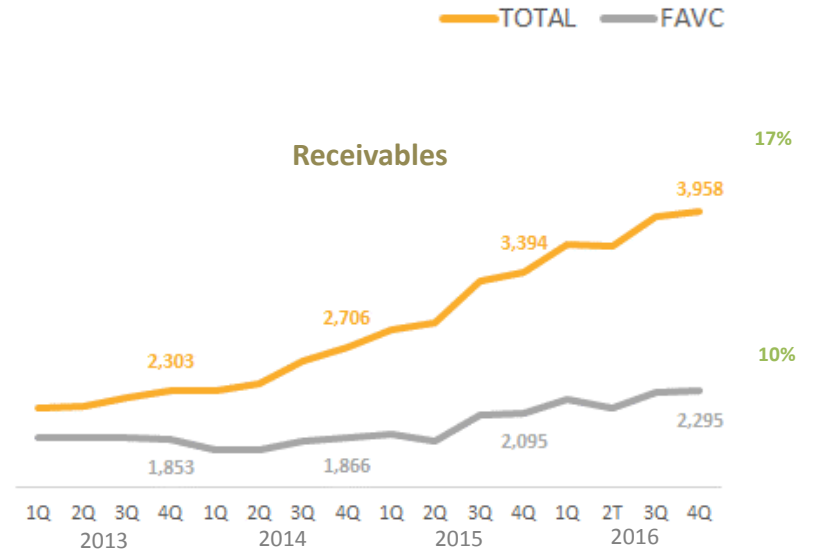
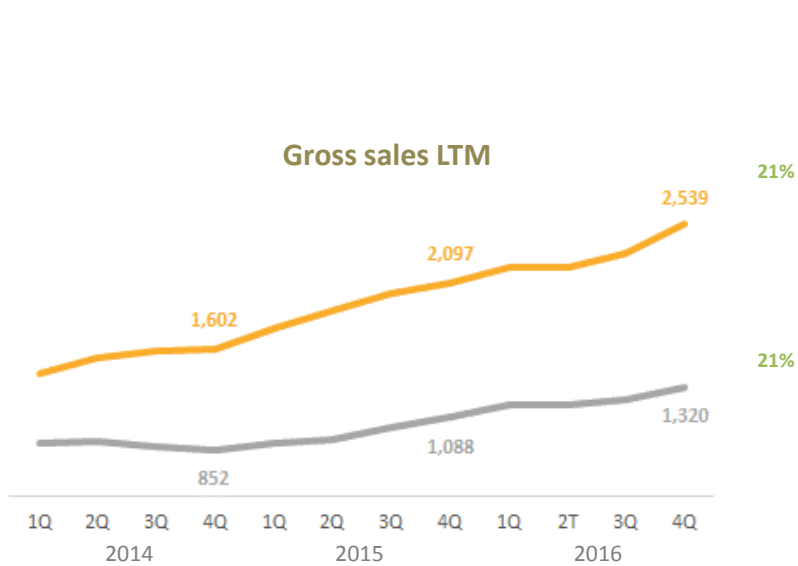


