

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 significant event communication dated 20 March 2017 –CNMV Register number 249779 –, NH announces that it has launched today an offering of new euro-denominated 3.750% senior secured notes due 2023 (the “**New Notes**”), in an aggregate principal amount of up to €115,000,000. It is intended that the New Notes will be issued under, and will have the same terms and conditions as, the indenture governing NH’s existing €285,000,000 3.750% senior secured notes due 2023 –CNMV Register number 243226– (the “**Existing Notes**”).

The New Notes, together with cash on hand, will be used as consideration for the refinancing of an aggregate nominal amount of €150,000,000 of NH’s existing 6.875% senior secured notes due 2019 (the “**2013 Notes**”). Specifically, the New Notes and the cash on hand will be used to fund (i) the acquisition of NH’s 2013 Notes which will have been acquired by Deutsche Bank AG, London Branch, as offeror (the “**Tender Offeror**”) of the tender offer announced on 20 March 2017 and (the “**Tender Offer**”) and if applicable, (ii) the redemption of additional 2013 Notes in an aggregate nominal amount such that, when combined with any 2013 Notes acquired by the Tender Offeror under Tender Offer, will result in the cancellation of an aggregate nominal value of €150,000,000 of the 2013 Notes.

The New Notes will be guaranteed, jointly and severally, on a *pari passu* basis with the Existing Notes, the 2013 Notes and NH’s €250,000,000 revolving credit facility by various wholly owned subsidiaries of NH and will be secured by mortgage and pledge rights over certain assets of NH’s wholly owned subsidiaries.

The New Notes would be subject to New York State law and would be offered only to qualified institutional buyers, in accordance with Rule 144A of the United States Securities Act of 1933, as amended (the “**Securities Act**”), and outside the United States of America to non-U.S. qualified investors in accordance with Regulation S of the Securities Act.

The issuance of the New Notes, the definitive aggregate principal amount and issue price of the New Notes, will be determined once the bookbuilding process is finalized and in consideration of its outcome.

In case the bookbuilding process has a satisfactory result for NH and the New Notes are issued, NH expects to make an application to list the New Notes on the Official List of the Luxembourg Stock Exchange and admit the New Notes to trading on the Euro MTF market of the Luxembourg Stock Exchange.

Madrid, March 24, 2016

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 New Notes, the Existing 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 Existing 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 Existing 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 referred to in the significant event communication dated 20 March 2017 –CNMV Register number 249779– 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 New Notes, the Existing Notes and 2013 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.

Forward Looking Statements

This announcement may include forward-looking statements. Forward-looking statements can be identified by the use of forward-looking terminology such as the words "believe", "anticipate", "estimate", "expect", "intend", "predict", "project", "could", "may", "will", "plan" or by the use of similar expressions or variations on such expressions. Forward-looking statements are based on current plans, estimates and projections and are subject to inherent risks, uncertainties and other factors which could cause actual results to differ materially from the future results expressed or implied by such forward-looking statements. Any forward-looking statements made in this announcement speak only as of the date hereof. The Company does not intend to publicly update or revise these forward-looking statements to reflect events or circumstances after the date of this announcement nor assumes any responsibility to do so.