

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

NH, following a resolution passed by its Board of Directors, has the intention to explore the possibility of carrying out a new euro denominated offering of 3.750% senior secured notes due 2023 (the “**New Notes**”), which would be subject to the same terms and conditions as those applicable to the €285,000,000 3.750% senior secured notes issued by NH in September 2016 –CNMV Register number 243226– (the “**Existing Notes**”), all of them together constituting a same and single issuance.

The potential issuance of the New Notes and the refinancing mentioned below would take place within NH’s strategy to reduce the gross amount and average cost of its long-term financial indebtedness and the extension of the average maturity thereof.

Specifically, NH is considering the possibility of partially refinancing up to an aggregate nominal amount of €150,000,000 of NH’s €250,000,000 6.875% senior secured notes due 2019 (the “**2013 Notes**”). To that effect, Deutsche Bank AG, London Branch (the “**Offeror**”) acting as principal but with the authorization of NH, makes the announcement appended to this communication which summarizes the terms and conditions of a tender offer made by the Offeror and addressed to some of the holders of the 2013 Notes in order to acquire up to €150,000,000 in aggregate nominal amount of the 2013 Notes for a cash purchase price equal to 107.9% of their face value plus an additional payment amounting to the accrued and unpaid interest of the repurchased 2013 Notes since the last interest payment until the purchase date (the “**Tender Offer**”). The Tender Offer is conditional, among other things, on the pricing of the New Notes offering. The Tender Offer relates only to those 2013 Notes held pursuant to Regulation S under the Securities Act (as defined below).

Subject to NH’s decision to go forward with the issuance of the New Notes, NH may exchange with the Offeror the 2013 Notes that the Offeror might acquire in the context of the Tender Offer for a consideration which may consist in a combination of all or part of the New Notes that NH may finally decide to issue and a cash payment, the allocation for the exchange between New Notes and cash to be determined by NH in its own discretion. The potential exchange would take place in accordance with an exchange settlement agreement to be executed between NH and the Offeror.

NH has informed the Offeror that in case that NH finally opts to issue the New Notes on conditions that are satisfactory to NH, and if the principal amount of the 2013 Notes purchased by the Offeror pursuant to the Tender Offer is less than €150,000,000 of aggregate nominal value, NH currently intends to carry out a voluntary partial early redemption of the 2013 Notes pursuant to the terms and conditions of the indenture dated 8 November 2013 relating to the 2013 Notes, so that the combination of the 2013 Notes that NH may acquire from the Offeror in the context of the exchange plus the 2013 Notes subject to the early redemption, reaches an aggregate nominal amount of €150,000,000.

Should NH finally opt to carry out the issuance of the New Notes, the decision would be communicated to the Markets, and the intention is to apply for the admission of the New Notes to trading on the Euro MTF of the Luxembourg Stock Exchange.

Madrid, 20 March 2017

Carlos Ulecia Palacios
Secretario General

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 New Notes, the 2013 Notes and the guarantees aforementioned have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”). The New Notes, the 2013 Notes and the guarantees 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 2013 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 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.

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.

Tender Offer Announcement

Deutsche Bank announces Tender Offer for 6.875% Senior Secured Notes due 2019 (Reg S Notes only) of NH Hotel Group, S.A.

NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS), ANY STATE OF THE UNITED STATES OR THE DISTRICT OF COLUMBIA OR TO ANY U.S. PERSON (SEE "OFFER AND DISTRIBUTION RESTRICTIONS" BELOW)

THIS ANNOUNCEMENT RELATES TO THE DISCLOSURE OF INFORMATION THAT QUALIFIED OR MAY HAVE QUALIFIED AS INSIDE INFORMATION WITHIN THE MEANING OF ARTICLE 7(1) OF THE MARKET ABUSE REGULATION (EU) 596/2014.

