Blurring the lines between business and leisure.
Welcome to Meliá Hotels International, a company with more than 60 years of history, which has never stopped growing and innovating since it was founded. Today, we continue to be one of the leading hotel companies in the world and a benchmark for Spanish hospitality, with an ambitious long-term project that will undoubtedly take us to new destinations where our customers expect to find us.

This expansion would not be possible without the strength of our brand portfolio and our firm commitment to quality and service excellence, that drives us towards constant innovation of products and experiences, always at the forefront of the sector, and that keeps us close to all of our stakeholders.

Our company origins give us a deeply rooted family culture and values that set the tone for our behaviour in all our locations. Ensuring that we comply with our commitments to our stakeholders and meeting their expectations in line with our culture and values form the basis of a coherent management model with a long-term vision.

“Our aspiration to be seen as a world leader in excellence, sustainability and responsibility is connected with our family values”

And since we don’t want to stop here and aim to keep growing with partners like you, we’d like to present our company to you, so we can start something together.

Gabriel Escarrer Jaume
Executive Vice Chairman & CEO

Leisure at heart, business in mind

Some awards

- Top 10 Spanish companies making sustainability part of the business model. Analysis of sustainability reporting in Ibers 35 companies by Ecoact.
- Gabriel Escarrer Jaume, 16th (+14) Most Influential Hotel Professionals. Power 50 by Hotelier Middle East.
- Gabriel Escarrer Jaume, 3rd Best CEOs in Europe. All-Europe Executive Team Survey by Institutional Investor.
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- SOL
- CIRCLE
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Discover Us
Founded in 1956, Meliá Hotels International is unique in having an origin in leisure and the ideal size to combine exceptional hospitality with management that is efficient and close to its stakeholders. All of this, along with our Spanish warmth and passion, sets us apart and allows us to offer exceptional experiences to the most demanding customers from all around the world.

We are committed to offering the most comprehensive quality services to make your investment profitable and safeguard your assets, operating with professionalism, seriousness and the confidence of a major brand with international prestige. Our goal is always maximum profitability and value creation in the medium and long term.

- 18th largest hotel group worldwide with a presence in 43 countries
- Largest hotel group in Spain
- Leading resort hotel company worldwide
- Leading hotel company in LatAm & Caribbean

### 3rd Largest Hotel Group in Europe

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Company</th>
<th>Rooms</th>
<th>Hotels</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>INTERCONTINENTAL</td>
<td>798,075</td>
<td>5,343</td>
</tr>
<tr>
<td>2</td>
<td>ACCOR</td>
<td>616,181</td>
<td>4,283</td>
</tr>
<tr>
<td>3</td>
<td>MELIÁ HOTELS INTERNATIONAL</td>
<td>96,956</td>
<td>382</td>
</tr>
<tr>
<td>4</td>
<td>WHITBREAD</td>
<td>71,282</td>
<td>770</td>
</tr>
<tr>
<td>5</td>
<td>NH HOTELS</td>
<td>58,926</td>
<td>380</td>
</tr>
</tbody>
</table>

- Including pipeline. • Hotels Magazine August 2018 based on data as of 31st December, 2017.

### At a glance

- Meliá joined the Ibex35 Index in 2016 after 13 years listed in the Ibex Medium Cap.
- Market cap*: 2.214 million Euros
- Main Shareholders: Escarrer Family: 52%; Free float: 48%
- Listed on the Spanish Stock Exchange since 1996
- Member of the FTSE4Good Ibex index since 2008

*Market Cap End September 2018 (€3.48)
Our Pillars
Our Pillars

Warmth & Conviviality

Mediterranean hospitality and Spanish passion are in our DNA. Our warm personality, born from having started as a family business, defines our balanced culture and our guest-centred vision.

Caring & Nurturing

The size of our company, neither too large nor too small, allows us to carry out careful management, where employees are part of the family. An attitude that also translates itself outwards, making us socially committed.

Little extras

We know that small details make a big difference. We stand out from our competitors by offering personal extras and creating intimate connections. This unique way of doing things is part of our heritage as a hotelier.

