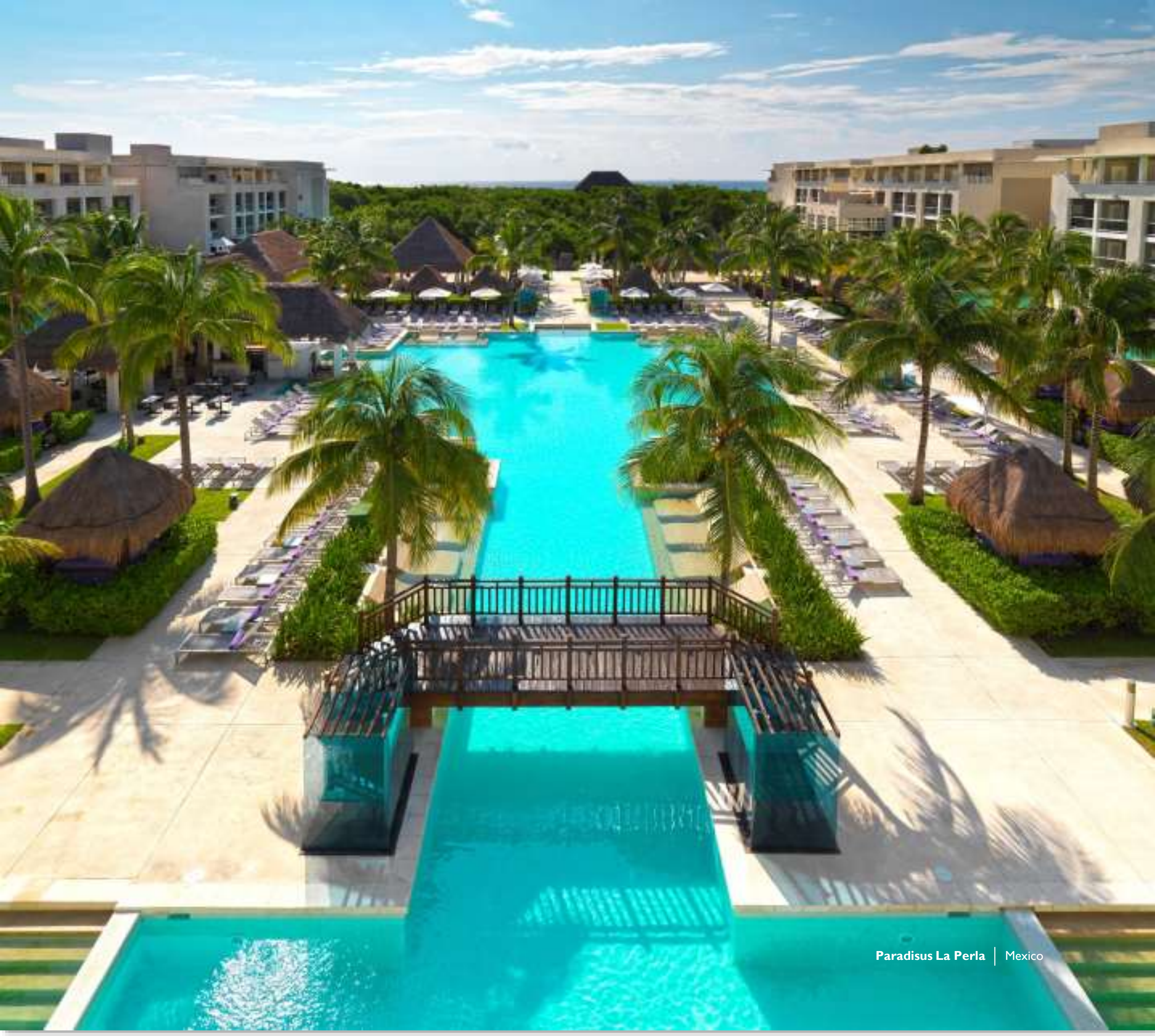

THIRD QUARTER RESULTS

2017

MELIÃ HOTELS INTERNATIONAL

P&L AND KEY INDICATORS SUMMARY			
(Million Euros)	Sep. 2017	Sep. 2016	% change
REVENUES	**1.458,2**	**1.388,4**	**5,0%**
Revenues ex asset rotation	**1.458,2**	**1.386,2**	**5,2%**
EBITDAR	393,8	366,8	7,3%
EBITDA	**254,6**	**238,3**	**6,9%**
EBITDA ex asset rotation	**254,6**	**236,2**	**7,8%**
EBIT	166,5	153,5	8,5%
TOTAL FINANCIAL PROFIT (LOSS)	-33,2	-27,5	20,7%
EARNINGS BEFORE TAXES	159,9	130,5	22,5%
NET PROFIT	**119,9**	**97,9**	**22,5%**
NET PROFIT ATTRIBUTABLE	113,7	92,2	23,3%
EPS (€)	0,49	0,40	23,3%
REVPAR Owned & Leased (€)	**87,5**	**82,5**	**6,1%**
REVPAR Owned, Leased & Managed (€)	**74,9**	**71,8**	**4,3%**
EBITDAR MARGIN (ex - capital gains)	27,0%	26,3%	69 bps
EBITDA MARGIN (ex - capital gains)	*17,5%*	*17,0%*	42 bps

Business performance

- Total revenues increased by +5.0% in the period vs 9M 2016 given the rise of RevPAR (+6.1%) fully explained by price hikes.
- EBITDA excluding capital gains rose by +7.8% vs 9M 2016.
- EPS for the period was €0.49 and increased by 23.3%.
- The different cost optimization initiatives and commercial actions aimed at increasing sales efficiency are bearing fruit, as shown by the 42bps margin improvement at EBITDA ex capital gains level. In this regard, we are still firmly committed to continue improving margins going forward.
- Sales through our direct channel melia.com continued with the positive trend showed recently and ended the period with a +17.9% increase, even though this figure was affected by both the hurricanes that hit the Caribbean and the tensions in Catalonia, thus reflecting the good results of the different initiatives implemented and actions taken to improve the efficiency of our digital channels and to increase system-wide profitability. In this regard, our digital channel distribution strategy implemented by the company has been optimized and adapted to new market trends, thus helping us not only to deliver strong results, but to be very optimistic for the upcoming years.
- EBITDA Management model increased by 9.2% vs 9M 2016.

