

In compliance with the provisions of Article 17 of Regulation (EU) 596/2014 of 16 April 2014 on Market Abuse and Article 228 of the Securities Market Act, approved by Royal Legislative Decree 4/2015, of 23 October, and its complementary regulations, NH HOTEL GROUP, S.A. (hereinafter, “**NH**” or the “**Company**”) hereby notifies the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) the following

RELEVANT EVENT

NH, in furtherance of the resolution passed by its Board of Directors, notifies its decision to call the early redemption in full of its EUR 250,000,000 4.0 per cent convertible bonds due 8 November 2018, listed on the AIAF Market and on the Freiverkehr of the Frankfurt Stock Exchange with ISIN XS0989390249 and Common Code 098939024 (the “**2018 Bonds**”), the issuance of which was reported by way of the relevant event notices dated 31 October and 8 November 2013 (registered under numbers 194.611, 194.662 and 195.014).

The redemption is being carried out pursuant to the redemption at the option of the Issuer provision in Condition 7(b)(A) of the Terms and Conditions of the 2018 Bonds.

The redemption of the 2018 Bonds in full will occur on 11 June 2018 at a redemption price of the principal amount of the 2018 Bonds outstanding plus accrued and unpaid interest from May 8, 2018 (last interest payment date) to (but excluding) the date of redemption in full of the 2018 Bonds.

The Bondholders may exercise their conversion rights until 31 May 2018. The conversion price shall be EUR 4.919 per share and the closing price of the shares as derived from the Automated Quotation System of the Spanish Stock Exchanges on 9 May 2018 was EUR 6.450 per share. The Company will honour conversion notices received by delivering treasury shares and newly-issued shares, in the proportion resulting from the conversion notices received, which will be notified to the Markets.

Attached are the optional redemption notice delivered by NH today, through the paying agent, in accordance with the Terms and Conditions of the 2018 Bonds and a presentation concerning the main financial considerations regarding the early redemption.

Madrid, May 9 2018

Carlos Ulecia Palacios
General Secretary

**NH HOTEL GROUP, S.A.'s EUR 250,000,000 4.0 per cent. Senior Unsecured
Convertible Bonds due 2018 (ISIN XS0989390249, Common Code 0989390249)**