Innovation

We are always improving. An ambition that leads us to reinvent ourselves constantly and has made us global pioneers in different areas of our industry, with special attention being paid to customer innovation.
Our History
Our History
Leading from leisure since 1956

1956
The company’s first hotel is founded. (Palma de Mallorca, Spain)

1966
Escarrer establishes Hoteles Mallorquines to consolidate his different assets

1970s
Development in main Spanish cities
First international hotel (Bali)
First hotel in Africa (Egypt)

1984
Acquisition of the hotel chain HOTASA. Becomes the largest hotel group in Spain

1987
Acquisition of the Meliá hotel chain. The company changes its name to Sol Meliá

1994
Launch of the loyalty programme (currently MeliáRewards)

1995
The birth of Paradisus Resorts, specialising in the luxury sector

1996
First European hotel group to be quoted on the stock exchange

1997
Launch of the bookings website melia.com

1999-2009
Presence in European gateway cities (London, Milan, Paris)

2000
Acquisition of the TRYP Hotel chain

2004
Launch of the Vacation Club Club Meliá

2006
Approval of a Global Sustainability Policy and inclusion in the FTSE4Good Box
Launch of ME by Meliá, the most avant-garde brand in the portfolio

2007
Acquisition of the German brand INNSIDE
Launch of the SAVE project to fight climate change

2008
Management of Palma de Mallorca’s new conference centre, Palacio de Congresos

2010
Global alliance with Wyndham, giving rise to the birth of TRYP by Wyndham

2011
The company becomes Meliá Hotels International

2012
Launch of the Calviá Beach Resort project for the restoration of a mature tourist destination (Magaluf, Mallorca)

2014
Relaunch of the new Sol Brand
Alliances with international leading investment funds to transform the resort segment
Meliá Digital project to transform the customer relationship
Strengthening of the value proposition of our management model

2015
25th anniversary of MHI’s presence in Cuba

2016
Meliá Hotels International’s 60th anniversary and reincorporation to the Spanish stock market index, IBEX35

2017
Management of Palma de Mallorca’s new conference centre, Palacio de Congresos

1950s
First resort in Mallorca (Spain)

1960s
Development in Balearic Islands

1970s
Expansion into other major Spanish resort destinations

1980s
Development in LatAm and Spanish Caribbean

2010s
Entry into the US market: New York, Miami and others
Entry into the English-speaking Caribbean market: Bahamas, Jamaica
Consolidation of presence in Spanish Caribbean countries: Cuba, Mexico, Dominican Republic
Entry into the Middle East region: Dubai and Doha
Tripling of our portfolio in Asia Pacific
Meliá is present in 43 countries in 4 continents for the first time
Current Portfolio
Current Portfolio

Portfolio diversification

Americas
Countries: 16
- Operative: 14
Hotels: 93
- Operative: 75
- Pipeline: 18

TOTAL SHARE 23%

Operating profit contribution: 38%

Spain
Cities: 66
Hotels: 145
- Operative: 144
- Pipeline: 1

Operating profit contribution: 43%

EMEA
Countries: 22
- Operative: 16
Hotels: 117
- Operative: 88
- Pipeline: 29

TOTAL SHARE 65%
*Including Spain

Operating profit contribution: 17%

Asia
Countries: 7
- Operative: 6
Hotels: 48
- Operative: 21
- Pipeline: 27

TOTAL SHARE 12%
*Excluding Spain

Operating profit contribution: 2%

*Including Pipeline by September 2018
What we offer

The result of putting our heart and our mind in everything we do.

5.1. UNIQUE BRANDS
Six different hotel brands, strategically positioned

5.2. BUSINESS MANAGEMENT
A management style based on efficiency and closeness

5.3. DISTRIBUTION & SALES
A Regional model with a global reach
   a. B2C
   b. B2B. Exclusive benefits for professionals
   c. Loyalty. Belonging means more

5.4. RESPONSIBLE BUSINESS APPROACH
Sustainable creation of economic value

5.5. OWNER RELATIONS
Ongoing support for a long-term relationship

5.6. HUMAN RESOURCES
Empowered by our people

5.7. TECHNOLOGY & INNOVATION
Comprehensive and global solutions and adaptation to new markets

5.8. MARKETING & SOCIAL MEDIA
A growing presence to reach all our target audiences

5.9. DEVELOPMENT
Our plans for the future
5.1. Unique Brands

Strength and diversity of our brands

Our expertise in leisure is integrated throughout our six different brands. Each one has its own distinct personality, with all of them sharing the values of Meliá Hotels International.

Each brand is strategically positioned to address different, well-defined customer psychographics. This positioning supports owners at the local level, while leveraging the advantages of economies of scale at the global level.

### Upper upscale
11%
- 4% Paradisus
- 4% Gran Meliá
- 3% ME

### Upscale
50%
- 38% Meliá Hotels & Resorts
- 12% INNSIDE

### Midscale
39%
- 20% SOL
- 19% TRYP

### Other hotels managed by Meliá
- Hotels: 11 operating
- Rooms: 1,256 operating
- Customers (M+): 0.6
- Countries: 7
5.1. Unique Brands

Gran Meliá

A life well lived

Brand purpose

A dedication to a life well lived brought to life through the delivery of intuitive personal service, the fine execution of exceptional experiences, and a modern expression of luxurious Spanish culture.