Debt Management

- Net Debt slightly increased by €10.2M in the quarter and reached €584.1M at the end of September. In this regard, we remain strongly committed to maintain a leverage ratio (EBITDA/Net Debt) of between 2.0-2.5x going forward, although we expect to close the year below 2.0x.
- Our financial results have been negatively affected by exchange rates differences given the weakening of the USD against EUR YTD, and despite the cost savings as a result of the different initiatives implemented aimed at both decreasing average interest rate paid vs 9M 2016 (from 3.6% to 3.3%) and lengthening the maturities of our debt.

Development strategy

- Our global pipeline stood at around 17k rooms (71 hotels), representing a 20.9% of the current portfolio and of which over 90% of them have been signed under management contracts.
- In the first 9 months of the year we have signed 23 hotels and expect to open 3 new hotels for the rest of the year: Meliá Iguazú (Argentina), Meliá Serengeti Lodge (Tanzania) and ME Sitges (Spain). Additionally, in October we have signed 4 new hotels in Asia (1 in China, 2 in Thailand and 1 in Malaysia) and expect to surpass the 30 signatures mark by year end.

Outlook 2017

- For Q4 and 2018, we expect that certain hotels that are still in ramp up will contribute to a greater extent to our operations, which will also be fueled by the new additions to our portfolio.
- Due to a number of unforeseen one-offs, such as the hurricanes that hit the Caribbean, the USD/EUR evolution and the recent tensions in Catalonia, we believe that it would be challenging to meet current market consensus.

REPORT ON HOTELS OPERATION

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GLOBAL HOTELS

FINANCIAL INDICATORS

HOTELS OWNED & LEASED	9M 2017 €mn	9M 2016 €mn	% change
Total aggregated Revenues	**1.243,5**	**1.172,0**	**6,1%**
Owned	631,9	608,4	
Leased	611,6	563,5	
Of which Room Revenues	***775,5***	***728,2***	***6,5%***
Owned	338,6	328,0	
Leased	436,9	400,1	
EBITDAR Split	**343,8**	**319,1**	**7,8%**
Owned	180,1	171,5	
Leased	163,7	147,6	
EBITDA Split	**201,4**	**189,6**	**6,2%**
Owned	180,1	171,5	
Leased	21,3	18,2	
EBIT Split	**132,2**	**119,6**	**10,6%**
Owned	131,5	120,5	
Leased	0,7	-0,9	

MANAGEMENT MODEL	9M 2017 €mn	9M 2016 €mn	% change
Total Management Model Revenues	230,7	212,7	8,5%
Third Parties Fees	45,0	39,4	
Owned & Leased Fees	78,2	69,9	
Other Revenues	107,5	103,4	
Total EBITDA Management Model	69,3	63,5	9,2%
Total EBIT Management Model	67,0	62,5	

* Other Revenues in 9M 2017 include €55.6M of Corporate Revenues not directly attributable to any specific division. Idem in 9M 2016 data by €42.8M.

OTHER HOTEL BUSINESS	9M 2017 €mn	9M 2016 €mn	% change
Revenues	52,1	59,4	-12,4%
EBITDAR	3,9	5,0	
EBITDA	3,5	4,6	-24,5%
EBIT	2,8	3,9	

MAIN STATISTICS

	OWNED & LEASED						OWNED, LEASED & MANAGED					
	Occup.		ARR		RevPAR		Occup.		ARR		RevPAR	
	%	p.p. change	€	% change	€	% change	%	p.p. change	€	% change	€	% change
TOTAL HOTELS	72,4%	-0,7	120,7	7,1%	87,5	6,1%	68,6%	-0,9	109,1	5,7%	74,9	4,3%
TOTAL HOTELS SAME STORE BASIS	74,7%	0,2	120,7	4,8%	90,1	5,2%	70,3%	-0,2	109,1	4,2%	76,7	3,9%
AMERICA	72,4%	0,7	118,0	-1,4%	85,3	-0,3%	70,3%	1,2	119,9	1,0%	84,3	2,7%
EMEA	71,6%	-0,4	158,0	3,3%	113,0	2,8%	70,4%	0,4	156,1	2,3%	109,9	2,9%
SPAIN	71,3%	1,8	101,0	13,8%	72,0	16,7%	69,6%	2,2	100,6	12,5%	70,1	16,2%
MEDITERRANEAN	78,6%	-1,9	98,6	12,0%	77,5	9,4%	76,4%	-1,6	95,0	10,7%	72,6	8,5%
CUBA	-	-	-	-	-	-	64,3%	-3,1	99,2	1,9%	63,8	-2,7%
BRAZIL	11,5%	-	164,4	-	18,9	-	50,5%	-2,5	85,6	10,7%	43,2	5,3%
ASIA	-	-	-	-	-	-	57,7%	-4,5	75,9	-0,2%	43,7	-7,4%

* Available Rooms 9M 2017: 8,865k (vs 8,830k in 9M 2016) in O&L // 17,682k (versus 17,202 in 9M 2016) in O,L&M.

