

In compliance with the information duties foreseen in article 228 of Royal Decree 4/2015 of 23th October, approving the Law on Securities Market, NH Hotel Group, S.A. and supplementary regulations (hereinafter, “NH” or the “Company”) hereby notifies the *Comisión Nacional del Mercado de Valores* (CNMV) of the following

SIGNIFICANT EVENT

1. In connection with the communications no. 243007 and 243041 registered with the CNMV on 23 September 2016, the Company reports that today:
 - (i) Senior Secured Notes: it has completed and settled the issuance of senior secured notes for an aggregate principal amount of €285,000,000, maturing in 2023 and bearing interest at a fixed annual rate, payable semi-annually, of 3.750% (the “Notes”).
 - (ii) Revolving long-term credit facility: all the conditions for the effectiveness of the revolving long-term credit facility executed by NH with a group of financing parties have been satisfied and, hence, NH is entitled to draw funds pursuant to the terms and conditions of said facility.
2. The proceeds of the Notes have been applied, or will be applied in the following days, to repay certain bank indebtedness for an aggregate amount of approximately €277.4 million.
3. With the closing of these financing instruments, NH achieves its objective of setting up a more flexible financing structure to continue developing its strategic plan.
4. The agencies “*Standard and Poors*” and “*Moody’s*” have granted the following credit rating to NH and the Notes

	NH Corporate	NH New Notes (2023)
Standard & Poors	B	BB-
Moody’s	B2	Ba3

Please find attached (i) Investors Presentation, (ii) Press Release, and (iii) announcement of conference call with financial analysts and investors.

Madrid, September 29, 2016

Carlos Ulecia Palacios
General Secretary

Relevant legal information

This announcement does not constitute or form part of any offer or solicitation to purchase or subscribe for securities in the United States of America or in any other jurisdiction. The Notes and the guarantees related thereto have not been, and will not be, registered under the Securities Act. The Notes and the guarantees may not be offered or sold in the United States of America absent registration or an applicable exemption from the registration requirements of the Securities Act. There will be no public offer of the 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 de United States of America.

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INVESTOR PRESENTATION

Corporate Debt Refinancing

29th September 2016

nh | HOTEL GROUP



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The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice. All information not separately sourced are from Company data.

WHERE WE COME FROM

- Since 2014, NH Hotel Group (“NHH”) has successfully executed on its strategy by:
 - 1 Implementing brand segmentation towards upper upscale segment, with the aim of reaching 21% of the rooms by end 2016
 - 2 Investing c. €200m in repositioning key hotels (52 hotels completed out of 65 expected by 2016) and c. €40m in “brilliant basics” for the standardization of the quality of its brands
 - 3 Investing c.€30m in revenue management tools and new IT systems to reinforce direct channels and optimize indirect mix with a focus on net ADR, resulting in a positive evolution vs. competitors
 - 4 Optimising the portfolio through disposals of none core assets and cancellation of loss making contracts and renegotiation of fix lease commitments

Resulting in

- Growing Recurring EBITDA from €111m in 2013 to €165m in June-16 LTM
- Reducing net financial leverage from c.7.4x in 2013 to c.4.8x as at LTM June 2016
- Corporate Rating improvement:
 -  Corporate rating “upgraded To 'B' on improved operating performance and adequate liquidity” (August 1, 2016)
 -  First-time corporate rating of B2 (July 27, 2016) “reflects the company's established European platform that we expect to benefit from the implementation of its comprehensive turnaround plan, improved liquidity and "asset-lighter" focus”

