Finding the perfect balance between business and leisure
Leisure at heart, business in mind

Sixty years ago, when I founded what is now called Meliá Hotels International, I was unaware of the magnitude of the path I was setting out on, but I was absolutely certain that I wanted to make a major contribution to developing Spain’s incipient tourism industry and thus make a positive social and economic impact in the community. Today we would call this impact “the creation of shared value”.

Our Group has progressed from having a small leased hotel in the city of Palma to a portfolio comprising 393 hotels and a presence in 43 countries. Since the first day, we’ve known how to build a successful business based on our way of understanding and experiencing leisure.

So we’ve gone from being a modest “start-up” – a term that was not used in the ‘50s – to a multinational with more than 44,500 employees, and turnover of around 1.8 billion euros that generates profits of 102.9 million euros for its shareholders.

Leisure and business, two opposites in perfect balance. That’s our secret.

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

Gabriel Escarrer Juliá, Founder

Discover Meliá Hotels International

Throughout its 60-year history, Meliá Hotels International has been firmly committed to international development. This has enabled us to position ourselves as the leading hotel company in Spain, with a presence in key emerging markets such as China, southeast Asia, the Arabian Gulf and the United States, while maintaining our leadership in traditional markets such as Europe, Latin America and the Caribbean.

Our consolidated experience and expertise in leisure mean that we can offer comprehensive service based on excellence and quality. We achieve this through our portfolio of solid, consistent brands that generate clear value for hotel owners to optimise their investment while offering our guests unique experiences.

And this happens because we are motivated by people wanting to enjoy themselves and by finding pleasure in responsibility, because leisure is a way of looking at life that leads to a more human way of doing things.

Meliá Hotels International is a friendly, accessible company. Our employees provide personalised attention to investors and promoters to define the hotel product that best fits each project. Meliá Hotels International offers all the services you need, from the most basic design conceptualization to operational, commercial and sales strategies, to position your asset at the most profitable end of the scale.

SOME AWARDS

- Leading Company with the Best Corporate Reputation in the tourism sector. Merco Empresas Tourism Sector Ranking 2017
- Leading Sustainability Company. Global ESG Leaders Awards
- Latin American Award for Corporate Responsibility. Foro Ecuménico Social Awards
- Europe’s Leading Corporate Hotel Brand 2017. World Travel Awards 2017
- Best Luxury Leisure Hotel Group in the World. Leisure Lifestyle Awards 2017
- Gabriel Escarrer Julí, Honorary Ambassador of the Spain Brand. Spanish Leading Brands Forum 2017
- Gabriel Escarrer Jaume, ESG Leader of the Year. Global ESG Leaders Awards
- Best International Hotel Chain in Innovation. Innovation Award Agora Next 2017
- Most attractive Hotel Chain to work for in Spain. Randstad Employer Brand Research
- Best International Strategy. Actualidad Económica Awards 2017

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>767,135</td>
<td>5,174</td>
</tr>
<tr>
<td>2</td>
<td>Accor</td>
<td>583,161</td>
<td>4,144</td>
</tr>
<tr>
<td>3</td>
<td>Meliá Hotels Int.</td>
<td>96,355</td>
<td>376</td>
</tr>
<tr>
<td>4</td>
<td>Whitbread</td>
<td>69,645</td>
<td>752</td>
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<tr>
<td>5</td>
<td>NH Hoteles</td>
<td>58,472</td>
<td>379</td>
</tr>
</tbody>
</table>

AT A GLANCE

- Meliá recently joined the Ibex35 Index (since 8th August 2016) after 13 years listed in the Ibex Medium Cap.
- Market cap(1): 2,610.54 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

(1) More than 40 countries including pipeline
(2) Hotels Magazine August 2017 based on data as of 31st December, 2016.
(3) Market Cap: 7th November 2017 (€11.37)
Meliá Hotels International

Pillars

WARMTH & CONVIVIALITY

MEDITERRANEAN HOSPITALITY
Leveraging the culture of the Mediterranean, helped by its Spanish heritage, Meliá Hotels International maintains relationships internally and externally in a warm, personable manner.

BALANCED CULTURE
When defining its corporate culture, it takes inspiration primarily from its hotel culture, rather than its corporate office, meaning the culture mixes fun with professionalism, and balances casualness with formality.

GUEST-CENTERED
While Meliá Hotels International operates across a number of different stakeholders, it always bears in mind its core reason to exist: to give its guests incredible experiences.

LITTLE EXTRAS

PERSONAL EXTRAS
With its optimal size, Meliá Hotels International is able to stand out among its larger competitors in offering personal touches and extras across all its stakeholder relationships.

INTIMATE CONNECTIONS
Being a family-run public company, Meliá Hotels International is able to have dialogues with corporate partners through the family owners of the company.

HOTELIER HERITAGE
Meliá Hotels International has always been, and always will be, a hotelier, affording it a natural sense of how to excel in the hotel industry.

CARING & NURTURING

CAREFUL MANAGEMENT
Meliá Hotels International’s size – an ideal balance between large and small scale – ensures the company can maintain personal relationships while taking a close and careful approach to its asset management.