FUTURE DEVELOPMENT

	Current Portfolio				Pipeline									
	9M 2017		2016 YE		2017		2018		2019		Onwards		TOTAL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
GLOBAL HOTELS	314	80.955	311	79.764	3	432	28	7.357	25	5.301	15	3.825	71	16.915
Management	111	34.955	110	34.253	3	432	26	7.093	21	4.605	13	3.067	63	15.197
Franchised	49	9.812	47	9.373	0	0	2	264	1	120	0	0	3	384
Owned	47	14.341	46	14.032	0	0	0	0	0	0	0	0	0	0
Leased	107	21.847	108	22.106	0	0	0	0	3	576	2	758	5	1.334

	Occup.	ARR	RevPAR	RevPAR by Price	EBITDAR	EBITDAR MARGIN	EBITDAR	EBITDA	EBITDA MARGIN	EBITDA
	% change	% change	% change	%	% change	bps change	Flow Through	% change	bps change	Flow Through
TOTAL HOTELS OWNED & LEASED	-0,9%	7,1%	6,1%	115,2%	6,4%	11bps	29,8%	5,9%	1bp	16,4%
AMERICA (usd)	1,0%	-1,4%	-0,3%	-403,9%	6,2%	-17bps	26,3%	3,1%	-96bps	12,6%
EMEA	-0,6%	3,3%	2,8%	120,3%	6,8%	31bps	32,0%	7,6%	27bps	18,5%
SPAIN	2,6%	13,8%	16,7%	84,4%	14,4%	240bps	76,9%	-47,5%	299bps	69,4%
MEDITERRANEAN	-2,3%	12,0%	9,4%	123,6%	2,7%	-50bps	18,5%	-2,0%	84bps	-6,2%

	Occup.	ARR	RevPAR	RevPAR by Price	EBITDAR	EBITDAR MARGIN	EBITDAR	EBITDA	EBITDA MARGIN	EBITDA
	% change	% change	% change	%	% change	bps change	Flow through	% change	bps change	Flow through
TOTAL HOTELS OWNED & LEASED SAME STORE BASIS	0,3%	4,8%	5,2%	93,6%	6,1%	41bps	38,6%	6,1%	27bps	24,4%
AMERICA (usd)	2,2%	1,3%	3,5%	38,2%	4,2%	0bps	30,2%	3,1%	-32bps	22,0%
EMEA	0,4%	2,8%	3,2%	86,7%	0,3%	-22bps	7,6%	-1,1%	-32bps	-15.8%
SPAIN	0,4%	10,7%	11,1%	96,8%	22,9%	323bps	63,1%	72,6%	341bps	43,7%
MEDITERRANEAN	-1,4%	9,4%	7,8%	118,1%	6,5%	-43bps	25,1%	-7,1%	-11bps	11,9%

Meliá Shanghai Hongqiao | China

FINANCIAL INDICATORS

HOTELS OWNED & LEASED	9M 2017 €mn	9M 2016 €mn	% change
Total aggregated Revenues	**372,8**	**347,0**	**7,4%**
Owned	348,2	327,9	
Leased	24,6	19,1	
Of which Room Revenues	***159,3***	***149,8***	**6,4%**
Owned	139,0	133,3	
Leased	20,3	16,5	
EBITDAR Split	**107,6**	**96,7**	**11,2%**
Owned	102,2	95,0	
Leased	5,4	1,7	
EBITDA Split	**99,7**	**92,2**	**8,1%**
Owned	102,2	95,0	
Leased	-2,5	-2,8	
EBIT Split	**75,3**	**70,0**	**7,7%**
Owned	78,0	73,2	
Leased	-2,6	-3,3	

MANAGEMENT MODEL	9M 2017 €mn	9M 2016 €mn	% change
Total Management Model Revenues	47,4	44,1	7,5%
Third Parties Fees	3,3	3,0	
Owned & Leased Fees	24,5	22,7	
Other Revenues	19,6	18,3	

MAIN STATISTICS

	OWNED & LEASED						OWNED, LEASED & MANAGED					
	Occup.		ARR		RevPAR		Occup.		ARR		RevPAR	
	%	p.p. change	€	% change	€	% change	%	p.p. change	€	% change	€	% change
TOTAL AMERICA	72,4%	0,7	118,0	-1,4%	85,3	-0,3%	70,3%	1,2	119,9	1,0%	84,3	2,7%
TOTAL AMERICA SAME STORE BASIS	76,6%	1,6	118,1	1,5%	90,4	3,7%	74,3%	1,7	115,7	-0,4%	86,0	1,9%
México	74,3%	-6,5	124,7	7,0%	92,6	-1,6%	72,9%	-4,7	132,9	8,5%	96,9	2,0%
Dominican Republic	78,2%	1,7	115,1	0,1%	90,0	2,4%	78,2%	1,7	115,1	0,1%	90,0	2,4%
Venezuela	47,7%	7,4	49,2	-52,5%	23,5	-43,8%	47,7%	7,4	49,2	-52,5%	23,5	-43,8%
U.S.A.	81,0%	4,5	155,0	-8,0%	125,5	-2,6%	75,2%	3,1	157,9	-6,4%	118,8	-2,3%

* Available Rooms 9M 2017: 1,866k (vs 1,748k in 9M 2016) in O&L // 2,345k (vs 2,287k in 9M 2016) in O,L&M.

