

En cumplimiento de los deberes de información previstos en los artículos 17 del Reglamento (EU) No. 596/2014, de Abuso de Mercado y 228 del texto refundido de la Ley de Mercado de Valores aprobada por Real Decreto Legislativo 4/2015, de 23 de octubre, y normativa complementaria, NH Hotel Group, S.A. (en adelante, “**NH Hotel Group**” o la “**Sociedad**”) pone en conocimiento de la Comisión Nacional del Mercado de Valores el siguiente

HECHO RELEVANTE

Ante las noticias aparecidas en distintos medios de comunicación, la Compañía envía la recepción de una carta de expresión de interés para iniciar un diálogo con NH remitida por Hyatt.

En Madrid, a 27 de julio de 2018

Carlos Ulecia
Secretario General



Mark S. Hoplemazian
President and Chief Executive
Officer

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26 July 2018

Mr. Alfredo Fernández Agras
Chairman of the Board of Directors
NH Hotel Group, S.A.
Calle Santa Engracia 120
28003 Madrid

With a copy to:

Mr. Pedro Ferreras Díez
Secretary of the Board of Directors
NH Hotel Group, S.A.

Dear Chairman of the Board of Directors,

I am writing to express the interest of Hyatt Hotels Corporation ("**Hyatt**") in pursuing a potential offer for NH Hotel Group, S.A. ("**NH**" or the "**Company**") that we believe would be a compelling and highly attractive proposition for the Company and its shareholders.

We believe that the recently announced tender offer process for NH shares understates the intrinsic and economic value of the Company. We hope this letter and the ideas we outline below will help to maximize such value for the benefit of NH and its shareholders. Taking into consideration the strategic approach noted below, and subject to the terms and conditions outlined in this letter - including the prospect of separating NH's real estate assets from the hotel management platform - we believe we would be in a position to launch a tender offer to acquire 100% of the share capital of the Company, in cash (the "**Potential Transaction**"), at a price that represents a superior value proposition to the tender offer by Minor International Public Company Limited ("**Minor International**") that is currently pending authorization (the "**MI Offer**").

Because the MI Offer is being led by another strategic player, there are very relevant confidentiality and fiduciary issues that affect the Board of Directors of the Company (the "**Board**") and that need to be addressed in an appropriate manner. We would like to stress that this letter is addressed only to you and the directors of NH that do not represent or were not appointed by Minor International, and that in no circumstances should the Potential Transaction be discussed with any director, officer, employee, representative, agent or advisor of Minor International or any of its affiliates, as further explained below. For the avoidance of doubt, this also includes any representative of Minor International or any of its affiliates on the Board.

1. Strategic rationale

The Potential Transaction has clear strategic merits for both companies:

- Creation of a global leader in upscale hospitality: the combined hotel portfolio will represent ~260,000 rooms.
- Geographic benefits: highly-complementary combined hotel portfolio, marrying NH's strong footprint in Europe with Hyatt's global presence.
- Brand benefits: the NH portfolio fits well within Hyatt's brand portfolio and guest profile.
- Loyalty Programme benefits: ~8 million members in NH's loyalty programme could benefit from participation in Hyatt's loyalty programme. The broader distribution and expansion of appealing destinations could help accelerate programme growth for the benefit of the guests of both Hyatt and NH.
- Transformational opportunity for NH's brand: affiliation with the Hyatt brand would instantly add strong brand equity to the NH hotel portfolio.

The Potential Transaction represents a clear way to maximize value for our respective shareholders, creating a larger, more efficient and highly competitive company that would powerfully shape the European hotel landscape and would further help to deliver distinctive experiences to our guests. A fundamental part of our strategy is to unlock benefits arising from a less asset-heavy balance sheet by effecting a so-called "Opco/Propco" separation with the involvement of additional capital sources to own NH's real estate and related assets.

2. Conditions to the offer

We would look to announce the Potential Transaction in the time frame described in Section 7, provided that the confirmatory due diligence process outlined in Section 3 results in a satisfactory outcome, as determined by Hyatt. Assuming this is the case, our offer would be subject to the following conditions:

- (i) Receipt of Anti-trust approvals. Note that our initial analysis indicates that we should be able to obtain all anti-trust approvals within the ordinary timeframe for these kinds of transactions.
- (ii) Acquisition of a minimum percentage of the share capital of NH (such minimum percentage to be determined in due course).
- (iii) Minimum acceptance of Hyatt's tender offer by shares representing at least 50.00% of the share capital of NH, excluding those already in the possession of Hyatt and those owned by NH shareholders that have any kind of agreement with Hyatt in relation to the Potential Transaction. Please note that this condition would be waived once the Spanish *Comisión Nacional del Mercado de Valores* (the "**CNMV**") confirms that our price is an equitable price for the purposes of Royal Decree 1066/2007, of 27 July, on Public Tender Offers ("**RD 1066/2007**").

