

POSADAS



Operational and Financial Results: Second Quarter 2010



Grupo Posadas, S.A.B. de C.V. & Subsidiaries Mexico City, July 28, 2010

- EBITDA increased 11%
- Chainwide hotels recorded a 24% RevPAR increase, South America increased 37%

With respect to the same quarter of last year.

> Financial Highlights

Million pesos as of June 30, 2010	2Q10	%	% Variation	Accumulated 2010	%	% Variation
Net Sales	1,605.6	100	(3.3)	3,166.8	100	(9.3)
Operating Profit	172.8	11	23.8	353.9	11	(10.8)
EBITDA	280.1	17	11	578.6	18	(7.7)
Majority Net Income	(78.7)	(5)	na	71.1	2	(61.4)

During the second quarter of 2010, we recorded improved operational results in our hotels attributable to the current economic recovery process, in spite of the effects of the insecurity environment reported about Mexico in the local and international media.

Urban hotels which represent 81% of total rooms system wide continue to show recovery signs since the second quarter of 2009 by performing better than the same period of the previous year, reaffirming the stability of the business segment. Coastal hotels also performed better than the same period of last year, with a relevant increase of 16% in RevPAR, despite the still reduced flow of groups and conventions to the coastal destinations.

"Conectum" reached a long term agreement to outsource administrative and advisory services to the more than 100 restaurants that CMR (Corporacion

Mexicana de Restaurantes) manages, this will contribute to the growth of this business.

On June, 2010, Posadas concluded the acquisition of the remaining stake that an international development bank held in the holding company of all operations in South America.

During this quarter, Posadas and Oracle On Demand received the "Outsourcing Excellence Award 2010" for their services provided to third parties. The award was granted by the Outsourcing Center.

> Development

Our development plan is comprised of 36 hotels with approximately 4,888 rooms to be opened within the next three years. These hotels are either under construction or with executed operating agreements. According to the development strategy of the Company, most of these hotels will be under management agreements.

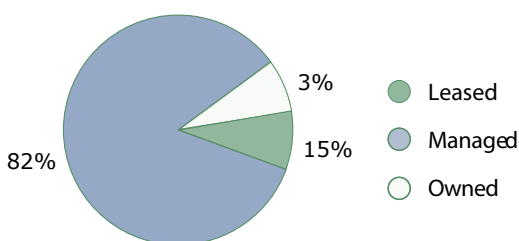
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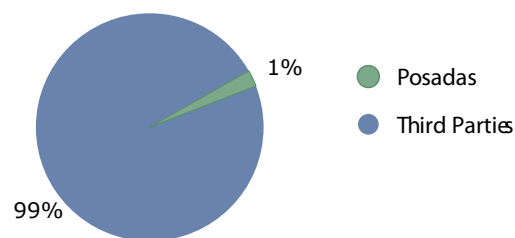
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Brands	Mexico		Southamerica		Total		%
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	
Fiesta Americana	2	379			2	379	8
Fiesta Inn	12	1,628			12	1,628	33
Caesar Park			1	148	1	148	3
Caesar Business			3	498	3	498	10
One hotels	17	2,108			17	2,108	43
Aqua	1	127			1	127	3
TOTAL	32	4,242	4	646	36	4,888	100

Room distribution by contract



Total investment US \$267 M



Openings LTM	No. of Rooms	Type
One Saltillo Derramadero	126	Managed
One Reynosa Valle Alto	135	Managed
One Playa del Carmen	108	Managed
One Puebla Finsa	126	Managed
FI Monterrey Tecnológico	201	Managed
Total	696	

> Owned & Leased Hotels

	Total % Variation		Urban % Variation		Coast % Variation	
2Q10 (QQ)						
Average No. of Rooms	9,399	(1.6)	8,053	(1.9)	1,346	0.0
Average Daily Rate	1,079	(0.0)	1,040	2.1	1,425	(5.7)
Occupancy (Var. In pp)	60%	12.9	62%	14.8	42%	1.4
REVPAR	642	27.6	650	33.9	597	(2.5)
Accumulated						
Average No. of Rooms	9,399	(2.4)	8,253	(2.8)	1,346	0.0
Average Daily Rate	1,114	(5.7)	1,054	(0.8)	1,614	(18.0)
Occupancy (Var. In pp)	58%	8.4	60%	10.3	43%	(3.2)
REVPAR	643	10.3	635	19.7	688	(23.7)

Revenues for this segment represented 54% of total revenues in 2Q10; revenues increased 24% with the same ADR (available daily rate) as last year's same quarter and an occupancy increase of 12.9pp resulting in a 27.6% increase in RevPAR (revenue per available room) when compared to the same period of 2009, even considering a 1.6% reduction in the average number of available rooms. It is important to mention that the Influenza outbreak in 2009, the comparison base contributed to this recorded growths.