20 March 2017. Deutsche Bank AG, London Branch (the **Offeror**) today announces an invitation to holders of the 6.875% Senior Secured Notes due 2019 held pursuant to Regulation S under the Securities Act (Regulation S ISIN: XS0954676283) (the **Notes**) of NH Hotel Group, S.A. (the **Company**) to tender their Notes for purchase by the Offeror, acting as principal, for cash (the **Offer**). The Offer is being made on the terms and subject to the conditions contained in the tender offer memorandum dated 20 March 2017 (the **Tender Offer Memorandum**), and is subject to the offer restrictions set out below and as more fully described in the Tender Offer Memorandum.

Copies of the Tender Offer Memorandum are (subject to distribution restrictions) available from the Tender Agent as set out below. Capitalised terms used in this announcement but not defined have the meanings given to them in the Tender Offer Memorandum.

The Company announced today, 20 March 2017, its intention to issue new euro-denominated 3.750% Senior Secured Notes due 2023 (the **New Notes**) to be consolidated with its existing €285,000,000 3.750% Senior Secured Notes due 2023. Whether the Offeror will purchase any Notes validly tendered in the Offer is subject, without limitation, to (i) the pricing of the issue of the New Notes, (ii) the signing by the Company, Deutsche Bank AG, London Branch and any other initial purchasers appointed by the Company in connection with the issue of the New Notes (together the **Initial Purchasers**) of a purchase agreement for the purchase of, and subscription for, the New Notes and (iii) such purchase agreement remaining in full force and effect as at the Settlement Date (the **New Issue Condition**).

The Company and the Offeror intend to enter into a private exchange agreement (the **Private Exchange Agreement**). Under the Private Exchange Agreement, shortly following the Settlement Date and upon the satisfaction of certain conditions, the Offeror, as principal, will agree to exchange (i) any Notes that it has validly accepted for purchase at or prior to the Expiration Deadline pursuant to the Offer for (ii) an amount of New Notes and/or cash as the Company may allocate in its sole discretion.

Rationale for the Offer

The Company announced on 20 March 2017 its intention to offer the New Notes which are intended to be subscribed for by the Initial Purchasers. Part of the consideration for the New Notes expected to be received by the Company will take the form of any Notes purchased by the Offeror in the Offer (which Notes (if any) the Company has informed the Offeror that it currently intends to cancel). The purpose of the Offer is thus to proactively manage upcoming debt redemptions and to extend the average debt maturity profile for the Company.

Details of the Offer

The Offeror will pay a cash purchase price equal to 107.9 per cent. of the nominal amount of any Notes accepted by it for purchase pursuant to the Offer (the **Purchase Price**). The Offeror will also pay an Accrued Interest Payment in respect of Notes accepted for purchase pursuant to the Offer.

The Offeror currently proposes (subject to satisfaction or waiver of the New Issue Condition) to accept for purchase pursuant to the Offer up to €150,000,000 in aggregate nominal amount of the Notes, although the Offeror, acting as principal, reserves the right, in its sole discretion, to accept less than or more than such amount (or not to accept any Notes) for purchase pursuant to the Offer (the final aggregate nominal amount of Notes accepted for purchase pursuant to the Offer being the **Final Acceptance Amount**). The Final Acceptance Amount will be determined by the Offeror in its sole discretion as soon as practicable following the Expiration Deadline. Subject to satisfaction or waiver of the New Issue Condition, if the Offeror decides to accept for purchase valid tenders of Notes pursuant to the Offer and the aggregate nominal amount of Notes validly tendered pursuant to the Offer is greater than the Final Acceptance Amount, the Offeror intends to accept such Notes for purchase on a *pro rata* basis as described in the Tender Offer Memorandum.

The Offeror intends to announce, as soon as practicable on 27 March 2017, a non-binding indication of the level at which it expects to set the Final Acceptance Amount, and indicative details of any scaling, each in the event that the New Issue Condition is satisfied (or waived) and the Offeror decides to accept valid tenders of Notes pursuant to the Offer.