REFINANCING OBJECTIVES WITH THIS TRANSACTION

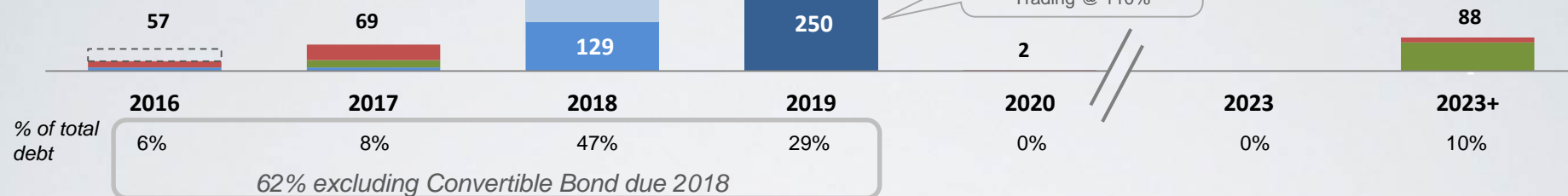
- Refinance existing short term bank debt (€278m, mainly syndicated facilities) ahead of 2017/2018 maturities via issuance of new €285m Senior Secured Notes at competitive pricing with the objective of:
 - ✓ Extend maturity and enhance financial and operational flexibility
 - Increase average life from 2.9 years to 4.6 years (excluding Subordinated Loans due 2037)
 - Free-up bank debt repayments in 2017-2018, years of highest concentration, being the more efficient instrument to be refinanced vs:
 - HY Bond due 2019, callable from Nov. 2017. Trading @110%
 - Convertible Bond due Nov. 2018. Trading @110% (Conversion Price €4.92)
 - ✓ Include flexibility in the collateral based on deleverage
 - Sharing the same collateral package with the existing HY Bond due 2019 and with the new RCF
 - ✓ Simplify the debt structure of the Group
 - ✓ Satisfactory pricing of 3.75% achieved below average of comparable
- Subscription of Long term Revolving Credit Facility “RCF” (3 +2 years) with automatic renewal once the HY Bond due 2019 is refinanced:
 - ✓ Increase liquidity of the Group
 - ✓ Pari-passu with existing HY Bond due 2019 and new HY due 2023 (RCF secured only drawn amount)
 - ✓ Support the corporate rating of the Group

THE REFINANCING SIGNIFICANTLY EXTENDS AND SMOOTH THE MATURITY PROFILE

Maturity profile as of June 2016 (€m)

Undrawn bilateral	€61m
Cash	€86m
Liquidity	€147m
Gross Debt	€887m

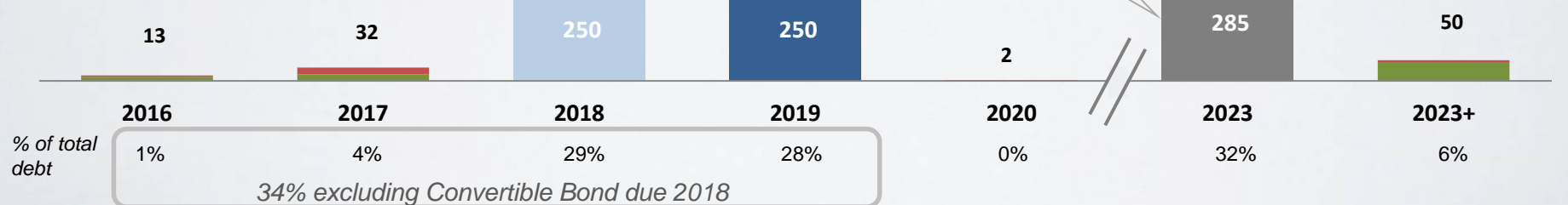
Average Duration ¹	2.9 years
Average Cost of Debt	4.2%



Maturity profile pro forma for the refinancing as of June 2016 (€m)

Undrawn RCF	€250m
Cash	€86m
Liquidity	€335m
Gross Debt	€894m

Average Duration ²	4.6 years
Average Cost of Debt	4.5%



■ Term Loan ■ High Yield ■ Convertible ■ Other Loans ■ Other Secured Loans ■ New Notes ■ RCF & Factoring (ST)

¹ Excludes Subordinated Loans €75M due 2037 / ² Excludes Subordinated Loan €40M due 2037