PART OF THE FAMILY
Meliá Hotels International takes care of its employees – demonstrated by its outstanding record of employee development and retention.

SOCIALLY COMMITTED
The company is dedicated to a range of social and environmental responsibilities.

LITTLE EXTRAS INNOVATION

CUMBERLAND DRIVER
CUMBERLAND DRIVER

CUMBERLAND DRIVER
CUMBERLAND DRIVER

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CUMBERLAND DRIVER

ALWAYS IMPROVING
With an eye on the future, Meliá Hotels International continually reinvents itself, technologically or otherwise, in order to remain ahead of competitors.

GLOBAL PIONEER
Over the years, the company has increased its stability by gradually expanding into new markets and territories – particularly into urban centres and emerging markets.

CUSTOMER INNOVATION
From its loyalty programme to its development strategy, and across its talent and leadership, Meliá Hotels International has continually sought out new ways to optimise while delivering greater value to customers.
History of Meliá Hotels International

LEADING FROM LEISURE SINCE 1956

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

1950s
First resort in Mallorca (Spain)

1960s
Development in Balearic Islands

1966
Escarrer establishes Hoteles Mallorquines to consolidate his different assets

1970s
Expansion into other major Spanish resort destinations

1980s
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

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

2000
Acquisition of the TRYP Hotel chain

2004
Launch of the Vacation Club

2005
Launch of ME by Meliá, the most avant-garde brand in the portfolio

2006
Approval of a Global Sustainability Policy and inclusion in the FTSE4Good Ibex

2007
Launch of the SAVE project to fight climate change

2008
Launch of the Sensitive project

2009
25th anniversary of MHI’s presence in Cuba

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

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

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
Meliá is present in 43 countries in 4 continents for the first time

>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

BUSINESS

DEVELOPMENT
Current Portfolio

**AMERICAS**
- Countries: 18
  - Operative: 14
- Hotels: 92
  - Operative: 70
  - Pipeline: 22

**EMEA**
- Countries: 25
  - Operative: 14
- Hotels: 111
  - Operative: 84
  - Pipeline: 27

**ASIA**
- Countries: 9
  - Operative: 6
- Hotels: 44
  - Operative: 18
  - Pipeline: 26

**SPAIN**
- Cities: 66
- Hotels: 145
  - Operative: 142
  - Pipeline: 3

*Including Spain.

**PIPELINE**
Including Pipeline by October 2017

**TOTAL SHARE**
- AMERICAS: 24%
- EMEA: 65%
- ASIA: 11%
SEGMENTATION · BRAND*

- **UPSCALE**
  - Meliá Hotels & Resorts: 37%
  - ME by Meliá: 5%
  - Paradisus: 4%

- **PREMIUM**
  - Gran Meliá: 12%
  - ME by Meliá: 3%

- **MIDSIZE**
  - TRYP: 22%
  - Sol: 17%

- **OPERATING PROFIT CONTRIBUTION**
  - Americas: 44%
  - Asia: 1%
  - EMEA: 15%
  - Spain: 40%

- **SEGMENTATION · LEGAL STRUCTURE**
  - 46% Managed
  - 28% Leased
  - 10% Franchised
  - 16% Owned

*Including Pipeline at October 2017
STRENGTH AND DIVERSITY OF OUR BRANDS

Our expertise in leisure is integrated throughout our six distinct brands. Each one has found a balance of mind and heart to reflect the values of Meliá Hotels International.

The six brands are 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.
Your invitation into Spanish luxury

GRAN MELIÁ
HOTELS & RESORTS

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.

DEFINING ATTRIBUTES
- Spanish Gravitas
- Sense of Personal Space
- Refined Lifestyle Details
- Forefront Luxury

GRAN MELIÁ DE MAR
| SPAIN
GRAN MELIÁ COLÓN
| SPAIN
GRAN MELIÁ PALACIO DE LOS DUQUES
| SPAIN

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

COMPETITIVE SET
Rosewood
Park Hyatt
JW Marriott
Four Seasons
St. Regis

SOME OF OUR RECENT AWARDS
More than 50 awards in the last years, including Best City Resort in China for Gran Meliá Xian; Best City Hotel in the world for Gran Meliá Jakarta; Travelling Scape Award in 2015 for Gran Meliá Xian as the Best Destination City Resort in China; Europe’s Condé Nast 2013 and 2014 Gold Distinction; and Condé Nast Host List for Product and Condé Nast Traveler 2015 for Gran Meliá Rome as the World’s Best Urban Hotel.

