

In compliance with the information duties foreseen in articles 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council on Market Abuse and 228 of the reformed text of the Securities Market Law approved by Royal Legislative Decree 4/2015 of 23 October and other supplementary regulations, NH Hotel Group, S.A. (“**NH**” or the “**Company**”) hereby notifies the *Comisión Nacional del Mercado de Valores* of the following

### SIGNIFICANT EVENT

Following a resolution passed by its Board of Directors, on 30 November 2017 NH will redeem the whole principal amount of its outstanding 250 million euro 6.875% Senior Secured Notes due 2019 (the “**2013 Notes**”), which currently amounts to 100 million euros.

The 2013 Notes will be redeemed pursuant to the terms of an irrevocable redemption notice, which NH has sent on the date hereof, 30 October 2017.

Pursuant to the terms and conditions of the issuance, the cancellation will be completed pursuant the voluntary early redemption process that allows NH to redeem the 2013 Notes as from 15 November 2017 at 103.438% of their par value, plus any unpaid interest accrued from the last interest payment date (15 November 2017).

The redemption will be paid off with current cash on hand and short-term credit lines and will take place in the framework of NH’s strategy to reduce the gross amount and average cost of its long-term financial indebtedness, as well as to extend the average term thereof.

Attached is an annex containing further financial explanation and press release.

Madrid, 30 October 2017

Carlos Ulecia Palacios  
General Secretary

# Early and full redemption of outstanding 2019 Bond

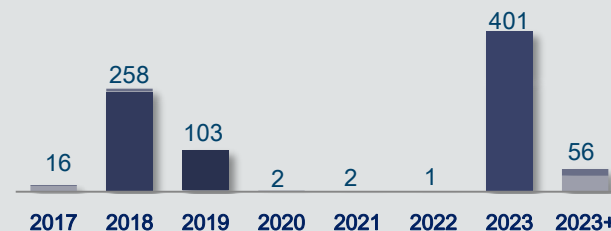
**Early call €100M Nov. 2019 Bond @ 103.4%  
permitted from 15 Nov-2017**

## Key advantages:

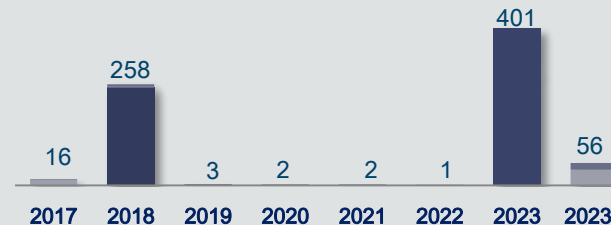
- ✓ Average tenor from 4.4 years to 4.7 years\*
  - ✓ Average cost of debt from 4.2% to 3.8%\*
  - ✓ Annual Coupon Savings of €6.9M
  - ✓ Net Interest Savings of €9.6M from 30.11.2017-15.11.2019 (coupon savings – call price)
- €250M RCF maturity automatically extended from Sept. 2019 to Sept. 2021
  - More flexible Loan-to-Value covenant for secured debt

## Pre & Post €100M 2019 Bond Redemption Debt Maturity Profile

Reported Gross Debt 30.06.2017:  
840.3M€



Pro-forma Gross Debt 30.06.2017:  
(post debt repayment): 740.3M€\*



\*Pro-forma as of 30.06.17 and not including short term credit lines used temporarily to maintain minimum operating cash

# With this repayment, NH has delivered its commitment on refinancing

September 2016

€285M Bond issue

- Coupon: 3.75%
- Maturity 2023
- Purpose: Bank debt refinancing



RCF €250M, 3+2 years

- Liquidity facility



Advantages:

- ✓ Average tenor extension
- ✓ Improves NH liquidity
- ✓ Simplified debt structure
- ✓ Operational & financial flexibility

Apr-May 2017

€115M TAP 2023 Bond

- Coupon; 3.75%
- Yield-to-Maturity: 3.17%
- Maturity: 2023
- Purpose: Refinancing of €150M of 2019 Bond @6.875% (combined with cash)



Advantages:

- ✓ Cost of debt reduction
- ✓ Gross debt reduction by €35m
- ✓ Simplified debt structure
- ✓ Average tenor extension

30 Nov 2017

Early redemption @103.4% of 2019 Bond @6.875% with cash and short term credit lines (used only temporarily)

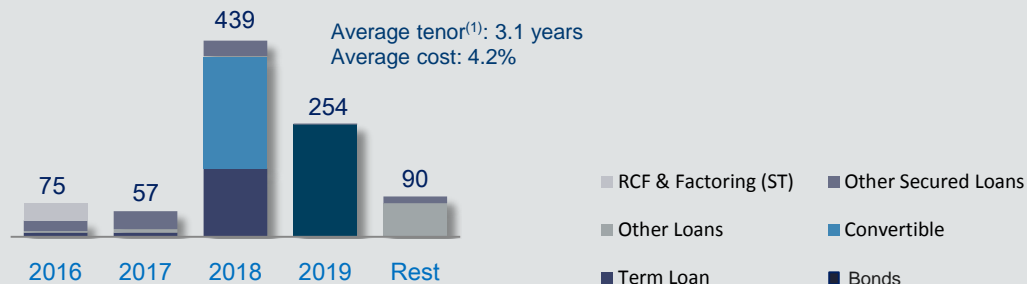


Advantages:

- ✓ Cost of debt reduction
- ✓ Gross debt reduction by €100m
- ✓ LTV and other covenants flexibility
- ✓ RCF extended by 2 years
- ✓ Average tenor extension

# Maturities extended until 2023 and only Convertible Bond is due in the near term

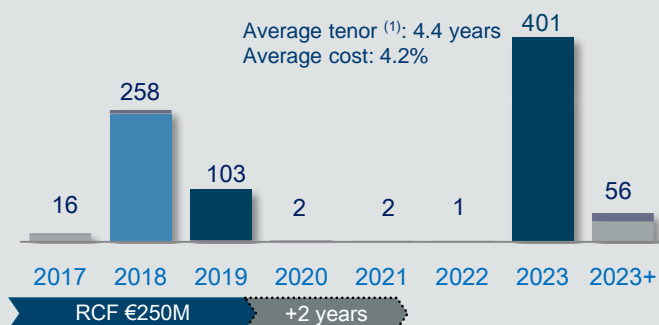
## 31Dec.2015: Gross debt €915M



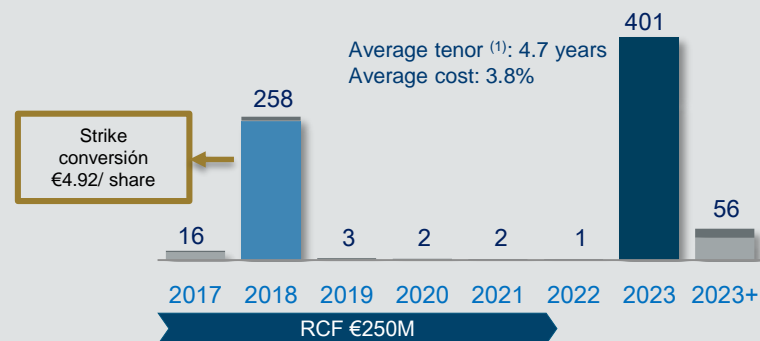
## 31Dec.2016: Gross debt €884M



## 30June2017: Gross debt €840M



## 30June17 pro-forma after repayment: Gross debt €740M\*



<sup>(1)</sup> Excluding subordinated debt (2023+)

\*Pro-forma as of 30.06.17 and not including short term credit lines used temporarily to maintain minimum operating cash

*- The company delivers its deleveraging commitments ahead of schedule -*

## **NH HOTEL GROUP ACCELERATES ITS DELEVERAGING PROCESS BY €100M BY REDEEMING ALL OF THE OUTSTANDING BONDS ISSUED IN 2013 AHEAD OF MATURITY**

- **The transaction will generate net savings of approximately €9.6 million**

**Madrid, 30 October 2017.** NH Hotel Group announced today the full redemption and cancellation of the €100 million outstanding of the senior secured notes issued in 2013 in the amount of €250 million. The redemption will be completed on November, 30<sup>th</sup> and will be funded with a mix of available cash and temporarily with short-term credit facilities. The transaction will generate net interest savings of around €9.6 million between 30 November 2017 and 15 November 2019, which is when the bonds would have matured.

The redemption and cancellation of the notes marks a significant milestone in the execution of the company's business plan. The purpose of the transaction is to reduce gross debt and the average cost of its long-term debt, while extending its average tenor.

Pursuant to the terms and conditions of the issuance, the cancellation will be completed pursuant the voluntary early redemption process that allows NH to redeem the 2013 Notes as from 15 November 2017 at 103.438% of their nominal value, plus accrued and unpaid interest from the last interest payment date to the redemption date.

After the redemption announced today, and without considering the temporary use of short-term credit facilities, the average cost of the company's debt will fall from 4.2% to 3.8%; its average tenor will increase from 4.4 to 4.7 years, and the gross debt will stand at around €740 million. Also as a result of this redemption, the syndicated revolving credit facility arranged in 2016 for €250 million will remain fully undrawn and its maturity will be automatically extended to 2021.

Following the issuance of senior secured notes carried out in 2016 and 2017, which had already significantly reduced the company's average borrowing cost and extended its maturity profile, NH Hotel Group completes the refinancing of its long-term debt with this redemption. The only debt instrument now due in the medium term are the €250 million convertible bonds due November 2018 with a conversion price of €4.919/share (last close: €5.33).

### **About NH Hotel Group**

NH Hotel Group ([www.nhhotelgroup.com](http://www.nhhotelgroup.com)) is a world-leading urban hotel operator and a consolidated multinational player. It operates close to 400 hotels and almost 60,000 rooms in 31 markets across Europe, the Americas and Africa, including top city destinations such as Amsterdam, Barcelona, Berlin, Bogota, Brussels, Buenos Aires, Düsseldorf, Frankfurt, London, Madrid, Mexico City, Milan, Munich, New York, Rome and Vienna.

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RESORTS

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