Gran Meliá takes residence at a collection of the world’s most dramatically beautiful luxury landmarks.

Distinguishing Factors

- Spanish Passion and Gravitas
- A Sense of Personal Space
- Refined Lifestyle Details
- Forefront of Luxury

Brand Expressions

- Architecture at its Finest
- Refined Spanish Service Culture
- Red Level
- Luxurious Rooms & Suites
- Spa & Wellness by Clarins
- Signature Dining
- Exceptional Experiences
- Gala Events & Weddings

Revenue segmentation

- Direct sales
- Leisure
- E-commerce
- Meetings & events
- Business travel

HOTELS

12 operating
3 pipeline

ROOMS

3,150 operating
754 pipeline

CUSTOMERS (M+) 1

COUNTRIES 5
5.1. Unique Brands

A collection of Luxury Hotels inspired by the contemporary European lifestyle

Brand Purpose
COMBINING creativity with sophistication, ME by Meliá is a place to discover contemporary culture through the lens of ME’s bold, charismatic personality. Bringing destination, design and service together, we deliver personal, enriching experiences for the stylish modern traveller.

Distinguishing Factors
• The insider friend
• Just for you
• Daring and Surprising
• Scene leaders

Revenue segmentation
• Direct sales 43%
• E-commerce 30%
• Meetings & events 12%
• Business travel 12%
• Leisure 5%

Brand Expressions
• The Aura of ME
• Our Service Culture
• ME+
• Art & Music
• Food & Beverages, Social Epicentres
• Cultural program
• The ME People
• ME Studios

HOTELS
8 operating + 4 pipeline

ROOMS
1,446 operating + 752 pipeline

CUSTOMERS (M)
0.4

COUNTRIES
5
5.1. Unique Brands

Luxurious all-inclusive waterfront resorts

Brand purpose
Set against the most renowned and emergent resort hot spots around the world, Paradisus by Meliá transports guests into a paradise that reflects the natural beauty of its destination.

Mindful of its presence within nature, Paradisus by Meliá is committed to achieving balance with the environment around its properties.

This narrative – of being at one with the destination – runs through each element of the resort, from locally-inspired dinner menus to environmentally-conscious in-room products.

Guests can expect to be transported into a resort environment that perfectly balances the feel of luxury with an unpretentious atmosphere.

Brand Expressions

- Royal Service
- Family Concierge
- Organic EcoChic Design
- Multigenerational Experiences
- Authentic & Sustainable Gastronomy
- Wellness
- Romance by Paradisus
- Corporate Responsibility

Revenue segmentation

- Direct sales: 37%
- Leisure: 27%
- Meetings & events: 10%
- E-commerce: 17%
- Business travel: 4%

Distinguishing Factors

- Sensitive Place
- Natural Retreat
- Engineering Togtherness
- Quietly Modern

<table>
<thead>
<tr>
<th>HOTELS</th>
<th>ROOMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 operating</td>
<td>5,078 operating</td>
</tr>
<tr>
<td>+ 4 pipeline</td>
<td>+ 2,192 pipeline</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CUSTOMERS</th>
<th>COUNTRIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>4</td>
</tr>
</tbody>
</table>
5.1. Unique Brands

MELIÀ HOTELS & RESORTS

Soul Matters

Brand purpose
Reliable, trustworthy and familiar international flagship hotels with a distinctive passion for service and the well-being of its guests.

Distinguishing Factors
• Warm Spanish hospitality
• Well-being focus
• Thoughtful, added value extras
• New hospitality experiences

Brand Expressions
• Service culture - Belonging begins here
• Room experience
• Gastronomic experiences
• The Level & The Level Adults Only
• Power Meetings by Melià
• Energy for life activities
• Yhi Spa & wellness
• Romance by Melià
• The Kidsdom by Melià

Revenue segmentation
• Direct sales 37%
• E-commerce 27%
• Meetings & events 17%
• Leisure 13%
• Business travel 12%

HOTELS
117 operating
28 pipeline

ROOMS
33,673 operating
7,596 pipeline

CUSTOMERS (M)
12

COUNTRIES
33
5.1. Unique Brands

INNSiDE
BY MELIÀ
Stay Curious

Brand purpose
To enrich the everyday experience, with thoughtful touches backed up by big ideas. With an accessible range of lifestyle hotels in diverse and distinctive locations.
Enabling the curious, savvy, and young (or young at heart) to move from work, to leisure, to wellbeing.
Giving them the flexibility and freedom to be themselves, inside and out, and allow life to unfold.