GUEST NATIONALITIES

UNITED KINGDOM: 23%
SPAIN: 14%
UNITED STATES: 8%
GERMANY: 6%
FRANCE: 4%
VENEZUELA: 4%
SWITZERLAND: 3%
RUSSIAN FED.: 2%
KOREA, REPUBLIC OF: 2%
ITALY: 2%
* OTHERS: 31%

REVENUE SEGMENTATION

DIRECT SALES: 40%
LEISURE: 22%
E-COMMERCE: 23%
BUSINESS TRAVEL: 8%
MEETINGS & EVENTS: 7%

NUMBER OF CUSTOMERS: 1,070,002
PIPELINE ROOMS: 1,280
NUMBER OF HOTELS: 12
COUNTRIES: 6
NUMBER OF ROOMS: 3,570
DIRECT SALES: 40%
LEISURE: 22%
E-COMMERCE: 23%
BUSINESS TRAVEL: 8%
MEETINGS & EVENTS: 7%
* OTHERS: 31%

UNITED KINGDOM: 23%
UNITED STATES: 14%
GERMANY: 8%
FRANCE: 6%
VENEZUELA: 4%
SWITZERLAND: 4%
RUSSIAN FED.: 2%
KOREA, REPUBLIC OF: 2%
ITALY: 2%
* OTHERS: 31%
ME
BY MELIA

A collection of Luxury Hotels inspired by the contemporary European lifestyle.

Brand Purpose

Innately stylish design hotels that instinctively deliver personal, meaningful and aspirational experiences wherever the stylish urbanite travels.

ME acts as a conduit to contemporary culture through the lens of the ME brand’s refined and approachable personality.

Distinguishing Factors

- The Insider friend
- Just for you
- Daring and Surprising
- Scene leaders

Brand Expressions

- The Aura of ME
- Service Culture
- ME+
- Art & Design
- Food & Beverage Social Epicenters
- Cultural Program
- L.E.G.S. (MICE program)

Competitive set

1 HOTEL | EDITION | W HOTELS
SLS HOTELS | ANDAZ | MONDRIAN SOUTHBEACH

Some of our recent awards

15 awards in the last year, including Best City Hotel, Favorite Urban Hotel, Best Wow Effect for a Luxury Hotel, Modern Luxury Hotel of the Year, Stylish Luxury Hotel of the Year 2017, Best Hotel Bar and 2016 London Bar of the Year for ME London; Project of the Future for ME Dubai; Best Hotel Breakfast in Europe for ME Ibiza; Best Hotel State of the Year and the Best 5 Star Hotel in Northern Italy for ME Milan; Quality Service, Product International Awards for ME Cabo.

Revenue segmentation

| LEISURE | 11% |
| DIRECT SALES | 38% |
| E-COMMERCE | 33% |
| BUSINESS TRAVEL | 7% |
| MEETINGS & EVENTS | 10% |

Guest nationalities

- United States 26%
- UK 21%
- Spain 8%
- Italy 6%
- Germany 5%
- France 3%
- Switzerland 3%
- Mexico 2%
- Belgium 2%
- Netherlands 2%
- Rest: 22%

October 2017 Portfolio
Brand Purpose

Set against the most renowned and emergent resort hot spots around the world, Paradisus transports guests into a paradise that reflects the natural beauty of its destination. Mindful of its presence within nature, Paradisus 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.

Distinguishing Factors

- Sensitive to place
- A natural retreat
- Engineering Togetherness
- Quietly Modern

Brand Expressions

- Royal Service & Family Concierge
- Organic Eco Chic Design
- Multigenerational Experiences
- Authentic & Sustainable Gastronomy
- Wellness
- Retail & Merchandising
- Corporate Responsibility

Competitive set

SECRETS | DREAMS | HYATT (Zilara, Ziva)

Some of our recent awards

World luxury restaurant Awards:
- Continent winner: North America Best Head Chef: Passion by Martin Berasategui - Paradisus Playa del Carmen

World luxury spa awards:
- Continent winners (North America): YHI Spa at Paradisus Palma Real (Best Spa Manager & Luxury Golf Resort Spa)
- Regional winners (Latin America): YHI Spa at Paradisus Playa del Carmen La Perla (Luxury Resort Spa)

World travel awards:
- Mexico & Central America’s Leading Green Hotel 2017 - Paradisus Playa del Carmen

World luxury hotel awards:
- Luxury Eco/Green Hotel (Continent Winner) - Paradisus Playa del Carmen
- Luxury Family All-Inclusive Hotel (México) - Paradisus Playa del Carmen

Revenue segmentation

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leisure</td>
<td>26%</td>
</tr>
<tr>
<td>Direct Sales</td>
<td>37%</td>
</tr>
<tr>
<td>E-Commerce</td>
<td>18%</td>
</tr>
<tr>
<td>Business Travel MEETINGS &amp; EVENTS</td>
<td>5%</td>
</tr>
<tr>
<td>15%</td>
<td></td>
</tr>
</tbody>
</table>

Guest nationalities

- USA 49%
- Canada 7%
- Mexico 6%
- Argentina 4%
- Spain 3%
- UK 3%
- Chile 3%
- France 3%
- Russia 2%
- Brazil 2%
- Others 17%

Guest nationalities

- USA 49%
- Canada 7%
- Mexico 6%
- Argentina 4%
- Spain 3%
- UK 3%
- Chile 3%
- France 3%
- Russia 2%
- Brazil 2%
- Others 17%
Brand Purpose

Reliable, trustworthy and familiar international flagship hotels with a distinctive passion for service and the wellbeing of its guests.