Urban hotels results showed a recovery when compared to 2Q09, with a decrease of 1.9% in the average number of rooms available and a higher available daily rate of 2.1% with an increase in occupancy of 14.8pp resulting in a 33.9% improvement in RevPAR.

Coastal hotels performed below last year with a decrease in the available daily rate of 5.7% partially offset by a 1.4pp increase in occupancy which resulted in a 2.5% lower RevPAR against last year's same period, with the reduction in the number of groups and conventions since the influenza outbreak in the 2Q09 being the main cause.

> Management

	Total % Variation		Urban % Variation		Coastal % Variation	
2Q10 (QQ)						
Average No. of Rooms	18,751	2.0	15,857	1.7	2,894	3.7
Average Daily Rate	1,062	4.4	1,006	4.2	1,435	7.6
Occupancy (Var. In pp)	58%	9.0	59%	10.0	49%	3.5
REVPAR	611	23.7	595	25.3	701	15.9
Accumulated						
Average No. of Rooms	18,660	1.9	15,766	1.7	2,894	2.8
Average Daily Rate	1,088	(2.7)	1,009	0.9	1,589	(11.6)
Occupancy (Var. In pp)	56%	5.9	58%	6.8	49%	0.8
REVPAR	612	8.7	581	14.5	780	(10.2)

Includes owned, leased and managed hotels.

Revenues for our Management business represented 27% of total revenues, increasing 16% with respect to 2Q09. Hotel operations system wide recorded an increase in ADR of 4.4% with an increase in occupancy of 9pp resulting in a 23.7% improved RevPAR. Urban hotels performed better with a 4.2% improved ADR with a 10pp increase in occupancy resulting in a RevPAR increase of 25.3%. It is worth mentioning that the RevPAR for the hotels in South America improved 37% to contribute in an important manner to the overall performance. Coastal hotels also improved versus same period of last year accordingly to the gradual recuperation being experienced for the groups and conventions travelers. The average number of rooms operated increased 2% chainwide.

During the last twelve months we opened five hotels for a total of 696 rooms, all under management agreements: One Saltillo Derramadero, One Reynosa Valle Alto, One Playa del Carmen Centro, one Puebla Finsa and FI Monterrey Tecnológico. The leasing agreement of the FI Tijuana hotel with 127 rooms matured during the quarter.

Our Contact Center business (Konexo) reported a quarter-over-quarter revenues increase of 29%. Ampersand, Conectum and Konexo together represented 59% of total revenues and 65% of total contribution, respectively, of our Management business.

> Vacation Club

Our other related businesses business line primarily includes the Fiesta Americana Vacation Club (FAVC) that represents 93% of this segment. Revenues for our Vacation Club and Other represented 19% of total revenues with a considerable decline in comparison to the same quarter of previous year due to the lesser number of travelers to all of Posadas resorts where an important number of membership sales are made, and to the recognition of sales realized in 2008 but recognized in 2009 due

to the percentage of completion method of accounting used in this business. Also, the perception of an insecure environment has reduced the number of clients at our sales facilities in the cities of northern Mexico. It is worth mentioning that the contribution margin for this segment remains in the second quarter at a competitive range of 25%.

> EBITDA

Our 2Q10 EBITDA was \$280 million pesos which represents 17% of total revenues and an 11% in-

crease against the same period of the previous year, when the effects of the influenza outbreak occurred. Last twelve months EBITDA was \$1,194.5 million pesos, a 2.3% increase from previous quarter.

> Capital Expenditures

Capital expenditures for the quarter were \$71 million pesos for hotel maintenance, corporate purposes and the FA Vacation Club.

> Comprehensive Financing Cost

Item	2Q10	2Q09	2010	2009
Interest income	(5,021)	(6,316)	(10,664)	(18,128)
Interest expense	108,829	91,025	222,050	206,191
Currency exchange fluctuations	60,330	12,207	(38,347)	73,677
Other financial costs (products)	76,147	(223,303)	(42,582)	(159,065)
Total Financing Cost	240,285	(126,386)	130,457	102,676

Figures in thousands of pesos.