Distinguishing Factors
• Your Place
• Your Rhythm
• Your Wander
• Your Choice

Brand Expressions
• In-room perks
• Free Refreshing Refreshments
• Sustainability
• Open Living Lounge
• Creative Meeting and Events
• Infit
• Local and Cultural Activities

Revenue segmentation
• Direct sales 36%
• E-commerce 33%
• Business travel 24%
• Meetings & events 7%

HOTELS
- 29 operating
- 14 pipeline

ROOMS
- 5,383 operating
- 2,692 pipeline

CUSTOMERS
- 1.3

COUNTRIES
- 14

Innside Hamburg

Innside Palma Center
5.1. Unique Brands

**Brand purpose**
Sol by Meliá is dedicated to the most important of all holidays: those shared with the ones you love. It is the place where joy is felt and memories are made for a lifetime.

A new generation of resorts designed for the new modern families and travellers, that include great kids facilities and adult-oriented experiences.

Our design is colourful, energetic and vibrant like the service we provide. Guests can expect instant familiarity with spontaneous moments of fun.

At Sol, we have something for everyone.

**Distinguishing Factors**
- Sol Community
- Always Enthusiastic
- Celebratory Moments
- The Joy of Discovery

**Brand Expressions**
- Sol Community
- Sol welcoming
- Sleeping by the sea
- Poetic splash and relax!
- Body & Sol: wellness for grown-ups
- Katmandu Adventures™: Mythic entertainment
- Moonvibes
- Experiential foods
- Shinning Meetings

**Revenue segmentation**
- Leisure  42%
- Direct sales  34%
- E-commerce  8%
- Business travel  4%
- Meetings & events  2%

**HOTELS**
- 72 operating
- 2 pipeline

**ROOMS**
- 21,268 operating
- 490 pipeline

**CUSTOMERS**
- 7

**COUNTRIES**
- 8

#LetYourSolShine
5.1. Unique Brands

Brand purpose
A unique, innovative and dynamic new concept in timeshare holidays. Circle by Meliá focuses around all of its members to truly deliver an exceptional service in a luxurious and high-end experience.

A new concept of holiday membership that will extend the benefits of being a member to before and after the stay, always with a personalised conversation.

Totally integrated with the MeliáRewards programme, Circle members “will receive year after year the best experience from all our brands.”

Distinguishing Factors
• Lifelong relationships
• Most valued members
• Beyond expectations
• Constant refinement

Brand Expressions
• Bespoke service
• A new level of personalisation
• Transparency on every approach
• In-room technology
• Infinite butler

A world of Infinite Vacations

Circle at Paradisus Palma Real
5.2. Business Management

A coherent model based on a long-term vision
5.3. Distribution & Sales
From a global perspective to local realities

Global sales overview

Our model is based on three levels:

- **Global**: Establishing the main guidelines and the strategy for each business sector.
- **Regional**: Dedicated sales teams for each segment, from direct client to e-commerce, leisure, corporate and meetings & events.
- **Hotels**: A direct relationship with the specifics of each location.

Localisation of sales and group offices

Revenue culture

Thanks to the support of this Distribution Strategy, the company is able to generate improvements in profitability due to:

- **Company focus on a revenue culture**
  - Big data management and development of a technological platform to implement revenue procedures
  - In 2018, 38% of sales were made through the company’s own digital channels

- **Maximisation of average room rate (arr) as a key driver of income**
  - Dynamic pricing based on a deeper understanding of consumer behaviour
  - Steady RevPAR growth in the last 6 years

- **Positioning in high-growth segments**
  - Focus on exposure to emerging markets
  - Development of Key Partnerships
5.3. Distribution & Sales

Sales segmentation towards a more direct channel strategy

**General**

- Direct Client: 35%
- E-commerce: 22%
- Corporate: 11%
- Leisure: 19%
- MICE: 13%

**By region**

- **America**
  - Direct Client: 21%
  - E-commerce: 9%
  - Leisure: 5%
  - Corporate: 15%

- **EMEA**
  - Direct Client: 25%
  - E-commerce: 4%
  - Leisure: 33%
  - Corporate: 12%

- **Asia-Pacific**
  - Direct Client: 56%
  - E-commerce: 29%
  - Leisure: 2%
  - Corporate: 4%

- **Mediterranean**
  - Direct Client: 40%
  - E-commerce: 36%
  - Leisure: 2%
  - Corporate: 4%

- **Brazil**
  - Direct Client: 40%
  - E-commerce: 6%
  - Leisure: 17%
  - Corporate: 11%

- **Spain**
  - Direct Client: 27%
  - E-commerce: 4%
  - Leisure: 32%
  - Corporate: 15%
5.3. Distribution & Sales

a. B2C: Our own channel

The groups’ website, melia.com, has become our most important sales channel: an essential lever to improve performance and generate increases in RevPAR, outperforming all other major international brands in RevPAR growth in recent years. We have an investment plan to:

- Anticipate the future
- Lead technological evolution in the industry
- Optimise customer relationships
- Boost satisfaction
- Maximise hotel profitability
- Increase sales through the company’s own digital channels.