Distinguishing factors

- Warm Spanish hospitality
- Focus on customer wellbeing
- Thoughtful, added value extras
- New hospitality experiences

Brand expressions

- Service culture
- Room experience
- Gastronomic experiences
- The Level
- Power Meetings
- Energy for life activities
- Phi Spa and wellness
- Romance
- Kids programme
- Sanctuary

Competitive set

<table>
<thead>
<tr>
<th>Hilton</th>
<th>Marriott</th>
<th>Hyatt</th>
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<tr>
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<td>3102</td>
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<tr>
<td>64%</td>
<td>66%</td>
<td>66%</td>
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<tr>
<td>Spain</td>
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</table>

Revenue segmentation

<table>
<thead>
<tr>
<th>Segment</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Direct sales</td>
<td>29%</td>
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<tr>
<td>E-commerce</td>
<td>21%</td>
</tr>
<tr>
<td>Leisure</td>
<td>26%</td>
</tr>
<tr>
<td>Business travel</td>
<td>12%</td>
</tr>
<tr>
<td>Meetings &amp; events</td>
<td>8%</td>
</tr>
</tbody>
</table>

Guest nationalities

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>17%</td>
</tr>
<tr>
<td>United States</td>
<td>14%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>11%</td>
</tr>
<tr>
<td>Germany</td>
<td>7%</td>
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<tr>
<td>France</td>
<td>5%</td>
</tr>
<tr>
<td>Italy</td>
<td>4%</td>
</tr>
<tr>
<td>Brazil</td>
<td>3%</td>
</tr>
<tr>
<td>Argentina</td>
<td>3%</td>
</tr>
<tr>
<td>Mexico</td>
<td>3%</td>
</tr>
<tr>
<td>Canada</td>
<td>2%</td>
</tr>
<tr>
<td>Rest</td>
<td>29%</td>
</tr>
</tbody>
</table>

Some of our recent awards

- GREEN HOTEL AWARD: Meliá Purosani
- AFRICA & MIDDLE EAST AWARDS 2017: Luxury Hotel of the Year – Melia Dubai
- CVENT LISTS: TOP 10 Meeting Hotels in EMEA – Meliá Castilla

WORLD TRAVEL AWARDS:
- Venezuela’s Leading Business Hotel 2017: Meliá Caracas
- Spain’s Leading All-inclusive Resort 2017: Meliá Cala d’Or Boutique Hotel
- Panama’s Leading Resort 2017: Meliá Panama Canal
- Caribbean’s Leading Luxury Resort 2017: Melia Braco Village
Brand Purpose

Eclectic boutique hotels for Work Trippers, offering switched-on service, vibrant locations, a taste of the unexpected and value for money: Blurring the boundaries between work and play, with European design-led environments that weave a taste of the unexpected. Spaces that stimulate business conversations and facilitate social experiences, with little extras to make life more comfortable.

Distinguishing Factors

- Social Openness
- Knowing You
- Generous Surprises
- Defining Bleisure

Compset

Pullman – HYATT Centric – Aloft - INDIGO - CITIZENM

Some of our recent awards

INNSIDE by Meliá
Midscale Hotel Brand
Nominated - announced January 2017
Business Travel Awards - UK

INNSIDE Dresden/Twist Bar
Winner: Hotel Bar of the Year
Falstaff Award Hotel Bar of the Year
Germany

INNSIDE Dresden/Twist Bar
2nd place at Best East German Cocktail Mixer
East German cocktail championships
Germany

INNSIDE New York Nomad
WORLD TRAVEL AWARDS
United States’ Leading Hotel 2017

Brand Expressions

- Service culture
- Urban Lifestyle Hotels
- Open Living Lounge
- Super Room Experience
- Pick Mix Match
- Free Refreshing Refreshments
- Big Idea Space
- Your fit time. InFit

Guest Nationalities

Germany 45%
UK 10%
USA 14%
Spain 6%
Switzerland 2%
France 2%
Italy 2%
Netherlands 1%
Sweden 1%
Austria 1%
Rest 14%

HOTELS: 20
Urban 100%
Rooms: 15
Pipeline rooms 2,826
Countries 6
Customers/Year 991,678

Channels

E-commerce 36%
Direct sales 37%
Business travel 17%
Meetings & events 8%
Leisure 2%

October 2017 Portfolio
Brand Purpose
Through its portfolio of brands, Sol by Meliá offers modern, sun-based resorts, characterised by quality service and a friendly atmosphere for every generation at an accessible price point.

Revenue Segmentation
- Leisure: 54%
- Direct Sales: 23%
- E-Commerce: 21%
- Business Travel: 2%
- Meetings & Events: 1%

Distinguishing Factors
- Inclusive Sol Community
- Always Enthusiastic
- Simple Surprises
- Evolving Customer Needs

Competitive Set
4 Points Iberostar | Barceló | H10 | Fiesta

Some of our recent awards
More than 70 industry awards in the last 18 months, including Thomas Cook and Tea Tours’ Distinctions, THK Platinum Medal, and several Croatian Camping Union Distinctions as Croatia’s best campsites.