KEY TERMS FOR NEW DEBT FACILITIES

	RCF	New Senior Secured Notes (2023)
Borrower / Issuer	NH Hotel Group S.A.	
Amount	€250m	€285m
Price	2.25% Potential reduction based on deleverage	3.75%
Maturity	3 + 2 years	7 years
Rating	-	S&P BB- (+2 notches) / Moody's Ba3 (+2 notches)
Call Structure	-	10% at 103%; NC3
Use of Proceeds	General corporate purposes	Refinancing existing debt
Ranking	Senior Secured: pari-passu with existing €250m 6,875% Senior Secured Notes due 2019	
Security	Security over hotels (mortgages) and share pledge over companies with total value of €1.1bn ¹	
Execution	Significantly oversubscribed 10 banks, with a mix of local and international entities Attractive conditions, with increased flexibility	Significantly oversubscribed Priced at tight end of price talk Intra-day execution ahead of likely market supply Positive after market performance, with opening pricing at 101.25%

¹ Based on Duff and Phelps report as of December 2015

SIMPLIFIED DEBT STRUCTURE

- Simplified capital structure
- 93% of Group debt at parent company, concentrated in 5 financial instruments
- Shared collateral package for senior secured debt

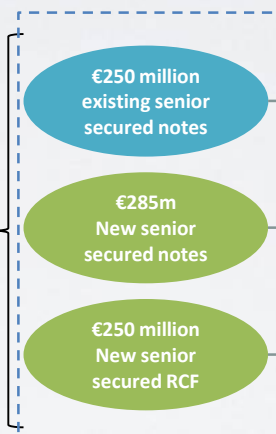
High yields (2019 & 2023) and RCF collateral assets

Mortgages (€m)	Valuation ¹
Netherlands (11 hotels)	385
Total	385

Share pledges (€m)	Valuation ¹
Belgium - Diegem shares (8 hotels)	180
Netherlands - NH Zandvoort (1 hotel)	29
NH Italia (100%)	555
Total	764

Total collateral (€m)	1,149
LTV	47%
Max. LTV 55% : €177m over secured New RCF only accounts for drawn amount	

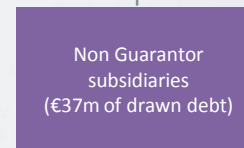
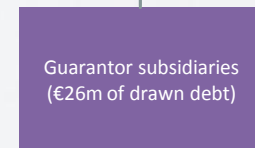
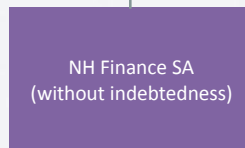
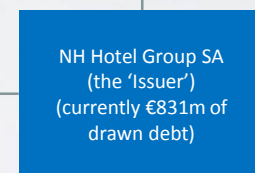
Secured by the same collateral and guarantors