Every year, we generate more than 30% of our sales through the Melia system with our own distribution channels, call centres, melia.com website, and through our dedicated loyalty programme.

---

**meliacom facts**

- New melia.com webpage with the following capabilities:
  - Personalised, predictive campaigns in real time
  - Device-designed webpage (responsive webpage available on any device)
  - Content and language version scalability
- More than 70M sessions per year
- Average Room Rates with 30% higher yield than other channels
- 13 languages and 14 versions including: Spanish, English, Italian, German, French, Portuguese, Russian, Chinese, Bahasa-Indonesian and now Vietnamese, Japanese, Korean and Arabic.

---

**Track record: Melia system**

*Data projection End 2018*
5.3. Distribution & Sales
b. B2B: Meliá PRO. Going for More

Meliá Hotels International has recently relaunched its booking portal for professionals: travel managers, meetings & events organizers, travel agents and tour operators.

Meliá PRO allows users to manage and control their professional activity in a flexible way with a wide selection of hotels in the main cities and leisure locations of the world. Over time, it has evolved to become the umbrella brand for all these B2B segments.

The platform offers a Best Rate Guarantee and great discounts and commissions, as well as a streamlined booking process that helps professionals save time and work with more ease. Additionally, the Meliá Rewards loyalty programme makes it possible to earn points and redeem them for a wide range of benefits.

The new portal allows us to design a new digital sales strategy and establish a new relationship model with each of the 4 type of professional partners.

A new professional site: meliapro.com

High End Sales

The company has perfectly defined the high end concept by creating a dedicated Global and Regional sales team and setting the appropriate targets. A new strategy has been developed based on the following concepts:

- Identification of the Premium portfolio: Gran Meliá, Me by Meliá and Paradisus. With a clear focus on the superior rooms with attribute.
- To make it global and applicable in all the Regions.
- To increase the collaboration with Leading Hotels of the World.
- To maximize the current contribution from the luxury networks with dedicated sales and marketing plans for each of them.
- To involve all the Global Sales Offices in the High End concept and set the appropriate targets.
- To consolidate a full sales calendar with all the actions that will be conducted.
- To secure the implementation, at a hotel level, of all the processes relative to High End Guests.
5.3. Distribution & Sales

b. B2B: Sales & Marketing programmes

Competitive advantages

When selling to our B2B partners, we benefit from our competitive advantages:

**Strong Brands**
- Brands’ Positioning Strategy
- MICE programmes per brand
- Loyalty & Client satisfaction
- Innovation and new products

**Sustainability**
- Global Sustainability policies since 2008
- Strategic alliance with UNICEF
- Sustainability programs per Brand: “Eco-Touch by Meliá”

**Commercial Network & Distribution**
- Global & Preferred Agreements with TOP clients & Revenue Management distributors & CRM
- Big commercial network worldwide
- Dedicated Global and Regional Account Managers
- Revenue Management

**Loyalty programme for each category of client**
- MeliáRewards for professionals
- Programmes for clients, employees, Travel Agents, Meetings planners and small companies

**High degree of internationalisation**
- Presence in the TOP MICE destinations
- Advantages in Europe and Americas markets
- Growth in Emerging Markets

**Talent of the human teams**
- Diversity: employees from 128 nationalities
- Innovation in Management of intern Talent
- Commitment and pride of belonging
- Strengthening Culture and values

**MICE**

This is a strategic segment for the company. That’s why we are constantly improving and developing specific actions that will put us in a leading position.

- Integration of our central CRM system with the Group Management Systems of the hotels, allowing a full connectivity with the RFP’s generated in our own site melia.com and with the key global players.
- New meliapro.com portal with full new and interactive content in the Meliá Pro Meetings & Events section.
- MeliáRewards: Meeting Planners’ loyalty program to satisfy the segment specific needs.
- Full digital relationship model with our Meetings & Events customers to impact in the critical moments when decisions are taken.
- The Meliá Group Booking Tool, created for event attendees to make their reservations directly online.
- Strong partnership with the key players in the meetings & events’ industry.
- Direct integration of our CRM with CVENT the worldwide leader provider of M&E’s RFP.
- Innovative Hotel Brand concepts developed for Meeting & Events, such as Power Meetings for Meliá Hotels & Resorts of Big Idea Spaces for Innside by Meliá.