CHANGES IN PORTFOLIO

Openings between 01/07/2017 – 30/09/2017

Hotel	**Country / City**	**Contract**	**# Rooms**
-			

Disaffiliations between 01/07/2017 – 30/09/2017

Hotel	**Country / City**	**Contract**	**# Rooms**
Tryp Buenos Aires	Argentina	Management	62

FUTURE DEVELOPMENT

	Current Portfolio				Pipeline									
	9M 2017		2016 YE		2017		2018		2019		Onwards		TOTAL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
TOTAL AMERICA	27	9.151	28	9.199	1	169	4	985	5	1.027	2	356	12	2.537
Management	8	2.111	10	2.523	1	169	4	985	5	1.027	2	356	12	2.537
Franchised	2	214	2	214	0	0	0	0	0	0	0	0	0	0
Owned	15	6.277	14	5.913	0	0	0	0	0	0	0	0	0	0
Leased	2	549	2	549	0	0	0	0	0	0	0	0	0	0

2017 9 MONTHS RESULTS

- RevPAR in USD (owned, leased & managed) rose by +1.2% in this quarter vs Q3 2016 as a result of an increase in prices (+1.9%) and a slight reduction in occupancy rates.
- Total fee revenue jumped by +12.0% in the quarter vs Q3 2016 (+7.9% YTD vs 9M 2016), being this mainly explained by the increase in owned & leased fees.
- EBITDA (owned & leased) flow through in USD for 9M 2017 was 12.6%, despite the fact that our EBITDA margin dropped by -1.0% vs 9M 2016.
- Melia.com sales increased by +16.4% in this quarter vs Q3 2016 (+19.1% YTD vs 9M 2016) and despite the slight slowdown as a result of certain cancelations caused by hurricanes.

Our operations in America in Q3 have been positive, even though the challenging environment as a result of the unforeseen impact of hurricanes in the region particularly during September (-6.9% in revenues vs LY), which hit hard certain destinations. Also, in EUR we have been impacted by the USD depreciation (-5% vs Q3 2016). Furthermore, the synthetic exchange rate used for the Venezuelan Bolivar/USD is impacting the performance of the division.

When looking at specific countries, Dominican Republic, and despite the different challenges faced by the region, had a very positive July, as it is usually a month chosen by families to travel, being this reflected particularly in our all-inclusive Paradisus resorts, which ended the quarter with occupancy levels of over 90%. In the case of Mexico, the two main issues that we faced over the quarter were the earthquake that took place in the country, which resulted in some cancelations due to uncertainty about safety, although it did not impacted any of our hotels, as well as because of the warning issued by the US Government when travelling to certain Mexico destinations, being this an important concern for some visitors, particularly groups and MICE. Finally, our operations in Puerto Rico were hit hard by Hurricane Maria, which heavily impacted the island. In this regard, we believe that the destination, and thus our hotel, will be affected by a considerable time, particularly due to the severe infrastructure problems, including drinking water supply, faced by the country and the difficulties of the Government to solve the issues in a relatively short period of time.

OUTLOOK

The above mentioned hurricanes that hit the region will have a negative impact in our operations. In this regard, we expect a slowdown in October, although the situation in Puerto Rico, which will remain closed for a few months, might fuel other regions, such as Punta Cana, that will benefit in high season (Q1 2018). However, we remain confident in the region, particularly for November and December, as we expect a RevPAR (USD) improvement of a mid-single digit for the next quarter, as well as a significant improvement in margins due to certain initiatives implemented in order to boost profitability at a region-wide level.

PORTFOLIO AND PIPELINE

We have not added any hotels to our portfolio in Q3, although in October we opened a new flagship hotel in the Iguazú Falls (173 rooms), which will be the only hotel available in the Iguazú National Park and that will come to serve the needs of those clients interested in visiting this striking piece of nature. Furthermore, we will continue pursuing opportunities in both the resorts and bleisure segments to increase our presence in the region, and particularly in destinations with high growth potential.

Paradisus Punta Cana | Dominican Republic

FINANCIAL INDICATORS

HOTELS OWNED & LEASED	9M 2017 €mn	9M 2016 €mn	% change
Total aggregated Revenues	**423,5**	**401,2**	**5,6%**
Owned	161,3	157,7	
Leased	262,2	243,4	
Of which Room Revenues	***296,0***	***280,4***	**5,6%**
Owned	114,5	111,6	
Leased	181,5	168,8	
EBITDAR Split	**110,7**	**102,5**	**8,1%**
Owned	46,3	44,8	
Leased	64,4	57,7	
EBITDA Split	**57,7**	**53,5**	**8,0%**
Owned	46,3	44,8	
Leased	11,4	8,6	
EBIT Split	**34,9**	**26,1**	**33,8%**
Owned	32,0	25,6	
Leased	3,0	0,5	

MANAGEMENT MODEL	9M 2017 €mn	9M 2016 €mn	% change
Total Management Model Revenues	44,0	42,0	4,8%
Third Parties Fees	1,5	1,0	
Owned & Leased Fees	24,4	22,1	
Other Revenues	18,0	18,9	

MAIN STATISTICS

	OWNED & LEASED						OWNED, LEASED & MANAGED					
	Occup.		ARR		RevPAR		Occup.		ARR		RevPAR	
	%	p.p. change	€	% change	€	% change	%	p.p. change	€	% change	€	% change
TOTAL EMEA	71,6%	-0,4	158,0	3,3%	113,0	2,8%	70,4%	0,4	156,1	2,3%	109,9	2,9%
TOTAL EMEA SAME STORE BASIS	72,4%	0,3	158,1	2,8%	114,5	3,2%	72,3%	0,5	157,9	2,2%	114,1	2,9%
Spain	72,2%	-1,5	219,6	7,3%	158,6	5,1%	71,6%	-1,3	221,0	7,2%	158,2	5,2%
United Kingdom	74,7%	0,3	164,4	-2,2%	122,8	-1,8%	74,7%	0,3	164,4	-2,2%	122,8	-1,8%
Italy	68,2%	4,7	212,2	-2,5%	144,9	4,6%	67,7%	4,7	215,8	-1,9%	146,1	5,4%
Germany	70,9%	-0,3	108,3	1,2%	76,7	0,7%	70,9%	-0,3	108,3	1,2%	76,7	0,7%
France	70,0%	2,2	175,6	2,1%	122,9	5,4%	70,0%	2,2	175,6	2,1%	122,9	5,4%

* Available Rooms 9M 2017: 2,618k (vs 2,549k in 9M 2016) in O&L // 2,930k (versus 2,833k in 9M 2016) in O,L&M.