3. Confirmatory Due Diligence

We firmly believe in the merits of the Potential Transaction and have already dedicated considerable time and resources to analyze the Company's portfolio using publicly available information and our existing knowledge of the industry and relevant markets. To this end, we have a highly capable team of advisors, including financial, commercial, legal and tax advisors, already supporting our team and that are fully up-to-speed on the Potential Transaction. However, in order to take a firm decision to move forward, we would require a short period of confirmatory due diligence for which we would need your cooperation and access to certain information.

4. Access to sensitive information and NDA

Please note that as a key part of the Potential Transaction, Hyatt needs to retain the ability to make investment decisions in relation to the share capital of NH. Thus, as an essential element to the Potential Transaction, even though we would have access to confidential information from a commercial standpoint, Hyatt (including our advisors and representatives) must not have access to material non-public information or privileged information ("*información privilegiada*") for the purposes of article 226 of the Securities Markets Act (*Real Decreto Legislativo 4/2015, de 23 de octubre*) and article 7 of the Market Abuse Regulation (Regulation 596/2014, of 16 April 2014) ("**MNPI**"), without Hyatt's prior, express written consent; and, if Hyatt agrees to be granted access to such MNPI, NH and Hyatt must agree in advance and in writing to have a cleansing process by virtue of which the Company will agree to make public such MNPI at a date to be agreed taking into account our timing intentions set out in Section 7.

We believe that the above should be acceptable to the Board, given the general obligation of Spanish-listed companies to make public all MNPI with which it is in possession. However, in the event you do not agree with the above, we would need to proceed on a strictly non-MNPI basis, even though this would reduce the probability of a satisfactory outcome of the due diligence process for Hyatt and could negatively impact the Board's ability to maximize value for the Company's shareholders.

5. Advisors

We have engaged Credit Suisse International as our financial advisor, Latham & Watkins as our legal advisor and E&Y as our tax advisor. We stand ready to initiate the due diligence efforts immediately so that we can expeditiously progress to a satisfactory outcome.

6. Approvals

Final approval of Hyatt's Board of Directors following analysis of the due diligence would be required to proceed with the Potential Transaction. In addition, Hyatt shareholder approval may be required for certain contemplated post-tender offer transactions (depending on the percentage of NH shares acquired in the tender offer), but receipt of Hyatt shareholder approval would not be a condition to completion of the tender offer. This should provide great comfort and certainty to the Board with regard to Hyatt's ability to act quickly and decisively, subject to the satisfactory outcome of the confirmatory due diligence process.

7. Timing

Please note that the timing of the Potential Transaction would be dependent on our capacity to reach agreements with the existing shareholders of the Company in relation to our offer. It would be our intention to make a formal announcement about our decision to proceed with the Potential Transaction during August or early September, and to file our request for authorization of our tender offer within the following month, as envisaged in RD 1066/2007.

8. Non-binding nature of this letter

This letter is intended to be an expression of our interest to initiate a dialogue with the Company in relation to a Potential Transaction, and it should be expressly understood that: (i) this letter is not intended to, and does not, constitute a legally binding obligation to initiate, agree to or consummate the Potential Transaction (or any part thereof); and (ii) the parties hereto will have no rights or obligations of any kind whatsoever relating to the Potential Transaction by virtue of this letter unless and until an express and definitive agreement is executed and delivered, and then only to the extent set out therein.

9. Next steps

Please do not hesitate to contact me if you have any questions or require any further clarification to our proposal.

Considering our timing intentions set out in Section 7, we look forward to the Board's response to this letter as soon as possible, but no later than five days following the date of this letter. We are available to meet with you in person as soon as possible to further discuss our proposal in detail and to initiate our accelerated due diligence efforts.

We are committed to pursuing the Potential Transaction swiftly, and as emphasized earlier, are able to mobilize the resources required to bring our discussions to a satisfactory conclusion in a very short timeframe.

We believe that a combination of our companies will provide enhanced value to our collective customers and would represent a compelling opportunity to create significant value for our respective shareholders.

Yours sincerely,

Mark S. Hoplamazian
President and Chief Executive Officer
Hyatt Hotels Corporation