100%



100%

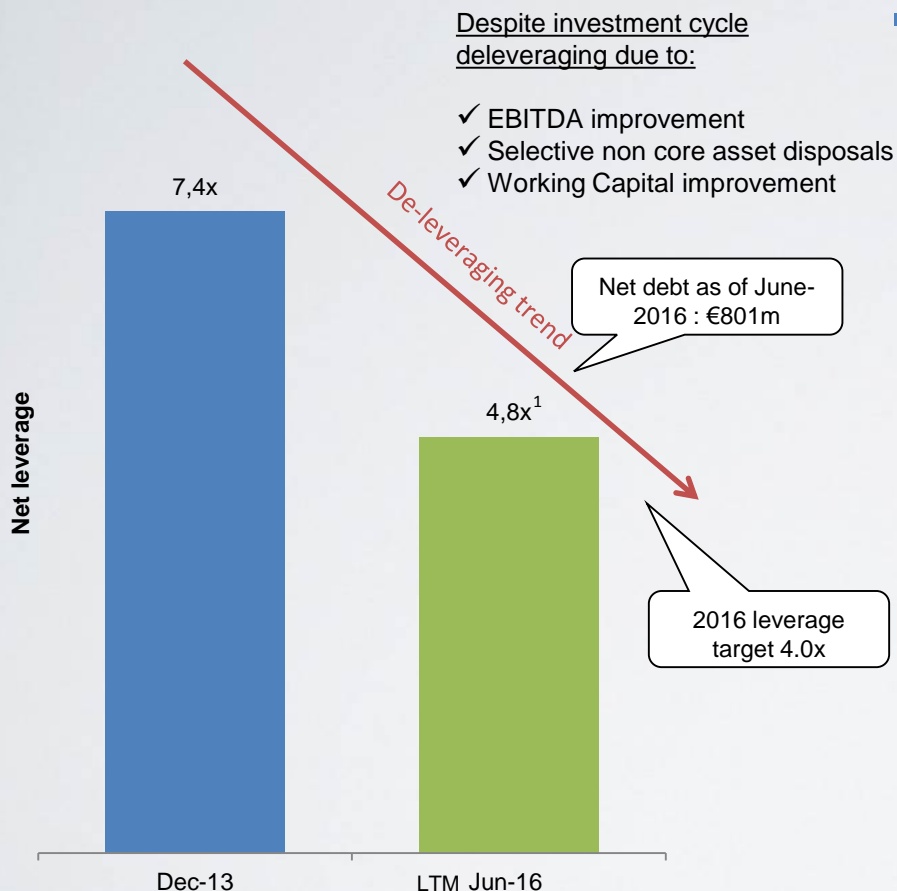


¹ Based on Duff and Phelps report as of December 2015

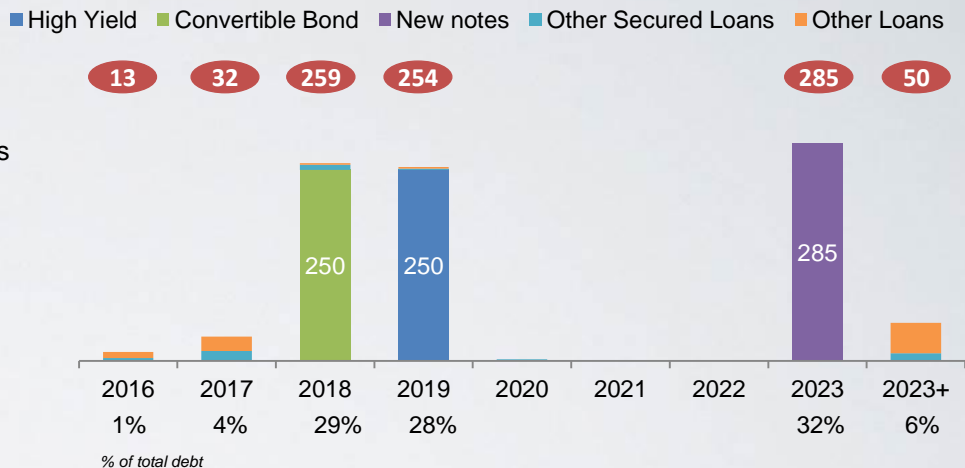
² As of 28th Sept. 2016

NHH HAS CLEARLY IMPROVED ITS CREDIT PROFILE

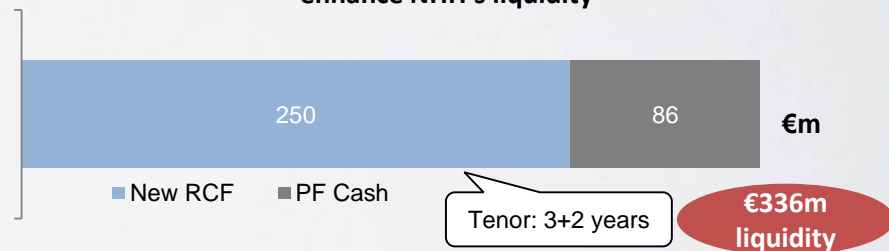
Deleveraging profile since 2013 issuance



New amortization schedule (€m)



PF capital structure will be supported by a **new €250m RCF** that will **enhance NHH's liquidity**