CHANGES IN PORTFOLIO

Openings between 01/01/2017 – 30/09/2017

Hotel	**Country / City**	**Contract**	**# Rooms**
Tryp Lisboa Caparica Mar	Lisbon, Portugal	Franchise	354
Meliá Saida Garden All Incl. Golf Resort	Morocco, Africa	Management	150
Meliá Saida Beach All Incl. Resort	Morocco, Africa	Management	397
Innside Hamburg Hafen	Hamburg, Germany	Lease	207

Disaffiliations between 01/01/2017 – 30/09/2017

Hotel	**Country / City**	**Contract**	**# Rooms**
Meliá Doha	Doha, Qatar	Management	317

FUTURE DEVELOPMENT

	Current Portfolio				Pipeline									
	9M 2017		2016 YE		2017		2018		2019		Onwards		TOTAL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
TOTAL EMEA	76	13.345	73	12.566	2	263	9	1.464	6	1.010	2	758	19	3.495
Management	9	1.346	8	1.116	2	263	7	1.200	2	314	0	0	11	1.777
Franchised	13	1.915	12	1.561	0	0	2	264	1	120	0	0	3	384
Owned	13	3.034	13	3.045	0	0	0	0	0	0	0	0	0	0
Leased	41	7.050	40	6.844	0	0	0	0	3	576	2	758	5	1.334

- RevPAR (owned, leased & managed) increased in the quarter by +0.4% vs Q3 2016 as a result of higher prices +(2.3%) and lower occupancy rates.
- Total fee revenue jumped by +36.9% in the quarter vs Q3 2016 (+12.7% YTD vs 9M 2016) as a result of the increase in both owned & leased and third parties fees.
- EBITDA (owned & leased) flow through for the first nine months of 2017 was 18.5%, while EBITDA margin of the division rose by +0.3% vs 9M 2016.
- Melia.com sales rose by +17.6% in the quarter vs Q3 2016 (+16.0% YTD vs 9M 2016) as a result of different initiatives implemented aimed at increasing conversion rates and optimizing the selling process.

The EMEA region posted a positive quarter thanks to the steady recovery of certain countries, such as France and the UK, and the increasing importance of the bleisure segment in urban destinations with strong attractiveness and potential. Moreover, the region has benefited from some hotels in ramp up that are starting to bear fruit, particularly in Germany, as well as from certain initiatives aimed at increasing profitability, including refurbishments and repositionings. On a country basis, the main highlights for this third quarter are the following:

GERMANY/AUSTRIA

Q3 has been a very positive quarter in Germany, with revenues growing at a double-digit level as a result of a new opening (Innside Hamburg Hafen, which is posting strong figures from the very beginning) and certain hotels in ramp up that are starting to deliver on a solid basis, including Innside Leipzig, Aachen and Frankfurt Oostend, which are becoming reference hotels for those visiting their locations. Furthermore, our existing properties posted a solid performance, being particularly relevant the performances of Meliá Dusseldorf and Meliá Berlin, which grew at a high pace.

UK

Even though the situation in London was challenging just a few weeks ago, we managed to sail with the tide and ended up the quarter with a significant increase in RevPAR (+9.1% on a GBP basis). In this regard, our two London hotels delivered a robust performance, well above peers and the overall market, and continued the positive trend and steady recovery after a hard 2016. Particularly significant has been the performance of ME London, which increased its revenues by +5.0% and improved its EBITDA by over 20%. However, our hotel in Manchester is still lagging behind and ended the period flat.

FRANCE

France continues to recover on a healthy basis. After the significant RevPAR increases shown in the first half of the year, Q3 was not an exception and improved past year figures, with revenues increasing by 4%, even though our Paris Opera hotel closed for some weeks in order to improve its public areas. In this regard, both ARR and occupancy are recovering at a good pace, thus making us optimistic for the coming quarter, which we hope will be the strongest one in the year.

ITALY

As in the case of the other main EMEA countries, Italy posted a decent quarter, although we firmly believe that there is still room for further improvement. In this regard, we have reviewed our strategies in the main destinations, particularly in the Milano area, where growth has been significant over the year in both the individual and groups segments, as well as in Rome, which has been struggling since Q1. Moreover, we had a robust performance in Capri (+9.0%) and Campione (+22.0%), which helped us to continue building our brand awareness even though their relatively small contribution.

PREMIUM SPAIN

The third quarter is always key for our Spanish premium hotels, especially for our resorts, but also for the urban properties and particularly in cities such as Madrid, Barcelona or Seville benefitting from a strong bleisure segment.

On the resorts side, results have been good, even though certain destinations suffered more than expected for different reasons, such as the Brexit; the recovery of new destinations; flight cancellations; as well as the increasing importance of collaborative economies, among others. Some of these aspects had a negative impact on Gran Meliá Palacio de Isora in the summertime, and considering the high contribution of this hotel for the region, Spain resorts ended the period flat, even though the good performances posted by Gran Meliá Don Pepe, Gran Meliá Colón, Meliá Sancti Petri or Gran Meliá de Mar.

Urban hotels, on the other hand, posted a significant growth in Q3 mainly thanks to the contribution of Gran Meliá Palacio de los Duques, recently named as "Best Hotel in Europe" by International Hotels Awards and which is still in ramp up, or Barcelona Sky, which had a great performance until the tensions in Catalonia started, but also supported by the good performances of certain destinations.

OUTLOOK

We believe that the EMEA region will continue to benefit from the current positive economic dynamics, which help fueling demand for both resorts and bleisure segments.