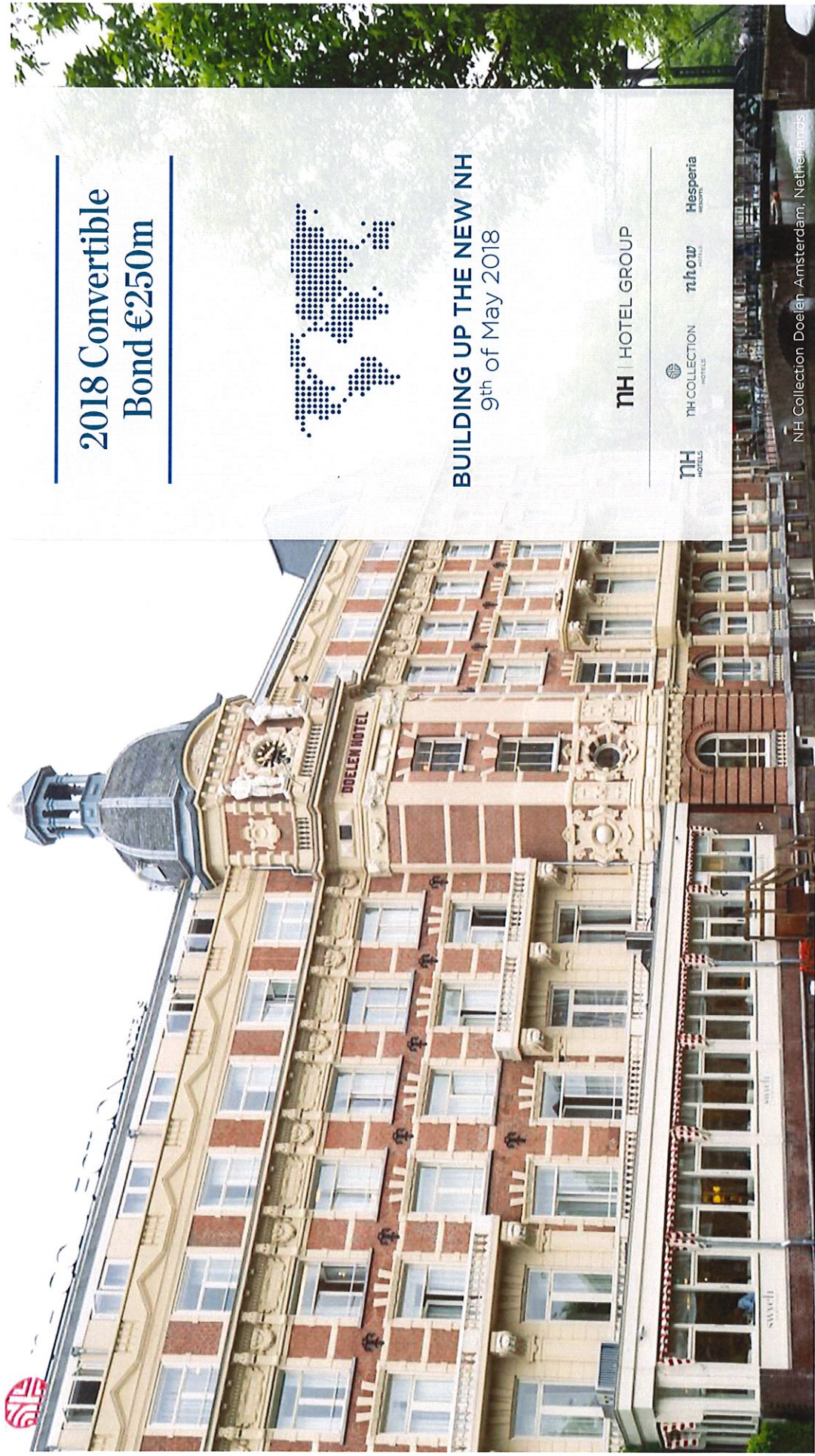
OPTIONAL REDEMPTION NOTICE

Reference is made to Terms and Conditions of the Bonds contained in the Fiscal, Transfer and Conversion Agency Agreement dated as of November 8, 2013, between, among others, the Issuer, BNP Paribas Securities Services, Luxembourg Branch, as fiscal agent, and BNP Paribas Securities Services, *Sucursal en España*, as commissioner, pursuant to which the Issuer's EUR 250,000,000 4.0% senior bonds due 2018 (the "**Bonds**"), with ISIN XS0989390249 and Common Code 0989390249 were issued. All capitalised terms used herein and not defined shall have the meanings assigned to such terms in the Terms and Conditions of the Bonds.

Notice is given pursuant to clause 7(b)(A) and 15 of the Terms and Conditions of the Bonds of the exercise by the Issuer of its right of Optional Redemption of the Bonds in full pursuant to clause 7(b)(A) of the Terms and Conditions of the Bonds in accordance with the foregoing terms:

- i. The Optional Redemption Date is 11 June 2018.
- ii. The Optional Redemption Price is EUR 100,369.56.
- iii. The Conversion Price is EUR 4.919.
- iv. The aggregate principal amount of the Bonds outstanding is EUR 250,000,000.
- v. The closing price of the Ordinary Shares as derived from the Automated Quotation System of the Spanish Stock Exchanges as at 9 May 2018 is EUR 6.450
- vi. The last day on which Conversion Rights might be exercised by Bondholders is 31 May 2018.

Madrid, May 9 2018.



2018 Convertible Bond €250m



BUILDING UP THE NEW NH
9th of May 2018

NH | HOTEL GROUP



NH Collection Doelen Amsterdam, Netherlands

Early Redemption Convertible Bond

Convertible Bond description

- €250 million
- Fixed annual coupon 4%
- Issue date: November 2013
- Maturity date: November 2018
- Conversion price: €4.919

Convertible Bond	
Size	€250m
Conversion price	4.919€ / share
Maximum number of shares to be delivered	50.8m
Treasury shares available	-8.6m
New shares to be issued	42.2m
Existing number of shares	350.3m
Maximum number of shares post conversion	392.5m
New shares / Capital Post conversion	-10.8%

Early Redemption

- Bond holders have at any time the right for conversion of their principal amount into shares at €4.919
- Early Optional Redemption trigger for the Issuer: As of 30th April 2018, NH share closing price achieved 20 trading sessions within a period of 30 consecutive sessions at or above €6.395/share (130% conversion price)
- Last quarterly coupon has been paid on 8th May 2018, implying savings of €2.5m compared to the conversion at maturity
- NH Hotel Group will use c. 8.6 million treasury shares available to limit the number of new shares
- All bondholders will receive on a prorata basis new and existing shares

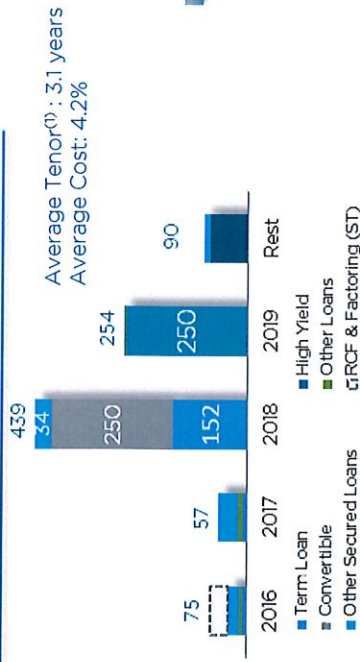
Key Dates

- 9th May: Board of Directors approves Optional Redemption
- 10th May: Optional Redemption notice
- 31st May: Deadline for Conversion Notices
- 8th June: Share Record Date (Economic Rights)
- 11th June: Optional Redemption Date