Thanks to our unique Sol Katmandu, we also won “Best Innovation in Service” at the European Hospitality Awards, and were selected as one of the best 100 business ideas of 2016 (Actualidad Económica Magazine).

Guest Nationalities
- UK: 31%
- France: 5%
- Netherlands: 3%
- Argentina: 3%
- Ireland: 4%
- Italy: 7%
- Germany: 7%
- Spain: 14%
- Russian Fed.: 3%
- Rest: 21%
- Belgium: 2%

October 2017 Portfolio
What else does Meliá Hotels International have to offer?

The result of striking the perfect balance between business and pleasure.

1. MANAGEMENT SYSTEM
   - Service vocation

2. DISTRIBUTION & SALES
   - A Regional model with a global reach

3. LOYALTY
   - Our customer is our most valuable asset

4. MARKETING
   - From global brand strategy to local hotel actions

5. HOTEL OPERATIONS
   - Key business units in its hotels

6. DESIGN & CONSTRUCTION
   - Tailor-made solutions to create unique hotels

7. MEETINGS & EVENTS
   - Personalized and professional service

8. HR
   - Empowered by our people

9. OWNERS’ RELATIONS
   - Ongoing support for long-term relationship

10. PRE-OPENING PROCESS
    - Process with a clear strategy and long-term vision

11. RESPONSIBLE BUSINESS APPROACH AND INNOVATIONS
    - Sustainable creation of economic value

12. HBS TECHNOLOGY
    - Ongoing support for long-term relationship

1. MANAGEMENT SYSTEM: SERVICE VOCATION

Our know-how is based on offering global services to owners: from operations to all other areas to add value for our investors.

**BUSINESS MANAGEMENT**
- Development
- Risk management
- Asset management
- Construction and refurbishment of hotels
- Regulatory compliance
- Knowledge management
- Pre-openings
- Disaffiliations
- Relations with stakeholders
- CRM and Loyalty
- Human Resources
- Financial
- IT
- Purchasing
- Legal
- Internal audit

**DEVELOPMENT**
- Development
- Construction and refurbishment of hotels
- Disaffiliations

**MARKETING**
- Market intelligence
- Sales and Distribution
- CRM and Loyalty

**OPERATIONS**
- Rooms
- Food and Beverages
- Administration
- Maintenance

**SUPPORT**
- Asset management
- Knowledge management
- Corporate communications

FROM A GLOBAL PERSPECTIVE TO LOCAL REALITIES
OUR CORPORATE OFFICES

GOAL: ACHIEVE OWNER SATISFACTION AND MEET PROPERTIES’ NEEDS WHILE MAXIMISING THEIR PERFORMANCE
2. DISTRIBUTION & SALES: A REGIONAL MODEL WITH A GLOBAL REACH

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 the technological evolution in the industry
• Optimise customer relationships
• Boost satisfaction
• Maximise hotel profitability
• Increase sales through the company’s own digital channels

TRACK RECORD: MELIÁ SYSTEM

Every year, we generate more than 29% of our sales through the Meliá system with our own distribution channels, call centres, melia.com website, and through our dedicated loyalty programme.

MELIA.COM FACTS

• New melia.com webpage with the following capabilities:
  • Personalized, predictive campaigns in real time
  • Responsive webpage available on any device
  • Content and language version scalability
  • More than 65M sessions per year
  • Average Room Rates with a 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.

SALES NETWORK

The MHI sales model is based on three levels: a Global structure where the main guidelines and the strategy are established for each business segment together with the second level of the organisation: The Regions. In each Region, we do have a dedicated sales team for each segment: direct client, e-commerce, leisure, corporate and meetings & events. The third level is the hotel sales teams.

LOCALISATION OF SALES AND GROUP OFFICES

SALES STRENGTH

• Global agreements with Key Global Accounts for the whole portfolio of MHI
• Dedicated Global Account Managers
• Launch of a new B2B strategy supported by the digital transformation of the sales teams
• New meliapro.com site that allow us to drive customer reservations through our own channels in the: travel agencies, corporations, meetings & events and wholesalers. This helps to reduce our distribution costs
• Update of the loyalty programme for professionals: Melia Pro Rewards, with better and extended benefits

MEET THE NEW MELIA.COM
3. LOYALTY: OUR CUSTOMER IS OUR MOST VALUABLE ASSET

We understand leisure as an attitude towards life. It’s what we carry inside us and what we want to communicate to our clients, since they’re the most important part of our day-to-day.

That’s why our loyalty programme, Meliá Rewards, is one of the main pillars of the company. It has over nine million members who collect points for each and every one of their stays that they can exchange for free nights in hotels and many other benefits. The Meliá Rewards scheme has four levels: Meliá Rewards White, Silver, Gold and Platinum. It has more than 35 partners worldwide in different sectors, where Meliá Rewards cardholders can transfer and swap their points.