When looking at countries on an individual basis, we remain confident in the UK and believe that the recovery will continue at a good pace and on a similar level than in previous months. In France, we have witnessed a constant and solid performance throughout the year. In this regard, we expect that Paris hotels will grow above our expectations in Q4 and believe that this positive trend will continue in 2018 (actually, STR expects a more than 6% RevPAR growth in Paris for the next year). For Germany, we foresee a good end of the year in certain destinations, such as Munich and Frankfurt, and particularly for the MICE segment, while in Italy we expect a similar trend than in the first half of the year, with the Milano area benefitting the most and Rome lagging behind. Finally, we are still at an early stage to estimate the real impact in our Spanish hotels of the recent tensions in Catalonia, although we have seen a drop in the pick ups and a slight increase in the number of cancellations in the area.

PORTFOLIO AND PIPELINE

We remain active in the EMEA region to continue increasing our footprint given the number of opportunities to capitalize on, particularly in those cities benefitting from important MICE and bleisure components. In this regard, we added a new hotel, the Innside Hamburg Hafen (207 rooms) to our portfolio, and expect to open 2 new hotels in Tanzania (Meliá Serengeti Lodge, 50 rooms) and Spain (ME Sitges, 213 rooms) in December. Moreover, we remain actively looking for new opportunities that might arise in the region in attractive areas.

Gran Meliá de Mar | Mallorca - Spain

MEDITERRANEAN

FINANCIAL INDICATORS

HOTELS OWNED & LEASED	9M 2017 €mn	9M 2016 €mn	% change
Total aggregated Revenues	**217,5**	**208,3**	**4,4%**
Owned	67,2	66,3	
Leased	150,2	142,0	
Of which Room Revenues	***151,8***	***142,6***	**6,4%**
Owned	45,7	43,9	
Leased	106,1	98,8	
EBITDAR Split	**62,6**	**61,7**	**1,5%**
Owned	17,6	17,3	
Leased	45,0	44,4	
EBITDA Split	**27,5**	**28,0**	**-2,1%**
Owned	17,6	17,3	
Leased	9,8	10,8	
EBIT Split	**18,8**	**19,1**	**-1,6%**
Owned	13,4	12,6	
Leased	5,5	6,5	

MANAGEMENT MODEL	9M 2017 €mn	9M 2016 €mn	% change
Total Management Model Revenues	29,7	32,1	-7,4%
Third Parties Fees	11,9	9,3	
Owned & Leased Fees	14,3	11,9	
Other Revenues	3,4	10,9	

MAIN STATISTICS

	OWNED & LEASED						OWNED, LEASED & MANAGED					
	Occup.		ARR		RevPAR		Occup.		ARR		RevPAR	
	%	p.p. change	€	% change	€	% change	%	p.p. change	€	% change	€	% change
TOTAL MEDITERRANEAN	78,6%	-1,9	98,6	12,0%	77,5	9,4%	76,4%	-1,6	95,0	10,7%	72,6	8,5%
TOTAL MEDITERRANEAN SAME STORE BASIS	78,8%	-1,2	99,2	9,4%	78,2	7,8%	77,0%	-0,6	96,0	9,9%	73,9	9,1%
Spain	78,6%	-1,9	98,6	12,0%	77,5	9,4%	78,8%	-1,3	97,3	11,5%	76,7	9,8%
Cape Verde	-	-	-	-	-	-	62,3%	2,0	76,8	12,3%	47,8	16,0%

* Available Rooms 9M 2017: 1,958k (vs 2,013k in 9M 2016) in O&L // 3,932k (versus 3,858k in 9M 2016) in O,L&M.

CHANGES IN PORTFOLIO

Openings between 01/01/2017 – 30/09/2017

Hotel	Country / City	Contract	# Rooms
-			

Disaffiliations between 01/01/2017 – 30/09/2017

Hotel	Country / City	Contract	# Rooms
-			

FUTURE DEVELOPMENT

	Current Portfolio				Pipeline									
	9M 2017		2016 YE		2017		2018		2019		Onwards		TOTAL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
TOTAL MEDITERRANEAN	76	23.766	76	23.843	0	0	2	1.303	4	1.178	1	130	7	2.611
Management	24	8.123	24	8.269	0	0	2	1.303	4	1.178	1	130	7	2.611
Franchised	19	5.908	19	5.805	0	0	0	0	0	0	0	0	0	0
Owned	10	2.606	10	2.621	0	0	0	0	0	0	0	0	0	0
Leased	23	7.129	23	7.148	0	0	0	0	0	0	0	0	0	0

2017 9 MONTHS RESULTS

- RevPAR (owned, leased & managed) improved in this third quarter by +3.7% vs Q3 2016, being explained by a significant increase in prices (+8.9%) and a reduction in occupancy rates.
- Total fee revenue grew by +45.9% in the quarter vs Q3 2016 (+24.0% YTD vs 9M 2016) as a consequence of the rise in both owned & leased and third parties fees.
- EBITDA (owned & leased) flow through for the first nine months of the year has been -6.2%, while EBITDA margin dropped by -0.8% vs 9M 2016.
- Melia.com sales increased by +19.4% in this third quarter vs Q3 2016 (+21.5% YTD vs 9M 2016) as a result of the higher efficiency of the platform.

Our Mediterranean division posted a positive quarter after having benefitted from the increasing number of tourists visiting Spain and despite the recovery of certain destinations, such as Turkey and Greece, as a result of the increase in the perceived security and the lower prices, as well as the higher penetration of collaborative economies. In this regard, revenues rose by 2.2% in the quarter vs Q3 2016, even though a number hotels were closed due to refurbishments and improvements, which caused a -2.9% decrease in available rooms vs Q3 2016. In addition, it is worth to mention that the bankruptcy of Monarch will have an estimated impact of around 600k in our operations.