Debt Evolution 2015-2018E

- €433m of gross debt reduction from the end of 2015 vs. 31st March 2018 (pro-forma with conversion of the bond)
- Net Financial Leverage reduction from 5.6x in 2015 to c.1.2x in 2018E (low-end range of 2018 guidance)
- Increase of Average Tenor: +2.8 years (pro-forma with conversion of the bond)

Gross Debt 31/12/2015: €915M



Gross Debt 31/03/2018 (pro-forma conversion): €482M



⁽¹⁾ Without considering 2037 subordinated loan (€40m)

Key Milestones Refinancing & Debt reduction:

- September 2016: new €285m secured bond due 2023 at 3.75% to refinance bank debt + €250m new RCF (2019)
- April 2017: €115m Tap issue of the 2023 secured bond and €35m cash to repay €150m of the €250m secured bond due 2019 at 6.875%
- November 2017: €100m repayment of the outstanding secured bond due 2019 at 6.875%. Extension €250m RCF to Sept. 2021
- 2018E: Conversion of the €250m convertible bond before maturity date

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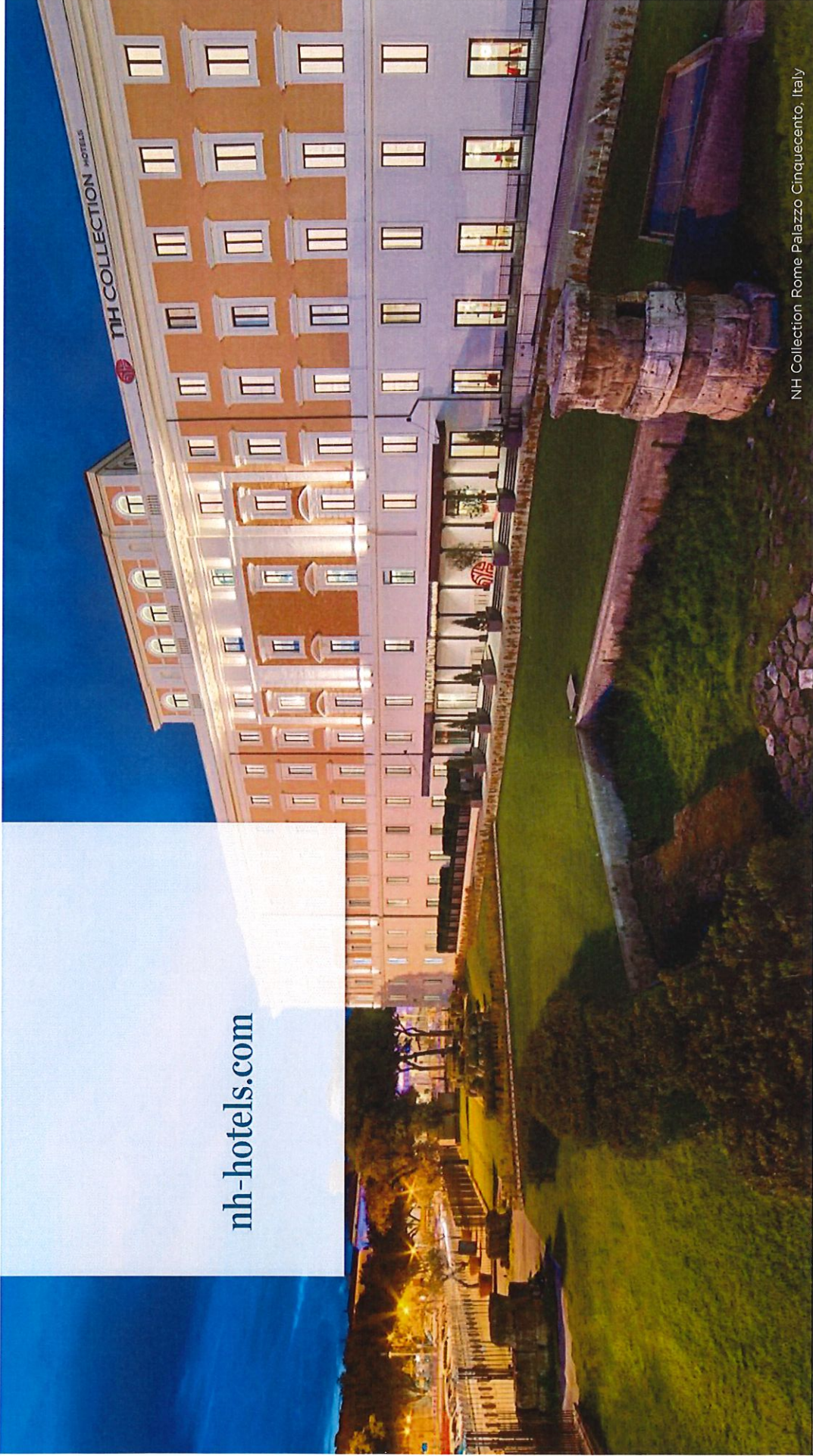
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