

In accordance with article 82 of Law 24/1988 of 28th July, on Securities Market, and its implementing secondary regulations, **NH HOTELES, S.A.** (hereinafter “**NH Hoteles**” or the “**Company**”) hereby notifies the *Comisión Nacional del Mercado de Valores* of the following:

RELEVANT FACT

1.

As anticipated, NH Hoteles, has also executed today, subsequently and additionally to the execution of a Subscription Agreement of Convertible Bonds previously notified (filed under registry number 194662), a Purchase Agreement (“*Purchase Agreement*”) provided that NH Hoteles shall issue and a group of credit entities have agreed, subject to the fulfilment or waiver of certain conditions, to purchase and pay in for senior secured notes in an amount of €250 million, with a 6 year maturity in 2019 and a fixed interest rate of 6.785%(the “**Senior Secured Notes**”).

The subscription and payment of the issue of the Senior Secured Notes is expected to be carried out on 8 November, date in which it is foreseen as well the payment of the Bonds previously referred to.

The remaining conditions of the Senior Secured Notes were described in the relevant fact notice published on former 24 October (filed under registry number 194369). Its listing in the official list of the Luxembourg Stock Exchange will be requested and its allocation has been reserved to international institutional investors.

2.

Upon the formalization of the commitment on the allocation of the Senior Secured Notes, entry into the three financial transactions for a total amount of €700 million described in the referred relevant fact notice dated former 24 October 2013 (filed under registry number 194369) will be completed by NH Hoteles with the objective of establishing a new more flexible financial structure, combining the three transactions referred therein, to substitute the 2012 syndicated financing and dispose of additional funding to carry out its business plan, including investments of up to €200 million.

- A) Senior Secured Notes issue described in section 1 above, amounting to €250 million, with a 6 year maturity, i.e. due on November 2019.
- B) Unsecured issue of bonds convertible at the option of the bondholders into NH Hoteles shares, for an aggregate principal of €250 million, with a 5-year maturity on November 2018 a fixed annual interest rate of 4%, and a share conversion price of €4'919 per share. A more detailed description of the Bonds is contained in the relevant fact notices previously filed today (registered by CNMV under number 194611 and 194662).
- C) “Club Deal” financing for a principal amount of €200 million, (derived into a term loan tranche and a credit facility tranche allowing drawdowns and reimbursements during the term of the facility), with a 4-year maturity on November 2017 (without prejudice of early mandatory and voluntary repayments) and a floating interest rate of 3-month Euribor plus a 4% margin.

The “Club Deal” financing and the Senior Secured Notes will be secured by the same collateral consisting of mortgages and pledges over various assets of NH and its subsidiaries.

3.

In connection with the issue of Senior Secured Notes, NH has requested a credit rating from “Standard & Poors” and “Fitch” regarding the issuer, NH Hoteles, S.A., and the Senior Secured Notes. The preliminary ratings pending consummation of the financial transactions and final documentation review by the rating agencies have been as follows:

	NH Hoteles	Senior Secured Notes
Standard & Poors	B-	B
Fitch	B-	B+

Madrid, 31 October 2013

Carlos Ulecia Palacios
Secretary General

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NH HOTELS SUCCESSFULLY COMPLETES THE FINANCING OF ITS STRATEGIC PLAN

- **The company has formalized the issue of senior secured notes and senior unsecured convertible bonds which, together with the new syndicated loan, will ensure a debt structure adapted to its business plan**
- **NH will now have additional resources to finance its investment plans and reposition its hotel portfolio within a more flexible contractual framework.**

Madrid, 31st October, 2013. With the successful completion of three financial operations to provide the company with a new debt structure and a more flexible operating framework for the coming years, NH hotels has successfully completed the first stage of its strategic plan.

The Five Year Strategic Plan aims to transform the Group by building on the company's strongpoints and redefining the customer experience to ensure that NH Hotels are the consumers' preferred option. NH is currently defining its roadmap for the coming years with priorities ranging from building a new client value proposition to improving management capabilities or refining international plans. The hotel chain also plans to improve margins by transforming its distribution model, client relationship management and loyalty rewards programs.

The financial restructuring of the company, conditional on the bond issues being fully paid-in over the coming days, clears the way for funding of up to 200 million euros to activate the Group's strategic plan and new investments and business initiatives.

Federico González Tejera, CEO of NH Hotels said "we are transforming NH. We have started with a new more flexible financial structure to ensure that we can successfully implement our plans. This will give us additional resources to fund the investment required to make NH the consumers' number one choice".

New debt structure

NH Hotels has restructured its debt with three major operations that allow it to cover its financial commitments with a more flexible framework while implementing its new business plans.

Today the company has formalized the issuance of bonds convertible into newly-issued or previously - issued ordinary shares of the company, excluding preferential subscription rights, for a nominal amount of 250 million euros with a five year maturity period (November 2018). Furthermore, the Board of Directors of the company has agreed to increase capital by the amount required for conversion of the bonds.

At the same time, the company has issued 250 million euros of NH hotels senior secured notes with a six year maturity period (November 2019).

Both issues have been offered to qualified international investors.

With the funds obtained from these two operations and the 200 million euros resulting from the new syndicated loan to company subsidiary NH Finance, S.A., NH Hotels will have 700 million euros to amortize its obligations under the 2012 syndicated loan and other financial operations, and will additionally have available funds, including cash and banks, amounting to approximately 200 million euros to fund the strategic investments mentioned above.

About NH Hoteles

NH Hoteles (www.nh-hotels.com) is Europe's third-ranked business hotel chain. It operates close to 400 hotels with almost 60,000 rooms across Europe, the Americas and Africa, including top destinations such as Berlin, Madrid, Amsterdam, Brussels, Paris, Buenos Aires, London, Rome, Vienna, Bogota, Mexico City, Barcelona, Frankfurt and New York. NH Hotels is traded on the Madrid stock exchange.

NH Hoteles Communications Department

Tel: +34914519762

Tel: +34 91451 97 18 (switchboard)

Email: comunicación@nh-hotels.com

Corporate website: <http://corporate.nh-hotels.com/es/inicio>

Reservations

Tel: 902 115 116 (from Spain)

Tel: +800 0115 0116 (from Austria, Belgium, France, Germany, Ireland, Holland, Italy, Portugal, Switz. & Russia)

Tel: +34 91 398 44 00 (from all other countries)

Website: www.nh-hotels.com

Social media:

<http://www.nh-hoteles.es/nh/es/socialmedia/socialmedia.html>

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