Net interest coverage was 3.2 times at the end of the quarter, 0.3 times lower than the ratio observed at the end of 2Q09.

With respect to the five contracts used to swap a floating peso note to a USD fix rate (CCS), as of June 30, 2010, US\$26 million in margin calls were posted, US\$1 million more than in 1Q10 due to the 2.8% depreciation of the MXN with respect to the USD during the second quarter of the year. Moreover, the Company has met at all times the margin calls from its counterparts, which as of July 28, 2010 are approximately US\$28 million in cash. Financial cost is due to the effect in the swaps of 2.8% exchange rate depreciation.

June 30, 2010	Indebtedness		Cross Currency in USD '000	SWAPS Interest rate in MXN '000	
	Notional in MXN '000	Maturity		Maturity	Maturity
Concept:					
Dual Currency Credit Facility (Tranche 1)	33,286	15-Nov-10		33,286	15-Nov-10
Certificados Bursatiles (Posadas 08)	834,720	4-Abr-13	79,045		4-Abr-13
Dual Currency Credit Facility (Tranche 4)	27,417	15-Nov-10	2,664		15-Nov-10
Certificados Bursatiles (Posadas 08)	677,858	4-Abr-13	65,773		4-Abr-13
Dual Currency Credit Facility (Tranche 7)	27,000	15-Nov-10	2,563		15-Nov-10
Bank Loan	267,429	25-Abr-13	25,518		25-Abr-13
TOTAL	1,867,710		175,564	33,286	

>Net Majority Result

As a result of the above and the effect in the swaps of 2.8% exchange rate depreciation, net loss for the quarter was \$78.7 million. For the first six months of 2010 net profit of \$71.1 million has been achieved.

>Financial Position

On January 14, 2010, an international development bank executed its option to sell to Posadas its 5.2% stake in the holding company of all operations in South America for US\$ 5million. On June 2010, the same bank executed its option for the remaining 6.9% for US\$6 million. After this transaction, Posadas holds directly or indirectly 100% of this sub-holding.

Net debt at the end of the quarter was US\$394 million. Net debt to EBITDA at the end of the quarter was 4.2 times, which is 0.9 times higher than the one observed at the end of 2Q09. Net debt mix was: 0.5% short term, 88% USD denominated and 78% fixed rate. The average maturity of the debt was 3.9 years and 7.6% was secured with real estate assets.

As of the date of this report, Grupo Posadas current ratings for the "9.25% Senior Notes 2015" and Certificados Bursatiles (Peso Notes) POSADAS-08 are as follows:

Fitch: Issuer Default Rating (IDR) "B+" and local scale (Caval) "BBB+", both with stable outlook.

Moody´s: global scale "B2" with stable outlook.

S&P: global scale "B+" and local scale (Caval) "mxBBB", both with stable outlook.

S&P: global scale "B+" and local scale (Caval) "mxBBB", both with negative credit watch.

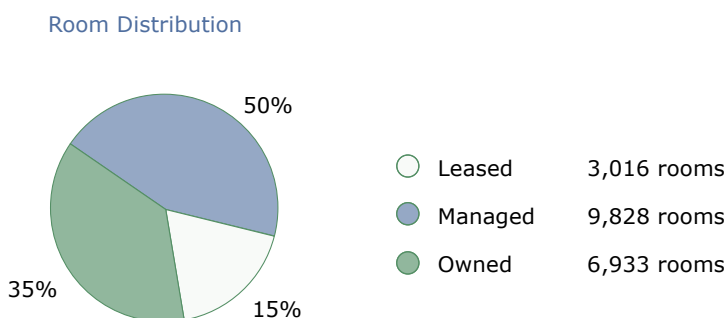
>Subsequent events

On July 15, 2010, the second and last tranche of the \$0.45 cents per share cash dividend was paid. The \$252 total dividend was approved at the Annual Shareholders meeting held on April 5, 2010.

On July 10, 2010, the new Caesar Business Manaus Amazonas hotel with 229 rooms was opened under a management agreement. This hotel is the eleventh of Posadas in Brazil and also represents the start of operations in the northern region of the country, as it is located in the region that besides its history, culture and ecology, is the main economic center of the north, concentrating 78% of the regional economy.

> Grupo Posadas as of June 30, 2009

Currently, the Company operates 112 hotels and 19,777 rooms in the most important and visited urban and coastal destinations in Mexico (85% of total rooms), Brazil(10%), the United States(3%), Argentina(1%) and Chile(1%). Approximately 79% of rooms are in urban destinations and 21% in coastal. Grupo Posadas operates under the following brands: Live Aqua, Fiesta Americana Grand, Fiesta Americana, Fiesta Americana Vacation Villas, Fiesta Inn, One Hotels in Mexico and Caesar Park, Caesar Business in Brazil, Argentina and Chile.