**MICE facts**
- Over 130 hotels and 50.000 hotel rooms specialized on MICE guests’ services
- Around 1.300 meeting rooms
- More than 180.000 sqm for meeting purposes
- Meeting packages’ program at competitive rates across hotels
- A conversion rate of 20%, a 5% over the industry average
- Major Convention & Congress Centers in main destinations
5.3. Distribution & Sales

c. Meliá Rewards. Belonging means more

We understand leisure as an attitude towards life, a way of seeing the world that defines how we relate to our clients, our professional segments and also our employees. That's why our loyalty programme, Meliá Rewards, is one of the main pillars of the company – a unique programme that serves all our audiences: B2C, B2B and our employees.

The loyalty scheme is divided into four levels: Meliá Rewards White, Silver, Gold and Platinum; and has over 40 partners worldwide in different sectors, where Meliá Rewards cardholders can transfer and redeem their points.

Our loyalty programme has its own website, melia-rewards.com, where our members can use their points in a more flexible way using the points + money formula. This system, the first of its kind in the industry, allows us to provide unique competitive advantages:

- Securing new clients
- Promoting internal consumption at our hotels
- Improving client satisfaction
- Increasing revenue and adding value for the client
- Increasing repeat business in our direct channels and profitability
- Generating demand for intra-branding and cross-branding

**Meliá Rewards facts**

- 33 million clients in our CRM database
- 11 million Meliá Rewards cardholders worldwide
- 75% international members
- €838 million per year of associated production
- €435 million from Direct Clients through company’s direct channels (92% of total sales through the company’s direct channels)
- 12% more hotel expenditure than non-loyal guests
- 51% of total room + board income

*Data: End September 2018*
5.4. Responsible Business Approach

Hospitality management system based on involvement and creation of sustainable economic value with high social impact

In our Vision for 2020, Meliá Hotels International aims to be recognised as a reference point in excellence, responsibility and sustainability. The promotion of shared values for society is one of our main objectives to strengthen our leading position in the tourism industry. This attitude takes shape through our corporate responsibility programme: Room for sustainability.

This commitment has led to the sustainable investment agency RobecoSAM naming us Third Most Sustainable Hotel Company in the World in 2018.

Our model covers 4 basic areas. We focus on these, alongside our partners and owners, in order to play a key role in the tourism industry and drive responsible economic and social development.

- Corporate Ethics
  Promoting a more transparent and ethical business model.

- Society
  Sharing knowledge, improving employability, driving talent and generating opportunities.

- Environment
  Leading the fight against climate change in the hospitality industry.

- Reputation
  We aim to be recognised as an international leader in excellence, responsibility and sustainability.
## 5.4. Responsible Business Approach

### TOURISM INDUSTRY & DESTINATIONS

- Code of Ethics
- Responsible Procurement & Contracting Policy
- Sustainable Design & Building Criteria
- Corporate Responsibility Policy
- Information Security Policy

### ETHICS & PARTNERSHIP

- Code of Ethics for Suppliers
- Risk Control, Analysis & Assessment Policy
- Occupational Health and Safety Policy
- Philanthropy Policy
- Privacy Policy

### CORPORATE RESPONSIBILITY

- Stakeholders Relationships Policy
- Human Resources Policy
- Environment Al Policy
- Human Rights Policy
- Corporate Responsibility Policy

### ENVIRONMENT & CLIMATE CHANGE

- Human Rights Policy
- Sustainable Design & Building Criteria
- Corporate Responsibility Policy
- Information Security Policy
- Privacy Policy

### PUBLIC COMMITMENTS & POSITIONING

- Code of Ethics
- Responsible Procurement & Contracting Policy
- Risk Control, Analysis & Assessment Policy
- Occupational Health and Safety Policy
- Corporate Responsibility Policy
- Information Security Policy

### GOVERNANCE & RESPONSIBLE MANAGEMENT

- Code of Ethics for Suppliers
- Responsible Procurement & Contracting Policy
- Risk Control, Analysis & Assessment Policy
- Occupational Health and Safety Policy
- Corporate Responsibility Policy
- Information Security Policy

### VALUE FOR OWNERS

- Transferred Reputation
- Risk Management
- Innovation & Impact Measurement
- Talent Attraction
- Access to Knowledge & Platforms

- Competitive Advantage
- Efficient Resources Management
- Visibility & Put in Value
- Suitable Work Environments
- Real Engagement with the Community
5.5. Owner Relations
Ongoing support for long-term relationships

At Meliá Hotels International we put our heart into everything we do. That’s why we offer the owners of our hotels a team of experts to optimise the relationship between the property and the company: our Global Owner Relations team.