SALES SEGMENTATION TOWARDS A MORE DIRECT CHANNEL STRATEGY

REAL 2017

BY REGION

AMERICAS

SPANISH

EMEA

MELIAREWARDS FACTS

- 29.17 million clients in our CRM database
- 8.8 million Meliá Rewards cardholders worldwide
- 75% international members
- 853 million euros a year of associated production (1)
- 359 million euros from Direct Clients through company’s direct channels (93% of the total sales through the company’s direct channels)
- 12% more expenditure at the hotel than non-loyal guests
- 48% of the total room+board income

* End September 2017 data
(1) End July 2017 data
4. MARKETING: FROM GLOBAL BRAND STRATEGY TO LOCAL HOTEL ACTION

We want to build a world where there’s always a place for leisure. That’s why at Meliá Hotels International, we advertise our products in travel and lifestyle magazines targeting different markets like the US, Spain, the UK, Germany, Russia, Benelux, China, Vietnam, Brazil, Indonesia, Canada, and others.

<table>
<thead>
<tr>
<th>TRADE FAIRS</th>
<th>ADVERTISING &amp; PROMOTIONS</th>
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<tbody>
<tr>
<td>PARTICIPATION IN</td>
<td>B2C AND B2B CHANNELS</td>
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<tr>
<td>Fairs</td>
<td>ADVERTISING AGENCIES AROUND THE WORLD</td>
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<td>18</td>
<td>PR</td>
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<td>SPONSORSHIPS</td>
<td>PR GLOBAL AUDIENCE OF OVER 7 BILLION</td>
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<tr>
<td>3,500,000</td>
<td>2017 DATA</td>
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5. BEST IN CLASS LIFESTYLE FACILITIES: F&B, SPA AND WELLNESS

Leisure is what defines us, but business is always on our minds. Striving to find that balance is what marks our path. That’s why Meliá Hotels International offers the best experience and facilities to combine business and leisure in the same place.

INNOVATIVE F&B

At Meliá Hotels International, we are forward thinking, experienced and knowledgeable, striving always to excel in our F&B proposals. We operate stylish and contemporary signature restaurants, all-day dining venues, bars, Beach Clubs, rooftop terraces and banqueting facilities that stimulate the senses, creating tailor-made gastronomic offering by brand for both leisure and business clients.

We strongly believe in investing in F&B experiences at Meliá Hotels International, so we strive to be ahead of cuisine trends by carefully selecting our partners, restaurant groups, Celebrity Chefs & Mixologists and creating our own library of about 50 F&B concepts, each of them thought out for a specific hotel brand.

SOcial MEDIA

<table>
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<th>SOCIAL MEDIA</th>
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<tr>
<td>MELIÁ Hotels International</td>
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<tr>
<td>Gran Meliá Palacio de los Duques</td>
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<tr>
<td>Innside Palma Bosque</td>
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<tr>
<td>MELIÁ</td>
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<td>Dos Cielos</td>
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<td>Alevante</td>
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<td>September 2017 Data</td>
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<th>FANBASE</th>
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<td>151,286</td>
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</table>
Our award-winning chefs and world-renowned partners are an invaluable asset when it comes to attracting new guests and retaining our current guests.

**CELEBRITY CHEFS**

- **Dry by Javier de las Muelas**
  - Gran Meliá Fenix (Spain)
  - ME London (UK)

- **Alevante by Ángel León**
  - ME Madrid (Spain)

- **Dos Cielos (Hermanos Torres)**
  - ME Sky Barcelona (Spain)

- **Passion by Martín Berasategui**
  - Paradisus Palma Real Golf & Spa Resort (Dominican Rep.)

- **Ana La Santa (Grupo Tragaluz)**
  - ME London (UK)
  - ME Mallorca (Spain)

- **ME Cabo (Mexico)**

- **Paradisus Punta Cana**
  - Dominican Republic

- **Gran Meliá Don Pepe (Spain)**

- **Nikki Beach**
  - ME Mallorca (Spain)

- **Blue Marlin Ibiza**
  - ME Cabo (Mexico)

- **YHI SPA at Paradisus Punta Cana**
  - Dominican Republic

- **Gran Meliá Palacio del Isora**
  - Spain

**SIGNATURE RESTAURANTS**

- **STK London (The One Group)**
  - ME London (UK)

- **Ana La Santa (Grupo Tragaluz)**
  - ME Madrid (Spain)

- **YHI Spa at Paradisus Punta Cana**
  - Dominican Republic

- **Gran Meliá Palacio del Isora**
  - Spain

**SPAS**

We indulge our guests, pampering the senses in a purifying experience that promises regeneration, balance and harmony.

We operate 53 SPAs in the world with an average revenue of €334,057 and an average GOP of €177,078, which represents approximately 53% of the GOP.

17 are in our Premium brands, 32 in the Upscale and 4 in the Midscale.

We have a presence in 18 countries: Morocco, Tanzania, Cape Verde, Argentina, Colombia, Dominican Republic, Jamaica, Mexico, Puerto Rico, Venezuela, Brazil, China, Indonesia, Thailand, Vietnam, Dubai, Spain and Italy.
6. GLOBAL TECHNICAL SERVICES: 60 YEARS OF DESIGN AND CONSTRUCTION EXPERTISE

Our Global Technical Services team has the expertise to adjust the design and construction of each hotel to the attributes and standards of each of our brands and the specifications of each location.