The Offeror will announce, as soon as practicable after announcing the indicative non-binding Final Acceptance Amount and Scaling Factor referred to in the preceding paragraph (expected to be at or around 9.00 a.m. on 3 April 2017), whether the New Issue Condition has been satisfied (or waived) and, if so, whether the Offeror will accept valid tenders of Notes pursuant to the Offer and, if so accepted, the Final Acceptance Amount, any Scaling Factor and Accrued Interest (expressed as a percentage of the nominal amount of the Notes).

The Expiration Deadline for the Offer is 4.00 p.m. (London time) on 24 March 2017 and (subject to satisfaction or waiver of the New Issue Condition) the expected Settlement Date for the Offer is 3 April 2017.

The above times and dates are subject to the right of the Offeror to extend, re-open, amend, and/or terminate the Offer (subject to applicable law and as provided in the Tender Offer Memorandum).

Post-Settlement Redemption

The Company has informed the Offeror that, to the extent the New Issue Condition, amongst other conditions, is satisfied or waived, the Company currently intends to redeem an amount of its 6.875% Senior Secured Notes due 2019 (Regulation S ISIN: XS0954676283/Rule 144A ISIN: XS0954673348) (together, the **6.875% Notes**) which, when combined with any Notes (being those 6.875% Notes held pursuant to Regulation S under the Securities Act only) validly tendered and accepted for purchase by the Offeror pursuant to the Offer, will result in the cancellation of €150,000,000 in nominal amount of the 6.875% Notes, all as further described in the Tender Offer Memorandum.

Tender Instructions

In order to participate in, and be eligible to receive the Purchase Price and the Accrued Interest Payment pursuant to, the Offer, Noteholders must validly tender their Notes by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the Tender Agent by the Expiration Deadline, as further described in the Tender Offer Memorandum.

Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would need to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offer by the deadlines specified in the Tender Offer Memorandum. The deadlines set by any such intermediary and each Clearing System for the submission and withdrawal of Tender Instructions will be earlier than the relevant deadlines specified in the Tender Offer Memorandum.

Tender Instructions will be irrevocable except in the limited circumstances described in the Tender Offer Memorandum.

Tender Instructions must be submitted in respect of a minimum nominal amount of Notes of no less than €100,000, being the minimum denomination of the Notes, and may be submitted in integral multiples of €1,000 in excess thereof.

Questions and requests for assistance in connection with (i) the Offer may be directed to the Dealer Manager, and (ii) the delivery of Tender Instructions may be directed to the Tender Agent, the contact details for each of which are set out below.

Deutsche Bank AG, London Branch (Telephone: +44 20 7545 8011; Attention: Liability Management Group; Email: liability.management@db.com) is acting as Dealer Manager and Lucid Issuer Services Limited (Telephone: +44 20 7704 0880; Fax: +44 20 3004 1590; Attention: Thomas Choquet / David Shilson; Email: nh@lucid-is.com) is acting as Tender Agent.

This announcement is authorised by NH Hotel Group, S.A. and contains information that qualified or may have qualified as inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR), encompassing information relating to the Offer described above. Pursuant to MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, the relevant contact information is Carlos Ulecia Palacios, General Counsel at NH Hotel Group, S.A.

DISCLAIMER This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Offer. If any Noteholder is in any doubt as to the contents of the Tender Offer Memorandum or the action it should take, it is recommended to seek its own financial and legal advice, including in respect of any tax consequences, immediately from its broker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to tender such Notes pursuant to the Offer. The Dealer Manager will not be responsible to any Noteholders for providing the protections afforded to customers of the Dealer Manager or for advising any other person in connection with the Offer. None of the Company, the Offeror, the Dealer Manager or the Tender Agent makes any recommendation whether Noteholders should tender Notes pursuant to the Offer.

