

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

Further to the communications registered with the CNMV on 20 March 2017, on 24 March 2017, on 27 March 2017 and on 3 April 2017—CNMV Register numbers 249779, 249933, 249979, 250019 and 250253, respectively, the Company announces that it has completed and settled the issuance of euro-denominated 3.750% senior secured notes due 2023 (yield to maturity 3.17%) in aggregate principal amount of €115,000,000 (the “**New Notes**”) which combined with cash on hand will fund:

- the acquisition of €121,505,000 in aggregate principal amount of NH’s existing 6.875% senior secured notes due 2019 (the “**2013 Notes**”), previously acquired by Deutsche Bank AG, London Branch, as disclosed to the market (CNMV Register numbers 249779, 249933, 250019 and 250253). The €121,505,000 in aggregate principal amount of the 2013 Notes has been cancelled today; and
- a voluntary redemption of an aggregate principal amount of €28,495,000 of the 2013 Notes, pursuant to the terms of the redemption notice attached hereto, which will be sent today by NH to the trustee of the 2013 Notes. The referred 2013 Notes are expected to be redeemed and cancelled on 4 May 2017.

After the completion of these milestones, the Company will have successfully completed the refinancing of an aggregate nominal amount of €150,000,000 of the 2013 Notes.

Madrid, April 4, 2017

Carlos Ulecia Palacios

General Secretary

Relevant legal information

This communication does not constitute and is not part of any offer or tender offer or subscription for securities in the United States of America or any other jurisdiction. The 2013 Notes, New Notes and the Existing Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”). The 2013 Notes, the New Notes and the Existing Notes may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act. There will be no public offer of the New Notes, the Existing Notes or the guarantees in the United States of America. Copies of this announcement are not being, and should not be, distributed in or sent into the United States of America.

The Tender Offer referred to in the significant event communications dated 20 March 2017, 24 March 2017, 27 March 2017 and 3 April 2017 – CNMV Register numbers 249779, 249933, 250019 and 250253, respectively– is not open to any U.S. person (as defined in Regulation S under the Securities Act) or to any person located in the United States. Further restrictions apply in other jurisdictions including, among others, the United Kingdom, Italy and France.

It may be unlawful to distribute this announcement in certain jurisdictions. This announcement is not for distribution, directly or indirectly, in or into the United States of America (including its territories and dependencies, any state of the United States of America and the District of Columbia), Canada, Japan or Australia. The information in this announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States of America, Canada, Japan or Australia.

In member states of the Economic European Area (“**EEA**”), this announcement and any offer of securities if made subsequently is directed only at persons who are “qualified investors” within the meaning of Article 2(1)(e) of the Directive 2003/71/CE on the prospectus that needs to be published in case of public offer or admission to listing in a securities market (the “**Prospectus Directive**”) as amended, in particular, by Directive 2010/73/UE of 24 November 2010, which amended the Prospectus Directive (“**Qualified Investors**”). Any person in the EEA who acquires securities in any offer of securities (an “**investor**”) or to whom any offer of securities is made will be deemed to have represented and agreed that it is a Qualified Investor. Any investor will also be deemed to have represented and agreed that any securities acquired by them in the offer have not been acquired on behalf of persons in the EEA other than Qualified Investors or persons in the UK and other Member States (where equivalent legislation exists) for whom the investor has authority to make decisions on a wholly discretionary basis, nor have the securities been acquired with a view to their offer or resale in the EEA to persons where this would result in a requirement for publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive. The Company and others will rely upon the truth and accuracy of the foregoing representations and agreements.

The 2013 Notes, the New Notes and the Existing Notes have not been approved or registered with the Spanish Securities and Exchange Commission (*Comisión Nacional del Mercado de Valores*) and therefore the New Notes, the Existing Notes and the 2013 Notes may not be offered or sold or distributed to persons in Spain except in circumstances which do not

qualify as a public offer of securities in Spain in accordance with article 35 of the Spanish Securities Market Law (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*), as amended and restated, or pursuant to an exemption from registration in accordance with Royal Decree 1310/2005 as amended (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*), and any regulations developing it which may be in force from time to time.

This communication is being distributed only to, and is directed at (i) persons who are outside the United Kingdom or (ii) persons in the UK falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”) or (iii) the high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order or (iv) persons to whom an invitation or inducement to engage in investment activity within the meaning of Section 21 of the Financial Services and Markets Act 2000 in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “**relevant persons**”). The securities to which this announcement relates are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be available only to or will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this communication or any of its contents. This announcement is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons.

Any investment decision must be carried out only on the basis of an independent analysis by a potential investor of the available public information on the issuer. Neither the issuer nor any of its affiliates assume any liability arising from the use of this document or the available public information on the issuer nor make any representations with respect to the completeness or accuracy of the same. Each potential investor must act on the basis that it must assume the economic risk of an investment in the securities.

The issuer makes no representation on (i) the suitability of the securities for a certain investor, (ii) the accounting treatment and potential tax consequences of investing in the securities or (iii) the future yield of the securities whether in absolute terms or with respect to comparable investments.

Annex

Notice of redemption

NOTICE OF REDEMPTION

NH HOTEL GROUP, S.A.