SYSTEM WIDE HOTELS



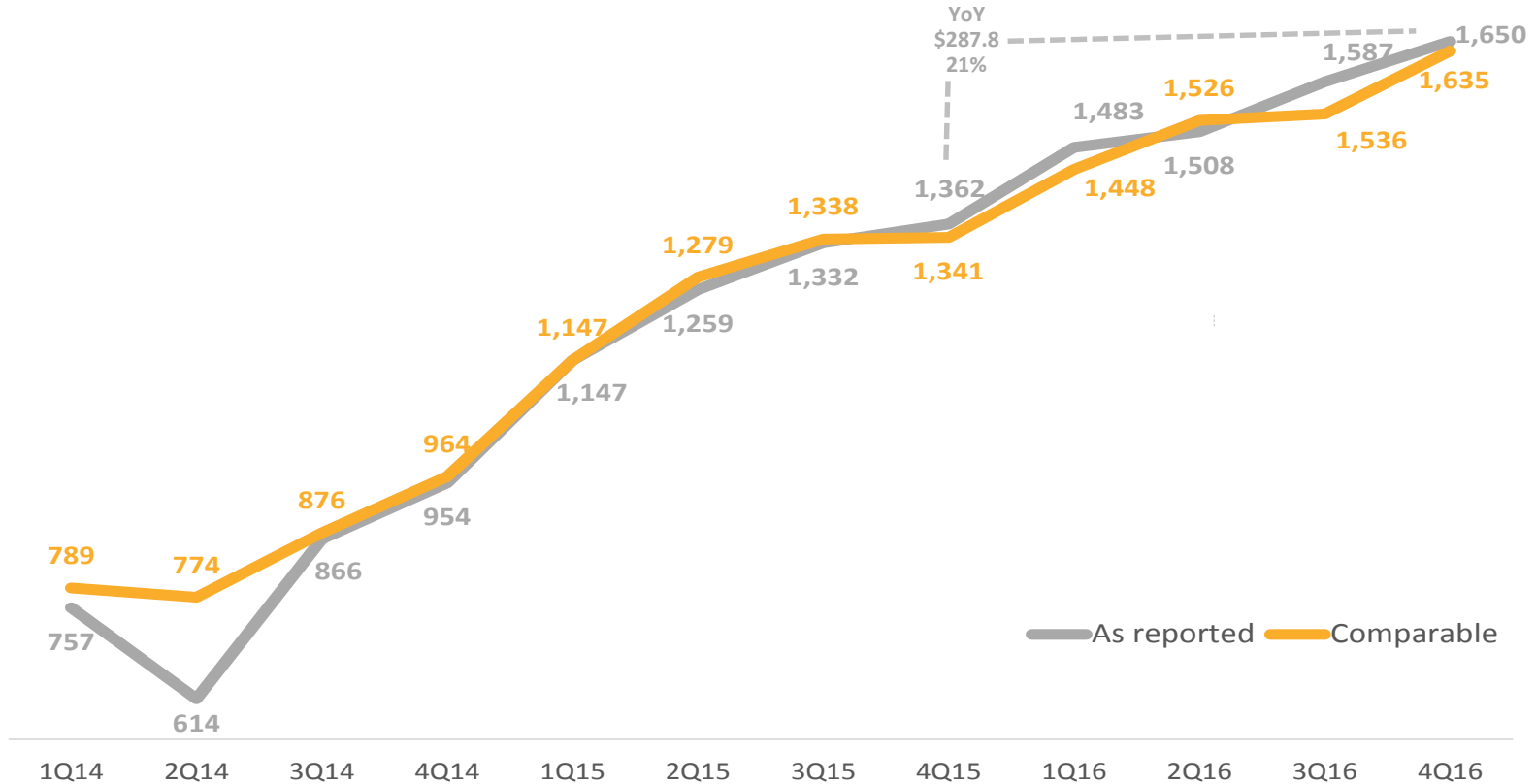
Vacation Properties

(million pesos)



EBITDA LTM

(million pesos)



Free Cash Flow, Internal Reporting

(million pesos)

	2016	2015	Var \$
EBITDA	1,541	1,362	179
Working capital & Other	89	371	(282)
CAPEX	(703)	(612)	(91)
Interests Net	(641)	(539)	(102)
Taxes	(216)	(224)	8
FCF	71	358	(287)
Financings	241	91	150
Asset sales	245		245
Cash	556	449	107
Cash BoP	1,214	765	449
Cash EoP	1,770	1,214	556