Since 2013, NHH has been able to reduce net leverage from 7.4x to 4.8x and with this refinancing will extend maturity, increase liquidity and enhance financial and operational flexibility

¹Based on LTM EBITDA of €165m

NH HOTEL GROUP: A SOLID GROWTH STORY

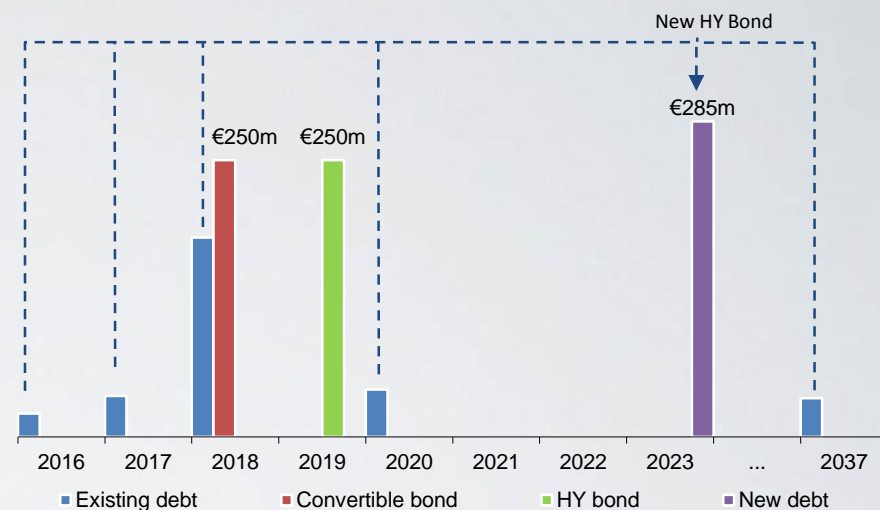
- 1 Leading European hotel operator with diversified portfolio base and well recognized brands
- 2 Focus on urban hotels in the upscale / upper upscale segment
- 3 Significant asset value underpinning the business with an estimated market value of €1.8bn¹
- 4 Investment phase successfully executed
- 5 Attractive market fundamentals in key markets for NHH
- 6 All this leading to improvement in Cash Flow generation and deleveraging

¹ Based on Duff and Phelps report as of December 2015 & Internal Assessment

ANNEX 1: SOURCES AND USES AND DEBT STRUCTURE

Sources & Uses

Sources	€m	Uses	€m
New Senior Secured Notes	285	Repayment of Existing Senior Credit Facilities	148
		Repayment of secured loans ¹	71
		Repayment of subordinated loan	35
		Repayment of Bilateral Credit Facilities	24
		Estimated fees and expenses	7*
Total sources	285	Total uses	285



Debt structure

€m	Jun-16	PF for refinancing	
	€m	Adjustments	€m
Cash and cash equivalents	(86)		(86)
Existing Senior Credit Facilities	148	(148)	-
Existing Notes	250		250
New Senior Secured RCF	-		-
New senior secured notes	-	285	285
Total net debt secured by the Collateral	312		449
Secured loans	109	(71)	38
Net secured debt	421⁽²⁾		487
Senior Unsecured Convertible Bonds	250		250
Bilateral Credit Facilities	55	(24)	31
Subordinated loans	75	(35)	40
Total unsecured debt	380		321
Total net debt	801		808

¹ Secured loans include repayment of Club Loan, Club Loan 2 and DFG Restructuring Debt

² Excluding €24m of undrawn RCF from the Existing Senior Credit Facilities

³ Includes fees and expenses of the New Senior Secured Notes and the New Senior Secured RCF

- The Company completes its refinancing process, endorsed by the market -

NH HOTEL GROUP CAPITALIZE ON ITS BUSINESS PERFORMANCE AND LEVERAGES MARKET CONDITIONS TO SUCCESSFULLY ACCELERATE ITS REFINANCING PROCESS