When looking at specific areas, the Balearic Islands have performed well in the quarter (+2.6% increase in revenues vs Q3 2016). On the one hand, in Mallorca and Ibiza growth has been moderate. In this regard, Mallorca (+1.3% increase in revenues vs Q3 2016) has been affected by the increasing demand of other destinations as a result of aggressive last minute offers. In the case of Ibiza (+2.3% rise in revenues vs Q3 2016), the island has suffered as a result of the increasing supply of the lifestyle segment, which is an online and last minute market, as well as due to the significant increase of non regulated supply. On the other hand, Menorca (+5.5% increase in revenues vs Q3 2016) performed very positively in the quarter, as it is more oriented to high end segments and wealthier tourists attracted by nature, eco experiences, as well as by quiet and not overcrowded places.

In the Canary Islands, we have been negatively impacted by certain hotels that were closed due to refurbishments, including Meliá Salinas and Meliá Gorriones. However, and despite the refurbishments, our revenues only fell by -1.6% in the quarter vs Q3 2016.

Finally, Coasts posted a positive performance in Q3, in line with the trend of previous months, and particularly in certain areas, such as Benidorm. In this regard, revenues increased by +6.5%, mainly as a result of having increased prices significantly.

OUTLOOK

We remain confident for the Mediterranean region given the positive market dynamics of recent months, particularly as a result of the increasing demand of Spanish destinations by tourists from all over the world. Over the last years, we have witnessed a movement of demand from high season months to September and October. For the upcoming months, and when looking at Canary Islands, we believe that the destination will continue with a positive trend as a result of increasing prices. On the other hand, the on the books sales of Cape Verde are very positive, particularly for November, when the winter season starts.

PORTFOLIO AND PIPELINE

We have not added any hotels to our Mediterranean portfolio in Q3 and we do not expect to add any in the next quarter.

FINANCIAL INDICATORS

HOTELS OWNED & LEASED	9M 2017 €mn	9M 2016 €mn	% change
Total aggregated Revenues	**226,5**	**215,5**	**5,1%**
Owned	55,2	56,5	
Leased	171,3	159,0	
Of which Room Revenues	***166,2***	***155,4***	***7,0%***
Owned	39,4	39,4	
Leased	126,8	116,0	
EBITDAR Split	**66,6**	**58,2**	**14,6%**
Owned	14,0	14,4	
Leased	52,7	43,8	
EBITDA Split	**23,4**	**15,9**	**47,5%**
Owned	14,0	14,4	
Leased	9,5	1,5	
EBIT Split	**10,0**	**4,3**	**131,4%**
Owned	8,2	9,1	
Leased	1,8	-4,7	

MANAGEMENT MODEL	9M 2017 €mn	9M 2016 €mn	% change
Total Management Model Revenues	26,9	26,6	1,1%
Third Parties Fees	5,2	4,1	
Owned & Leased Fees	14,8	13,3	
Other Revenues	6,9	9,1	

MAIN STATISTICS

	OWNED & LEASED						OWNED, LEASED & MANAGED					
	Occup.		ARR		RevPAR		Occup.		ARR		RevPAR	
	%	p.p. change	€	% change	€	% change	%	p.p. change	€	% change	€	% change
TOTAL SPAIN	71,3%	1,8	101,0	13,8%	72,0	16,7%	69,6%	2,2	100,6	12,5%	70,1	16,2%
TOTAL SPAIN SAME STORE BASIS	71,8%	0,3	93,3	10,7%	67,0	11,1%	69,5%	1,4	95,2	10,0%	66,1	12,3%
Spain	71,3%	1,8	101,0	13,8%	72,0	16,7%	69,6%	2,2	100,6	12,5%	70,1	16,2%

* Available Rooms 9M 2017: 2,308k (versus 2,519k in 9M 2016) in O&L // 3,155k (versus 3,408k in 9M 2016) in O,L&M.

CHANGES IN PORTFOLIO

Openings between 01/01/2017 – 30/09/2017

Hotel	**Country / City**	**Contract**	**# Rooms**
Tryp Mallorca Santa Ponsa	Santa Ponsa, Spain	Franchise	60
Meliá Palma Bay	Palma de Majorca, Spain	Lease	268

Disaffiliations between 01/01/2017 – 30/09/2017

Hotel	**Country / City**	**Contract**	**# Rooms**
Tryp Madrid Alcalá 611	Madrid, Spain	Lease	93
Tryp Estepona Valle Romano Golf	Madrid, Spain	Lease	290
Tryp Sevilla Macarena	Seville, Spain	Lease	331
Innside Madrid Luchana 22	Madrid, Spain	Management	44
Innside Madrid Genova	Madrid, Spain	Management	65

FUTURE DEVELOPMENT

	Current Portfolio				Pipeline									
	9M 2017		2016 YE		2017		2018		2019		Onwards		TOTAL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
TOTAL SPAIN	74	13.996	77	14.532	0	0	0	0	0	0	0	0	0	0
Management	11	3.217	13	3.326	0	0	0	0	0	0	0	0	0	0
Franchised	14	1.649	13	1.601	0	0	0	0	0	0	0	0	0	0
Owned	9	2.424	9	2.453	0	0	0	0	0	0	0	0	0	0
Leased	40	6.706	42	7.152	0	0	0	0	0	0	0	0	0	0

2017 9 MONTHS RESULTS

- RevPAR (owned, leased & managed) surged and ended the quarter with a +14.0% increase vs Q3 2016, with over 80.0% of the rise explained by price.
- Total fee revenue increased by +26.7% in this third quarter vs Q3 2016 (+14.7% YTD vs 9M 2016) given the increase in both owned & leased and third parties fees.
- EBITDA flow through for the period was +69.4%, while EBITDA margin jumped by +3.0% vs 9M 2016.
- Melia.com sales rose by +9.8% in the quarter vs 3Q 2016 (+12.9% YTD vs 9M 2016) given the great efforts made on tailoring the selling experience to clients needs.