Number of hotels by brand

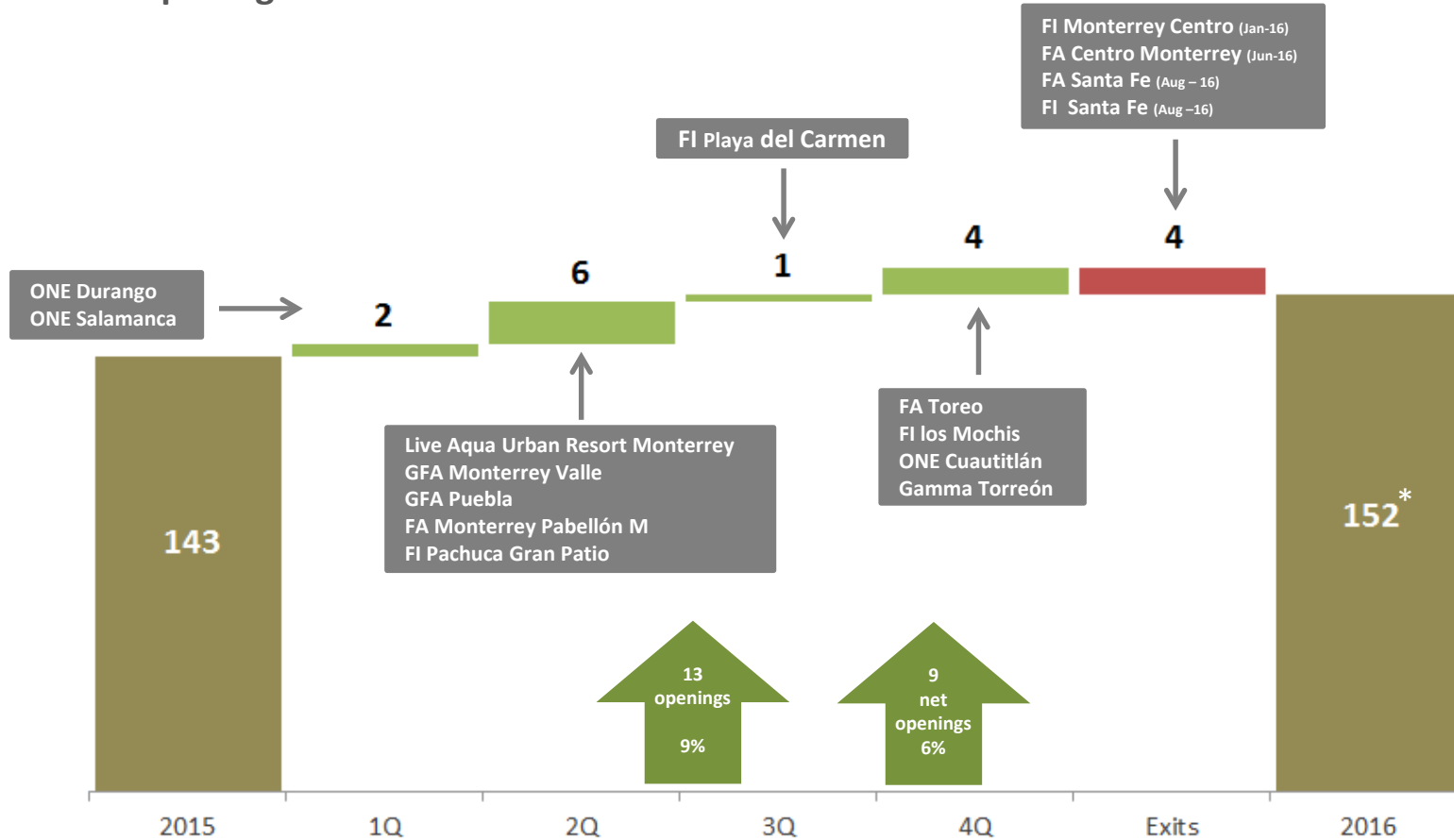
	Luxury		Upper	Midle Economy			Vacation Club	Other	Total
	LIVE AQUA	Grand Fiesta Americana	Fiesta Americana	FIESTA INN	GAMMA	one	Fiesta Americana	Other	
2015	3	5	13	67	9	37	7	2	143
1Q16						2			2
2Q16	1	2	1	2					6
3Q16				1					1
4Q16			1	1	1	1			4
Exits			(2)	(2)					(4)
Total	4	7	13	69	10	40	7	2	152

Number of rooms by brand

	Luxury		Upper	Midle Economy			Vacation Club	Other	Total
	LIVE AQUA	Grand Fiesta Americana	Fiesta Americana	FIESTA INN	GAMMA	one	Fiesta Americana	Other	
2015	566	1,705	3,628	9,414	1,335	4,582	1,613	416	23,259
1Q16						296			296
2Q16	74	348	178	204					804
3Q16				129					129
4Q16			252	125	102	156			635
Exits			(379)	(420)					(799)
Total	640	2,053	3,679	9,452	1,437	5,034	1,613	416	24,324