We have a solid capacity to provide feedback on both the design and the construction phases in a continual improvement process, with the aim of ensuring an optimum quality/cost ratio per sqm in the construction phase, significantly contributing to optimising the operating costs for each hotel and increasing its efficiency.

The Global Technical Services department will work to plan, design, build and identify furniture and equipment for each individual hotel, complying with the quality standards of Meliá Hotels International and surpassing guests’ expectations.

Also, as experienced owners of some of our assets, we have developed a proactive management model to generate asset value for our portfolio, not only through hotel operations but also by managing real estate cycles with the goal of maximising the impact of all potential profit.

7. MEETINGS & EVENTS: PERSONALISED AND PROFESSIONAL APPROACH

We want leisure to be part of every day, in every context. That’s why the MICE segment is one of the company’s key strategic targets. We are developing several actions that will lift us to the leading position in areas such as:

- Integration of our central CRM system with the Group Management Systems of the hotels, allowing full connectivity with the RFPs generated on our own website, melia.com, and with and with the key global players
- New meliapro.com portal with full new interactive content in the Melia Pro Meetings & Events section
- Melia Pro Rewards: Meeting Planners’ loyalty program to satisfy the segment’s specific needs
- Full digital relationship model with our Meetings & Events customers to impact on the critical moments when decisions are taken
- The Melia Group Booking Tool, created for event attendees to make their reservations directly online
- Strong partnership with the key players in the Meetings & Events industry
- Innovative hotel brand concepts developed for Meetings & Events.

MICE FACTS

- Over 130 hotels and 50,000 hotel rooms specialised in MICE guests’ services
- Around 1,300 meeting rooms
- More than 180,000 sqm for meeting purposes
- Meeting packages programme at competitive rates across hotels
- A conversion rate of 20%, 5% above the industry average
- Major Convention & Congress Centres in main destinations

PALACIO DE CONGRESOS

The new conference centre of Palma de Mallorca, “Palacio de Congresos”, by the architect Francisco Mangado, obtained the Spanish Architecture Award 2017.

COMPETITIVE ADVANTAGES & MICE BRANDS

MHI improves its positioning through a strategy based on strong brands, a loyalty programme for each category of clients, a high degree of internationalisation, talent of the human teams, commercial network & distribution and sustainability.

Exceptional Events by Gran Meliá
- Well-designed Rooms & Suites
- Culinary Experience
- Groups Incentives
- Product Launches
- Upscale Conferences & Meetings

Meetings by Paradisus
- Royal Service & Only Adults – AI F&B Special Concepts
- Groups Incentives
- Product Launches
- Romance by Paradisus - Weddings

Big Ideas by INNSIDE
- Rooms with minimalist design
- Hi Tech & Designed Events
- Bleisure Hotels and locations
- Trendy F&B and Experiences
- Conferences and seminars

Power Meetings by Meliá
- The Level Lounge
- Culinary experiences
- Wellness & Beauty offers
- Special meetings & product launches
- All category of conference

LEGS by ME
- Launches, events, gatherings and socials
- Strategic cities worldwide
- Hi Tech Events
- F&B Trends
- Exclusive meetings and conferences
- The Aura Experience Management
8. HR: EMPOWERED BY OUR PEOPLE

We’re experts in finding the 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

• +44,000 employees of 142 different nationalities in 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 MHI (as per employees’ survey)
• +200 departmental managers ready to support the development and new openings process (Master Force Program).

HUMAN RESOURCES STRATEGY

CULTURE

• More than 44,000 employees acting as our Brand Ambassadors. They are our leading source of motivation and innovation

ORGANISATIONAL STRUCTURE

• Decentralised management model focused on our Business Units’ sustainability and efficiency of operations.

DEVELOPMENT OF INTERNAL TALENT

• Our managers participate in a mentoring programme aimed at expanding our talent development pool, backed by prestigious universities and business schools such as Cornell and ESADE.

DEVELOPMENT OF SKILLS AND ABILITIES

• Our team leaders’ requirements and our MHI values and competencies are studied, enhanced and encouraged year after year by our management and through various tools of empowerment.

9. OWNER RELATIONS: ONGOING SUPPORT FOR LONG-TERM RELATIONSHIPS

At Meliá Hotels International we put our heart in 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 maintains a close relationship with the owners, offering them a fair, objective and coherent vision of the business.

One of the main values of our company is innovation. That’s why proximity to our owners has been enhanced through 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

International
Portal

Content Key

Newsletter

Satisfaction Surveys

Regular Meetings and Specific Information

Global Scope

Regional Scope
10. HOSPITALITY MANAGEMENT SYSTEM BASED ON INVOLVEMENT AND CREATION OF SUSTAINABLE ECONOMIC VALUE WITH HIGH SOCIAL IMPACT

According to its 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 Meliá’s main objectives to strengthen its leading position in the tourism industry.