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	18	5,213									18	5,213
Fiesta Inn	59	8,701									59	8,701
Caesar Park			3	506			2	247			5	753
Caesar Business			7	1,393					1	142	8	1,535
FA Vacation Villas	4	677									4	677
One Hotels	13	1,635									13	1,635
Others	1	213			3	679					4	892
Total	96	16,810	10	1,899	3	679	2	247	1	142	112	19,777
%		85%		10%		3%		1%		1%		100%

> Income Statement

Income Statement (million pesos)	2Q10		2Q09		Var%	2010		2009		Var%
	\$	%	\$	%		\$	%	\$	%	
Total Revenues	1,605.6	100.0	1,660.4	100.0	(3.3)	3,166.8	100.0	3,490.4	100.0	(9.3)
Owned & Leased Hotels										
Revenues	870.9	100.0	700.5	100.0	24.3	1,694.9	100.0	1,597.6	100.0	6.1
Direct Cost	787.6	90.4	693.8	99.0	13.5	1,531.5	90.4	1,475.1	92.3	3.8
Contribution	83.3	9.6	6.7	1.0	1,145.9	163.4	9.6	122.6	7.7	33.3
Management										
Revenues	433.0	100.0	373.1	100.0	16.0	851.4	100.0	772.2	100.0	10.3
Direct Cost	286.7	66.2	220.2	59.0	30.2	554.8	65.2	444.9	57.6	24.7
Contribution	146.2	33.8	152.9	41.0	(4.4)	296.6	34.8	327.2	42.4	(9.4)
FA Vacation & Others										
Revenues	301.7	100.0	586.7	100.0	(48.6)	620.6	100.0	1,120.6	100.0	(44.6)
Direct Cost	225.3	74.7	473.9	80.8	(52.5)	449.8	72.5	912.5	81.4	(50.7)
Contribution	76.4	25.3	112.9	19.2	(32.3)	170.8	27.5	208.1	18.6	(17.9)
Corporate Expenses										
Corporate Expenses	25.9	1.6	19.3	1.2	34.2	52.2	1.6	30.8	0.9	69.5
Depreciation / amortization	107.2	6.7	113.5	6.8	(5.5)	224.7	7.1	230.5	6.6	(2.5)
Goodwill Amortization, net	0.0	0.0	0.0	0.0	na	0.0	0.0	0.0	0.0	na
Operating Profit	172.8	10.8	139.7	8.4	23.8	353.9	11.2	396.6	11.4	(10.8)
EBITDA										
EBITDA	280.1	17.4	253.2	15.2	10.6	578.6	18.3	627.1	18.0	(7.7)
Comprehensive Fin. Cost	240.3	15.0	(126.4)	(7.6)	na	130.5	4.1	102.7	2.9	27.1
Other Expenses (Revenue)	43.0	2.7	28.1	1.7	53.1	98.9	3.1	40.3	1.1	145.7
Profit before tax. & Assoc. Co.	(110.5)	(6.9)	239.0	14.4	na	125.3	4.0	255.3	7.3	(50.9)
Part. in result of Assoc. Co.	0.7	0.0	0.4	0.0	73.7	1.2	0.0	0.8	0.0	58.7
Profit before taxes	(109.7)	(6.8)	238.4	14.4	na	125.8	4.0	254.4	7.3	(50.6)
Income taxes	18.2	1.1	(2.3)	(0.1)	na	23.1	0.7	13.1	0.4	76.1
Deferred taxes	(56.6)	(3.5)	76.7	4.6	na	18.7	0.6	60.8	1.7	(69.2)
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income before minority	(71.3)	(4.4)	164.0	9.9	na	84.0	2.7	180.6	5.2	(53.5)
Minority Interest	7.4	0.5	(2.2)	(0.1)	na	12.9	0.4	(3.5)	(0.1)	na
Net Majority Income	(78.7)	(4.9)	166.2	10.0	na	71.1	2.2	184.0	5.3	(61.4)

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 PORTAL system under the ticker names GRPALP y GRPYP, respectively.