Owners also have at their disposal a customised online channel that offers specific company information and other relevant and essential news, an indispensable tool for fostering such a close relationship.

**Dialogue with owners and partners**

- Relations & Links with Owners and Partners
- Content Key
- International Portal
- Newsletter
- Satisfaction Surveys

Regular Meetings and Specific Information

| Global Scope | Regional Scope |
5.6. Human Resources

Empowered by our people

We’re experts at finding pleasure in responsibility. Meliá is regarded as the most attractive company to work for in the hospitality industry according to the MERCO talent report, which analyses human resources as one of the key elements for a company’s growth and reputation.

- **HR facts**
  - +4,700 employees of 143 different nationalities in more than 40 countries
  - 70% of management roles covered by internal talent
  - 10 development programmes specially designed for corporate and hotel employees
  - +2,000 mentored scholars (corporate and hotel)
  - 91% pride of belonging to Meliá Hotels International (as per employees’ survey)
  - +200 departmental managers ready to support the development and new openings process (Master Force Program)
At Meliá Hotels International we have built value through innovation in the consumer experience, allowing us to become a benchmark in the travel industry. Over the past 10 years, we have invested more than 800 million euros in innovating and renovating, meeting and surpassing customer expectations by building exciting hotel experiences with leading leisure brands.

5.7. Technology & Innovation
Leading innovation in the tourism industry

Innovations

- **Meliá Hotels International App**
  A powerful and user-friendly tool designed to improve the user’s experience throughout the entire customer journey: from the booking process to post-stay.

- **SalesForce**
  A new tool to manage the Contact Centre and the back office that makes communication with the customer easier at every stage: booking, stay and e-mail.

- **Smart Bracelets**
  An easier way for customers to pay for services, access the hotel and control their stay via the Meliá app.

- **Preferences Project**
  A global and centralised platform to store the preferences of our customers, in order to offer a higher level of personalisation.
## 5.8. Marketing

<table>
<thead>
<tr>
<th>Trade fairs</th>
<th>Advertising &amp; promotions</th>
<th>PR</th>
</tr>
</thead>
<tbody>
<tr>
<td>50 Fairs</td>
<td>12 B2C and B2B Channels</td>
<td>12 advertising agencies around the world</td>
</tr>
<tr>
<td>12 Sponsorships</td>
<td>On &amp; Off-line total coverage: 3,500,000</td>
<td>2.3 billion PR Global Audience</td>
</tr>
</tbody>
</table>

## 5.8. Social Media

- During 2018, through all the Facebook pages of the company, more than 1.3 billion users were achieved in this channel.
- The Global fan base of the company has more than 6.6 millions of fans. With Facebook being the strongest channel with 5.2 million followers, but Instagram has the highest growth (108%).
- Collaborations with more than 200 influencers, which translates to a potential reach of 210 million people.
- The most relevant audience markets are: Spain, United States, Indonesia and United Kingdom.
- Meliá Hotels & Resorts is the Brand with the fastest community growth. During 2018, MHR added more than 156k followers to its channels.
- Melia.com traffic is above the 13% of traffic. Regions like EMEA, reach even more (15%) of the traffic to the web guided through social media channels.
- Summing up all the Youtube channels, more than 138,000 hours of video have been reproduced, which is equivalent to 826 weeks of reproduction.
- In the Chinese market, the Company has profiles dedicated to its principal channels, Weibo & WeChat, with more than 70,000 followers.

*2018 Data*
5.9. Development
Our plans for the future

Selective growth plan

We are on track to consolidate our presence in key markets and strengthen our internationalisation process, empowering our brand awareness and the prestige of Meliá Hotels International.

- Foster sustainable growth in leisure and urban leisure destinations and consolidate presence in urban destinations
- Look for quality growth with first-level partners
- Ensure a sound balance between risk and profit growth
- Reposition mature assets in leisure destinations, following our successful case study in Calvià, Mallorca
5.9. Development
Case Studies

Transformation and innovation: Calvià Beach

Meliá Hotels International has driven a regeneration project in Magaluf, Mallorca, to transform the area into a leading tourism destination.