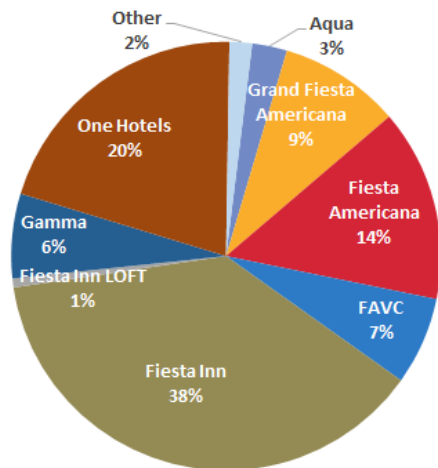
2016 Hotel Openings



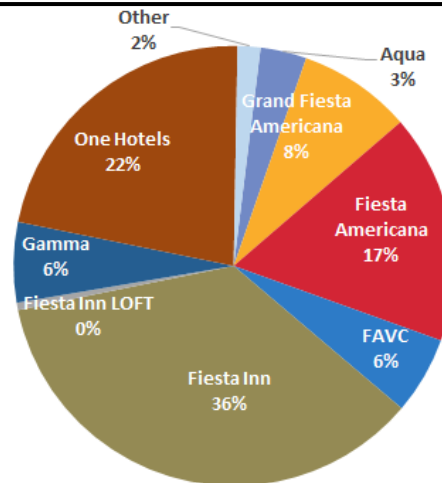
* 152 hotels in 148 management contracts

Development Plan

As of December 2016 (24,324 rooms)



Estimated portfolio June 2019 (30,078 rooms) +24%



\$8,621 mm 95% Managed

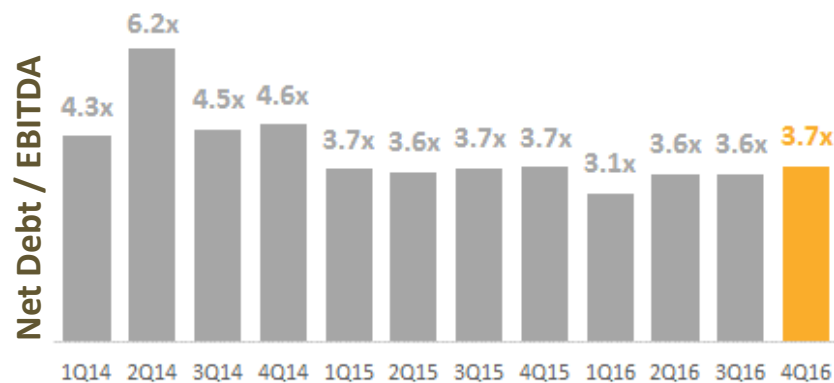
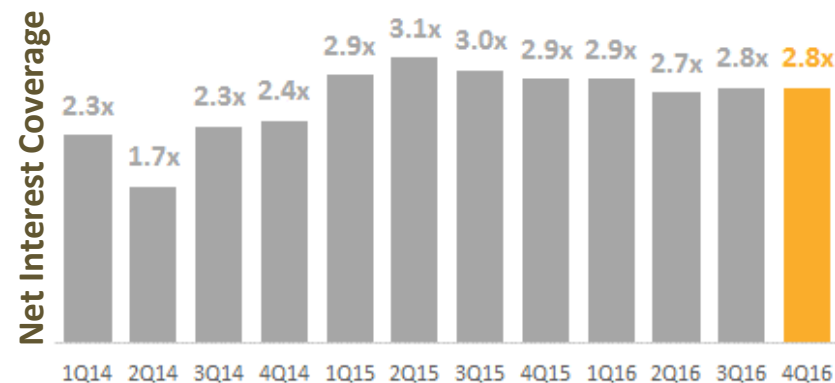
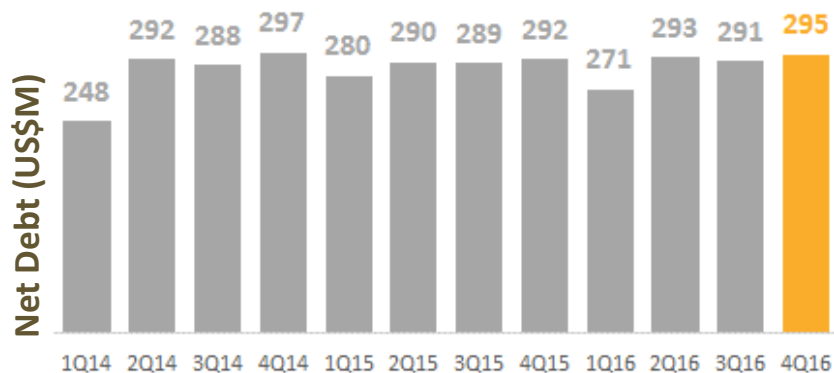
Hotels	2017	2018	2019	TOTAL
Live Aqua		1	1	2
Grand Fiesta Ameri		1		1
Fiesta Americana		8		8
Fiesta Inn	5	6		11
ONE	7	6		13
Gamma	2			2
The Explorean		1		1
FA Vacation Club*	1			1
TOTAL	15	23	1	39