6.875% Senior Secured Notes due 2019

Common Code Numbers: 095467334* (Rule 144A) and 095467628* (Regulation S)

ISIN Numbers: XS0954673348* (Rule 144A) and XS0954676283* (Regulation S)

REDEMPTION DATE: May 4, 2017

NOTICE IS HEREBY GIVEN that in accordance with Sections 3.03 and 13.01 of the indenture dated as of November 8, 2013, as amended, supplemented or otherwise modified from time to time (as so amended, supplemented or otherwise modified, the “Indenture”) among NH Hotel Group, S.A. (formerly NH Hoteles, S.A.), a company incorporated under the laws of Spain (the “Issuer”), the guarantors listed therein, BNP Paribas Trust Corporation UK Limited as trustee (the “Trustee”) and security agent and BNP Paribas Securities Services, Luxembourg Branch as Paying Agent, Transfer Agent and Registrar, the Issuer has elected to redeem (the “Redemption”) €28,495,000 in aggregate principal amount (the “Redemption Amount”) of its outstanding 6.875% Senior Secured Notes due 2019 (the “Notes”) on May 4, 2017 (the “Redemption Date”). The Notes will be redeemed on a *pro rata* basis. Capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the Indenture.

1. The redemption price payment will be made in accordance with paragraph 5 (*Optional Redemption*) of the Notes and Sections 3.05 (*Deposit of Purchase or Redemption Price*) and 3.07(c) (*Optional Redemption*) of the Indenture. The redemption price (the “Redemption Price”) will be equal to:

- 100% of the principal amount of the Notes to be redeemed; *plus*
- Additional Amounts, if any, and accrued and unpaid interest in the aggregate amount of €919,656.34 (€32.2743057 per €1,000 principal amount of Notes to be redeemed) from November 15, 2016 to the Redemption Date, subject to the rights of Holders of record of Definitive Notes on the Record Date to receive interest and Additional Amounts, if any, due on the relevant interest payment date; *plus*
- the Applicable Premium, which will be calculated as described below, subject to the rights of Holders of Notes on the Record Date to receive interest on the relevant interest payment date:

At the Redemption Date, the Applicable Premium will be the greater

of (a) 1% of the principal amount of such Note at such time and (b) the excess of (A) the present value at such time of (i) the redemption price of such Note on November 15, 2017 (such redemption price being described in Section 3.07(b) of the Indenture exclusive of any accrued interest to such the Redemption Date), plus (ii) any required interest payments due on such Note through and including November 15, 2017 (excluding accrued but unpaid interest to the Redemption Date), computed using a discount rate equal to the Bund Rate plus 50 basis points, over (B) the principal amount of such Note.

2. Notice of the Applicable Premium will be given at least one Business Day prior to the Redemption Date.
3. The record date with respect to the Redemption is April 19, 2017 (the “Record Date”).
4. The aggregate principal amount of the Notes to be redeemed pursuant to the Redemption is the Redemption Amount. Immediately following the Redemption, the aggregate principal amount of Notes that will remain outstanding will be €100,000,000.

- The portion of the principal amount of the Rule 144A Global Note to be redeemed pursuant to the Redemption will be approximately €531,716.70.¹ After the Redemption Date, upon surrender of such Rule 144A Global Note, the principal amount thereof will be decreased by the portion thereof redeemed pursuant to the Redemption.
- The portion of the principal amount of the Regulation S Global Note to be redeemed pursuant to the Redemption will be approximately €27,963,283.30.¹ After the Redemption Date, upon surrender of such Regulation S Global Note, the principal amount thereof will be decreased by the portion thereof redeemed pursuant to the Redemption.

5. The Notes **must** be surrendered to BNP Paribas Securities Services, Luxembourg Branch, as Paying Agent, to collect the Redemption Price. Payment of the Redemption Price will be made on or after the Redemption Date upon presentation and surrender of the Notes (whether by mail, hand only or express delivery only) at the following address:

BNP Paribas Securities Services, Luxembourg Branch
60 Avenue J.F. Kennedy
Postal address: L-2085 Luxembourg

Fax No.: +352 2696 9757

¹ Amount is representative of holdings at March 31, 2017 and is subject to change to reflect holdings as of the record date with respect to the Redemption, including cancellation of €121,505,000 aggregate principal amount of the Notes following Deutsche Bank AG, London Branch’s acquisition of such Notes and the Issuer’s subsequent acquisition of such Notes from Deutsche Bank AG, London Branch.

Attention: Corporate Trust Services

6. On the Redemption Date, the Redemption Price will become due and payable upon each Note to be redeemed. Unless the Issuer defaults in paying the Redemption Price, interest and Additional Amounts, if any, on the Notes to be redeemed will cease to accrue on and after the Redemption Date and the only remaining right of Holders will be to receive payment of the Redemption Price in respect of the Redemption Amount.

7. The redemption of the Notes is being effected pursuant to paragraph 5 (*Optional Redemption*) of the Notes and Sections 3.05 (*Deposit of Purchase or Redemption Price*) and 3.07(c) (*Optional Redemption*) of the Indenture, and in accordance with Article 3 (*Redemption and Prepayment*) of the Indenture.

NH Hotel Group, S.A.

April 4, 2017

*These Common Code and ISIN numbers are included solely for the convenience of the Holders. Neither the Trustee, the Issuer nor the Paying Agent shall be responsible for the selection or use of any Common Code or ISIN number, nor is any representation made as to its correctness or accuracy on any Note or as referred to in any redemption notice.