> Consolidated Balance Sheet as of June 30, 2010 & 2009

(million pesos)

	Jun-10	%	Jun-09	%	Var. (%)
ASSETS					
Current					
Cash & marketable securities	421.7	3.2	453.4	3.5	(7.0)
Notes & accounts receivable	1,639.1	12.4	1,327.9	10.1	23.4
Inventories	121.0	0.9	175.0	1.3	(30.8)
Other assets	92.4	0.7	124.4	0.9	(25.7)
Total current assets	2,274.2	17.2	2,080.7	15.9	9.3
Long Term					
Long-term notes receivable	957.6	7.3	798.2	6.1	20.0
Investments in shares of subsidiaries and associated co.	490.7	3.7	312.5	2.4	57.0
Property & equipment, net	8,869.3	67.2	9,440.6	72.0	(6.1)
Intangible and deferred assets	604.8	4.6	471.4	3.6	28.3
Other long-term assets	0.0	0.0	0.0	0.0	(100.0)
Total Assets	13,196.5	100.0	13,103.4	100.0	0.7
LIABILITIES					
Current					
Suppliers	438.3	3.3	507.6	3.9	(13.7)
Bank loans	27.0	0.2	708.8	5.4	(96.2)
Other current liabilities	1,578.6	12.0	1,267.2	9.7	24.6
Total current liabilities	2,043.9	15.5	2,483.6	19.0	(17.7)
Long Term					
Bank loans	358.2	2.7	1,314.1	10.0	(72.7)
Stock market loans	4,781.3	36.2	2,721.3	20.8	75.7
Other long-term liabilities	2,059.7	15.6	1,496.0	11.4	37.7
Deferred credits	162.1	1.2	211.0	1.6	(23.2)
Total Liabilities	9,405.2	71.3	8,226.1	62.8	14.3
STOCKHOLDERS' EQUITY					
Majority stockholders' equity	3,139.3	23.8	3,953.1	30.2	(20.6)
Minority interest	652.0	4.9	924.2	7.1	(29.4)
Total	3,791.3	28.7	4,877.3	37.2	(22.3)
Total Liabilities & Stockholders' Equity	13,196.5	100.0	13,103.4	100.0	0.7

> Consolidated Cash Flow Statement

(million pesos as of June 30, 2010)

Consolidated Cash Flow Statement		
	2Q10	2Q09
Consolidated Net Income Before Taxes	125.8	254.4
+ (-) Items that do not require the use of cash	(290.5)	(107.8)
+ (-) Other items	(290.5)	(107.8)
+ (-) Entries related to Investments	244.1	212.6
+ Depreciation and amortization for the year	224.7	230.5
+ (-) Gain or loss on sale of property, plant and equipment	31.3	0.2
+ (-) Participation in associated and joint business	(1.2)	(0.8)
(-) Interests in favour	(10.7)	(18.1)
+ (-) Entries related with external financing	222.1	206.2
+ Accrued interests	222.1	206.2
+ (-) Other items	0.0	0.0
Cash generated (used) in operating activities	2.4	(55.9)
+ (-) Decrease (increase) in accounts receivable	233.7	271.9
+ (-) Decrease (increase) in inventory	2.9	20.6
+ (-) Decrease (increase) in other accounts receivables and other assets	(22.0)	(51.1)
+ (-) Increase (decrease) in supplier accounts	(103.4)	25.5
+ (-) Increase (decrease) in other liabilities	(71.9)	(423.1)
+ (-) Profit taxes paid or returned	(36.9)	100.2
Net cash from investment activities	(362.3)	(218.5)
(-) Stock investments of permanent nature	0.0	0.0
(-) Investment in property, plant and equipment	(87.3)	(104.4)
(-) Collected interests	10.7	18.1
+ (-) Other items	(285.6)	(132.3)
Net cash from financing activities	(177.6)	(668.5)
+ Bank financings	2,547.3	38.2
+ Stock exchange financings	0.0	0.0
+ Others financings, includes margin calls	43.9	36.3
(-) Bank financing amortization	(1,831.8)	(314.9)
(-) Stock exchange financing amortization	(459.8)	(250.0)
(-) Dividends paid	(113.9)	(6.8)
+ Premium on sales of shares	(0.2)	(0.0)
+ Contribution for future capital increases	(89.4)	(6.5)
(-) Paid interest	(127.8)	(212.8)
(-) Repurchase of shares	(0.0)	(0.0)
+ (-) Other items	(145.8)	48.0
Net increase (decrease) in cash and cash equivalents	(236.1)	(377.6)
Cash and equivalents at the beginning of period	657.8	830.9
Cash and equivalents at the end of period	421.7	453.4