The Calvià Beach development has promoted sustainable socioeconomic growth for the area through:

• Updating and innovating the hotel product
• Improving the quality of hotels through prices and occupancy
• Attracting new guest segments and markets
• Promoting complementary shopping and leisure opportunities that fit the new destination, with innovative and well-known brands
• Promoting a clear long-term strategy
• Adapting the infrastructure and comprehensive urban planning
• Bringing the development into line with the new tourism model
• Consolidating an urban management mode

* CAGR - Compound Annual Growth Rate

|------------------------------------------------------|

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2011-2015 CAGR (M€)</th>
<th>2014-2017 CAGR (M€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room revenues</td>
<td>+14.45%</td>
<td>+33.21%</td>
</tr>
<tr>
<td>F&amp;B revenues</td>
<td>+11.07%</td>
<td>+7.46%</td>
</tr>
<tr>
<td>Room nights</td>
<td>+13.72%</td>
<td>+8.23%</td>
</tr>
<tr>
<td>NPS</td>
<td>+12.93%</td>
<td>+9.23%</td>
</tr>
<tr>
<td>Jobs created</td>
<td>+1.44%</td>
<td>+22.84%</td>
</tr>
<tr>
<td>SEASON extension</td>
<td>+22.84%</td>
<td>+8.23%</td>
</tr>
<tr>
<td>Room nights</td>
<td>+13.72%</td>
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* CAGR - Compound Annual Growth Rate
5.9. Development

Case Studies

Rebrandings

ME Ibiza: 205 rooms

SOL → ME

Last year before refurbishment (2013) vs first year after (2014)
- OCC: +0%
- ADR: +186%
- RevPar: +187%

Last year before refurbishment (2013) vs 2017
- OCC: -9%
- ADR: +322%
- RevPar: +275%

Meliá Cala Galdana: 340 rooms

SOL → MELIÁ

Last year before refurbishment (2014) vs first year after (2016)
- OCC: +2%
- ADR: +40%
- RevPar: +24%

Last year before refurbishment (2014) vs 2017
- OCC: 3%
- ADR: +52%
- RevPar: +38%
5.9. Development

Case Studies

**Rebrandings**

- **INNSIDE Palma Bosque**: 262 rooms
    - OCC: +0%
    - ADR: +83%
    - RevPar: +86%

- **GRAN MELIÁ Palacio de los Duques**: 180 rooms
  - Last year before refurbishment (2014) vs first year after (2017)
    - OCC: -24%
    - ADR: +270%
    - RevPar: +147%
5.9. Development
Our Projects

Some of our latest openings

- ME Sitges
  Spain
- MELIÁ Shanghai Hongqiao
  China
- MELIÁ Desert Palm
  UAE
- GRAN MELIÁ Iguazu
  Argentina
- INNSIDE Yogyakarta
  Indonesia
- SOL Beach House Fuerteventura
  Spain
- SOL House Bali Legian
  Indonesia

Coming soon projects

- ME Doha
  Qatar
- MELIÁ Xueye Lake
  China
- ME Dubai
  UAE
- MELIÁ Cam Ranh Bay
  Vietnam
5.9. Development
Pipeline. Spreading leisure to the whole world.

**Europe**
- Strengthen the presence in the main cities.
- Grow in present markets such as the United Kingdom, Germany, France or Italy.
- Consolidate the presence in Spain and the leisure segment such as Italy, Greece, the Balkans & others.

**America**
- Consolidate the presence of Meliá Hotels International in the main tourist destinations.
- Diversify and grow on the islands of the Anglo-Saxon Caribbean and boost the growth in the Latin Caribbean.
- Expand the presence in the United States.

**Asia**
- Promote growth in Asia Pacific and China.
- Grow in the main business and leisure destinations.

**Middle East & Africa**
Increase our presence in the countries of the region.
Development Department
development@melia.com

Europe
Gremi Boters, 24
07009 Palma de Mallorca, Spain
T. +34 971 22 44 00

Middle East
Juneizah Lakes Towers - Cluster I
Platinum Tower Office 3205, P.O. 116656
Dubai, UAE
T. +971(0)44202054

Asia
Unit 2-3, 34FL JinMao Tower Building,
88 Century Avenue, Pudong
Shanghai 200120, China
T. +86 21 33 820 800

Suite M01, Equity Tower, 37th Floor
Sudirman Central Business District (SCBD) Lot 9
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190, Indonesia
+62 21 5080 4500
16, Jalan Imbi
55100 Kuala Lumpur, Malaysia
T. +603 2785 2828

Latin America and United States
800 Brickell Ave. Suite 1000
33131 Miami, Fl, USA
T. +1 305 767 8149