- **The Company has refinanced its 2017 and 2018 maturities ahead of schedule, boosted its financial flexibility, increased its liquidity for the coming years and extended the average duration of its debt in almost two years**
- **Specifically, the Group has issued €285 million of senior secured notes due in 7 years, on more advantageous terms than those obtained on the notes issued in 2013, using the proceeds to settle its mid-term maturities and simplify its capital structure by repaying bank debt**
- **In parallel, the Group raised a €250 million, 3-year syndicated revolving credit facility which can be extended for an additional two years, subject to refinancing of the Company's bond issue due in 2019**
- **In line with the recent upgrades to the Company's corporate credit ratings, two of the leading credit agencies have assigned ratings to this new bonds issue that are two notches above their respective issuer ratings, primarily due to the quality of the assets pledged as collateral**

Madrid, 29 September 2016.- NH Hotel Group has successfully closed two financial transactions with the aim of endowing the Company with a more flexible maturity debt structure for the coming years.

After three years immersed in executing its business plan, under which the Company has segmented its hotel portfolio by brand, focused strategically on its establishments in the upper-upscale segment, invested €200 million to reposition its hotels and standardise quality for each brand, reinforced its management and organisational capabilities, and streamlined its portfolio by exiting non-core assets and renegotiating its lease agreements, NH Hotel Group has improved its positioning, currently boasting a higher revenue base, substantially higher EBITDA and a significant drop in its leverage ratio.

Successful completion of the refinancing process

The Company has taken advantage of its improved business and financial performance and leveraging the current favourable market conditions, has accelerated its refinancing process through a bond issue and a long-term syndicated credit facility.

Specifically, the Group has issued €285 million of senior secured notes due in 2023, on more advantageous terms than those obtained on the notes issued in 2013: the 6.875% coupon carried by the 2013 notes has been cut to 3.75% on this issue. As a result, the Company has settled the borrowings due in 2017 and 2018 ahead of maturity, simplifying its capital structure by using the proceeds to repay bank debt.

In parallel, under the umbrella of this same transaction, the Group has equipped itself with greater financial flexibility by raising a €250 million syndicated revolving loan; this three-year facility can be extended by a further two years subject to refinancing the bonds issued by the Company in 2013 and due 2019.

For further information:

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Credit rating upgrades

This momentum has also been evident in the corporate rating upgrades recently announced by the leading credit rating agencies. More specifically, Standard & Poor's assigned a B rating (with a stable outlook), reflecting this agency's view that the Group will further lift its business performance while continuing to control costs, liquidity, working capital and cost management. Meanwhile, Moody's has assigned the Company a corporate family rating of B2, thanks to the healthy progress being made on execution of its business plan, improved liquidity and a focus on asset-light operating formula. In line with these recent issuer rating upgrades, Standard & Poor's and Moody's have assigned ratings to the new issue that are two notches above their respective corporate ratings (Standard & Poor's: BB-; Moody's: Ba3), thanks to the quality of the assets pledged as collateral.

About NH Hotel Group

NH Hotel Group (www.nh-hotels.com) is a world-leading urban hotel operator and a consolidated multinational player. It operates approximately 400 hotels and almost 60,000 rooms in 29 countries across Europe, the Americas, Africa and Asia, 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.

NH Hotel Group's Communications Department

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NH Hotel Group Debt Refinancing Presentation / Conference Call

Friday 30th SEPTEMBER 2016, 12.00pm (CET)

NH Hotel Group invites you to take part in a conference call to present the accomplished refinancing:

Speaker **Mrs. Beatriz Puente (CFO)**

Date **30/09/2016**

Time **12.00pm (CET)**

TELEPHONE NUMBER FOR THE CONFERENCE

Participant's access - 15/10 minutes before the conference starts

SPAIN

+34 91 114 00 97

PLAYBACK

Telephone number for the playback: **+34 91 789 63 20**

Conference reference: **303937#**

If you have any questions, please, do not hesitate to contact our Customer Service dialing **+34 91 353 24 00** or writing e-mail to servicioalcliente@arkadin.es