OFFER AND DISTRIBUTION RESTRICTIONS

The distribution of this announcement and the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement and/or the Tender Offer Memorandum comes are required by each of the Company, the Offeror, the Dealer Manager and the Tender Agent to inform themselves about, and to observe, any such restrictions. Neither this announcement nor the Tender Offer Memorandum constitutes (i) an offer to buy or a solicitation of an offer to sell the Notes (and tenders of Notes in the Offer will not be accepted from Noteholders) in any circumstances in which such offer or solicitation is unlawful or (ii) an offer to sell or a solicitation of an offer to buy the New Notes. In those jurisdictions where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer and the Dealer Manager or any of its affiliates is such a licensed broker or dealer in any such

jurisdiction, the Offer shall be deemed to be made by the Dealer Manager or such affiliate, as the case may be, on behalf of the Company in such jurisdiction.

No action has been or will be taken in any jurisdiction in relation to the New Notes to permit a public offering of securities.

United States. The Offer is not being made, and will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States or to any U.S. person (as defined in Regulation S of the United States Securities Act of 1933, as amended (each a **U.S. person**)). This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. The Notes may not be tendered in the Offer by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States or by any U.S. person. Accordingly, copies of the Tender Offer Memorandum and any other documents or materials relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to any persons located or resident in the United States or to any U.S. person. Any purported tender of Notes in the Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Notes made by a person located in the United States, a U.S. person or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

Neither this announcement nor the Tender Offer Memorandum is an offer of securities for sale in the United States or to U.S. persons. Securities may not be offered or sold in the United States absent registration under, or an exemption from the registration requirements of, the United States Securities Act of 1933, as amended (the **Securities Act**). The New Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons. The purpose of this announcement and the Tender Offer Memorandum is limited to the Offer and this announcement and the Tender Offer Memorandum may not be sent or given to a person in the United States or otherwise to any person other than in an offshore transaction in accordance with Regulation S under the Securities Act.

Each holder of Notes participating in the Offer will represent that it is not a U.S. person, it is not located in the United States and is not participating in the Offer from the United States or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Offer from the United States. For the purposes of this and the previous two paragraphs, **United States** means the United States of America, its territories and possessions (including Puerto Rico, the U.S Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

Italy. None of the Offer, this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offer have been submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) pursuant to Italian laws and regulations. The Offer is being carried out in Italy as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended. Holders or beneficial owners of the Notes that are located in Italy can tender Notes for purchase in the Offer through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

United Kingdom. The communication of this announcement is not being made, and has not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000.

The Tender Offer Memorandum has been issued by Deutsche Bank AG, London Branch (the **Offeror**) which is subject to regulation by the United Kingdom Financial Conduct Authority (the **FCA**), and is being distributed only to existing holders of the Notes. The Tender Offer Memorandum is only addressed to such Noteholders where they would (if they were clients of the Offeror) be *per se* professional clients or *per se* eligible counterparties of the Offeror within the meaning of the FCA rules. The Tender Offer Memorandum is not addressed to or directed at any persons who would be retail clients within the meaning of the FCA rules and any such persons should not act or rely on it. Recipients of the Tender Offer Memorandum should note that the Offeror is acting on its own account in relation to the Offer and will not be responsible to any other person for providing the protections which would be afforded to clients of the Offeror or for providing advice in relation to the Offer.

In addition, this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offer are not for general distribution and must not be passed on to the general public in the United Kingdom. The communication of such documents and materials is made only to and directed only at those persons in the United Kingdom 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 (the Financial Promotion Order)) or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order.

France. The Offer is not being made, directly or indirectly, to the public in the Republic of France (**France**). None of this announcement, the Tender Offer Memorandum or any other document or material relating to the Offer has been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*), other than individuals, acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*, are eligible to participate in the Offer. Neither this announcement nor the Tender Offer Memorandum have been or will be submitted for clearance to or approved by the *Autorité des Marchés Financiers*.