Rooms	2017	2018	2019	TOTAL
Live Aqua		130	250	380
Grand Fiesta Ameri		280		280
Fiesta Americana		1,540		1,540
Fiesta Inn	684	820		1,504
ONE	882	756		1,638
Gamma	222			222
The Explorean		90		90
FA Vacation Club*	100			100
TOTAL	1,888	3,616	250	5,754

(*) FA Vacation Club (OWNED properties)

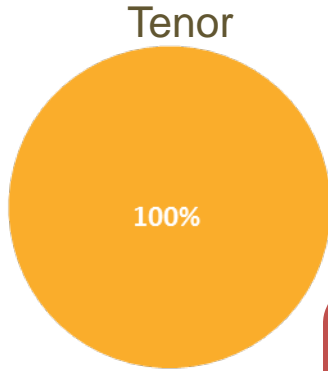
Financial Health

(Fx eop 4Q16: 20.6640)

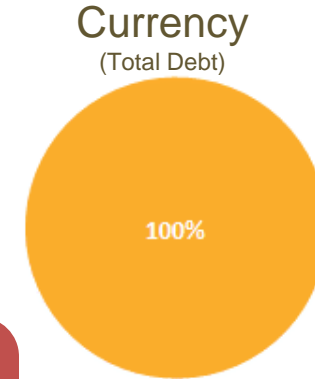


(Figures in millions)	2016		2015	
	\$US	IFRS MXN	\$US	IFRS MXN
FX eop:	20.664		17.215	
EBITDA LTM	1,650		1,362	
Cash	1,770		1,214	
Indebtedness:				
Senior Notes 2022	400	8,266	350	6,025
Senior Notes 2017			38	659
Issuance expenses (IFRS)	(19)	(394)	(26)	(440)
Total	381	7,872	363	6,245
Net Debt to EBITDA	3.7		3.7	

Debt mix – 4Q16



■ LT ■ ST

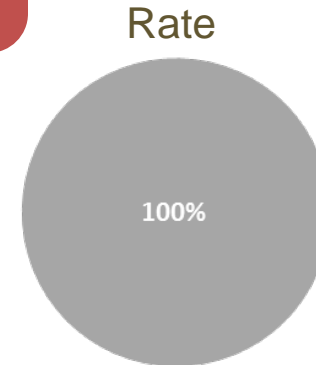


■ USD ■ MXN

Gross debt:	US\$400 mm
Capitalized expenses:	(US\$19 mm)
Total debt:	US\$381 mm
Cash:	US\$86 mm



■ Unsecured ■ Secured ■ Non recourse



■ Variable ■ Fixed

POSADAS

LIVE
AQUA
HOTELS & RESORTS

S Grand
Fiesta Americana.
HOTELS & RESORTS

S Fiesta
Americana.
HOTELS & RESORTS

F FIESTA INN
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Kivac.
ALL-STAR VACATION CLUBS