Meliá Hotels International follows the 10 Principles of the Global Compact established by the United Nations and integrated in a responsible hospitality model, together with the public commitments assumed by the Company to promote an active leadership in society and to structure its own Global Model of Corporate Responsibility. Furthermore, these principles which Meliá Hotels International has assumed since 2008, together with the Sustainable Development Goals (SDGs) promoted by the United Nations in 2015, allow the Company to contribute in this matter through added value to its Stakeholders.

This model of Corporate Responsibility designed by Meliá is focused on 4 basic principles which the Company aims to strengthen, together with its partners and owners, thereby playing a key role in an industry which is the driving force of economic and social development in the vast majority of countries throughout the world.

Working for a better world is one of our core principles.

1. ENVIRONMENT
2. EMPLOYABILITY
3. CHILDREN
4. REPUTATION

Meliá Hotels International considers its public commitments as real levers of value contribution for the owners of assets managed by the Company in an international context in which society and markets are demanding from companies clear and competitive advantage.

10. HOSPITALITY MANAGEMENT SYSTEM BASED ON INVOLVEMENT AND CREATION OF SUSTAINABLE ECONOMIC VALUE WITH HIGH SOCIAL IMPACT

Leading innovation in the Tourism Industry

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. Through this, we aim to become the preferred management option for hotel owners worldwide, and of course also for our loyal customers.

INNOVATIONS

ADAPTING TO NEW MARKETS

CHINESE SOURCE MARKET: Friendly Program Pengyou

• 80 hotels adapted to meet the demanding expectations of Chinese tourists

BLEISURE SEGMENT:

• Adapting to new trends mixing business and leisure purposes of travel

TECHNOLOGY

MELIÁ DIGITAL: Leading the evolution to optimise the customer relationship

• Digitalisation involves all the key areas of our value chain
• €100M investment of investment in technology, digital marketing and loyalty for the next three years
• In 2017, 37% of sales were made through MHI’s own digital channels

BRAND & PRODUCTS

THE REBIRTH OF SOL HOTELS: Enhancing the brand positioning in the midscale resort hotel.

With a leading role in the resort segment worldwide, Meliá Hotels International has relaunched the brand, Sol Hotels & Resorts, with four different concepts to meet the expectations of modern travellers. This has enhanced the value proposition and adapted it to an increasingly demanding and segmented customer base.

SOCIAL INTERACTION & GUEST EXPERIENCE

MOST INSTAGRAMMABLE RESTAURANT

Pez Playa’s jump into becoming the Most Instagrammable Restaurant has been about taking the best of Pez Playa’s gastronomic experience (a beautiful venue by the Mediterranean Sea serving exquisite dishes) and turning it into social content. For this purpose, a series of touchpoints were implemented in order to encourage clients to share their foodie pictures on Instagram: a complete guide to making the perfect “platocall”, instant prizes for those sharing pictures, as well as a big signpost with the brand hashtag.

They experienced an increase in their communities, growing 200% over the same period of 2016 and, most importantly, an increase of Pez Playa’s user generated content, one of the most valuable forms of earned media a brand can have. Web sessions derived from social traffic also increased 17% compared to the same period of 2016.
Transformation and Innovation: Calvià Beach case study

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

We are firmly committed to the transformation of Magaluf in the region of Calvià (Mallorca) based on developing a quality tourism product and growing a more diversified customer base. Through ongoing investment plans in Mallorca with support from the private and public sectors, we are working towards a new era of renovation, regeneration and repositioning. This will lead us to a new tourism model, change the perception of Magaluf by changing what it is known for and restore the destination to the position it deserves.

With our investors, we have already committed more than €150 million to the project over the past five years. We have worked together to achieve Magaluf’s regeneration goals to extend the season, attract families to the area and improve profitability, as well as modernizing and upgrading tourist facilities. As a result, there has been a real shift in tourist segmentation in Magaluf, with families outnumbering other segments, and an overall increase in revenues of 66% (48% increase in RevPAR). The season has been extended by 18% and jobs have increased by 27% within the project period.

Rebranding & Refurbishment

Rebranding:
Meliá Madrid Serrano
Real last year (2016) vs projection 1st year (2017)
347 rooms
OCC: +3%
ADR: +25%
RevPAR: +30%

Rebranding:
INNSIDE Palma Bosque
Real last year (2015) vs projection 1st year (2017)
262 rooms
OCC: +16%
ADR: +86%
RevPAR: +118%

Rebranding:
Gran Meliá Palacio de los Duques
Real last year (2014) vs projection 1st year (2017)
180 rooms
OCC: +32%
ADR: +270%
RevPAR: +150%

Generating social and economic value for society

Impact of Project (2015 vs 2011)

+66% Revenues
+175% Meliá.com Sales
+48% Increase in RevPAR
+25% Hotel Offer
+15% Room Offer

+88% Investment in training
+43% Social Costs
+42% Wealth Creation for Suppliers
+18% Season Extension
+36% Job Creation

...impact on the community

Social Cash Flow +92% (vs 2011)
Employers 24 M€
Public Administration 2 M€
Suppliers 30 M€

Reinvestment of Profits (Depreciation 190 M€) 16 M€

INCOME OUTGOINGS
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SPREADING LEISURE TO THE WHOLE WORLD
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