Our urban hotels located in Spain continued with the positive performance shown in the first half of the year thanks to the increasing importance of both the MICE and bleisure segments, where we have been particularly active in positioning ourselves as a market leader in cities such as Madrid, Barcelona, Palma and Seville. Moreover, the country is still benefitting from a solid flow of visitors fascinated by the Spanish culture, its gastronomy, lifestyle and the cultural attractions offered. Having said that, and considering that the unexpected bankruptcy of Air Berlin will have an impact in our operations of around €390k, the main highlights of each area within the division are the following:

CENTRAL AREA – MADRID

The Central area showed a very positive performance in Q3, which came to reinforce the yearly trend. ARR and revenues increased by around 20% and 8% respectively, with all hotels in the black even though the renamed Meliá Madrid Serrano was closed in July and August due to refurbishments. Furthermore, the MICE segment remained as an important source for growth and was positively impacted in this quarter by the ESMO International Congress that was held in September.

SOUTHERN SPAIN

Southern Spain benefitted from the positive market dynamics of the country and posted a 4% increase in room revenues in Q3. When looking at months, September had a particularly positive performance, with room revenues and ARR surging by 10% and 7% respectively, which helped us to partially absorb the decrease suffered in July and August in the Cadiz area. Also, Malaga improved by 6%, as well as Seville, where Meliá Lebreros showed an 85% increase in groups in September.

EASTERN SPAIN

ARR increased at a high pace, as well as revenues, which rose by 10% vs last year. However, this performance was affected by some hotels that were closed due to refurbishments and repositionings, including TRYP Bosque (which was closed for 5 months and rebranded as Innside Palma Bosque), Meliá Palas Atenea and TRYP Apollo. Also, TRYP Barcelona Airport benefitted from the logistics center that Amazon will open soon, as it is located 300 meters away from the hotel. Finally, it is worth to mention the performance of our new flagship Meliá Palma Bay, located next to the Congress Center in Palma.

NORTHERN SPAIN & EAST (LEVANTE)

Both areas performed very positively, with room revenues increasing by around 8% vs last year. All the destinations of the region benefitted from the positive market dynamics of the country, with local tourism increasing at a healthy pace and weather conditions fueling demand. On an individual basis, we must highlight the good performances of Meliá Alicante, Meliá Valencia, Meliá Bilbao and TRYP Gran Sol Alicante, which showed increases both in the individual and MICE segments.

OUTLOOK

We believe that our Spain division will continue to benefit from the increasing number of visitors from all over the world that the country has been experiencing over the past months. This, combined with the significant importance of MICE and bleisure segments in certain destinations, should lead to higher demand and prices. On the other hand, we acknowledge that the tensions between the Catalonian and Central Government will be negative for the sector, particularly for the Catalonia region. In this regard, and even though that is still early to estimate the real impact in our operations yet, we have seen a slowdown in the number of reservations in the area that has been partially offset by the increasing demand of other Spanish cities that are dragging some of the business (both MICE and transient) that comes from Catalonia.

PORTFOLIO AND PIPELINE

We have not added any hotels to our Spain portfolio in Q3, although we have been actively repositioning and refurbishing certain hotels in order to adapt them to our new quality standards.

FINANCIAL INDICATORS

HOTELS OWNED & LEASED	9M 2017 €mn	9M 2016 €mn	% change
Total aggregated Revenues	**N.A.**	**N.A**	**-**
Owned			
Leased			
Of which Room Revenues	***N.A.***	***N.A.***	***-***
Owned			
Leased			

MANAGEMENT MODEL	9M 2017 €mn	9M 2016 €mn	% change
Total Management Model Revenues	17,5	17,9	-2,1%
Third Parties Fees	17,2	17,8	
Owned & Leased Fees	0,0	0,0	
Other Revenues	0,3	0,1	

MAIN STATISTICS

	OWNED & LEASED						OWNED, LEASED & MANAGED					
	Occup.		ARR		RevPAR		Occup.		ARR		RevPAR	
	%	p.p. change	€	% change	€	% change	%	p.p. change	€	% change	€	% change
TOTAL CUBA	-	-	-	-	-	-	64,3%	-3,1	99,2	1,9%	63,8	-2,7%
TOTAL CUBA SAME STORE BASIS	-	-	-	-	-	-	64,1%	-3,2	101,8	2,1%	65,3	-2,7%

* Available Rooms 9M 2017: 3,269k (versus 3,192k in 9M 2016) in O,L&M.

CHANGES IN PORTFOLIO

Openings between 01/01/2017 – 30/09/2017

Hotel	Country / City	Contract	# Rooms
-			

Disaffiliations between 01/01/2017 – 30/09/2017

Hotel	Country / City	Contract	# Rooms
-			

FUTURE DEVELOPMENT

	Current Portfolio				Pipeline									
	9M 2017		2016 YE		2017		2018		2019		Onwards		TOTAL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
TOTAL CUBA	28	12.517	28	12.245	0	0	7	2.144	2	542	2	381	11	3.067
Management	28	12.517	28	12.245	0	0	7	2.144	2	542	2	381	11	3.067
Franchised	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Owned	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Leased	0	0	0	0	0	0	0	0	0	0	0	0	0	0

2017 9 MONTHS RESULTS

- RevPAR in USD (managed) fell by -10.9% vs Q3 2016 given the sharp decline in occupancy rates (-10.5%) as a result of the impact of hurricanes.
- Total fee revenue dropped by -31.6% in the quarter vs Q3 2016 (-3.2% YTD vs 9M 2016) given the lower fees collected in the period as a result of the deterioration of the perceived security caused by hurricanes.
- Melia.com sales posted a slight increase of +1.0% in the quarter vs Q3 2016 (+20.3% YTD vs 9M 2016), as they were impacted by the hurricanes that hit the island. However, in July and August, before the hurricanes, melia.com sales jumped by +18.5% and +11.4% respectively vs the same period last year.

Our Cuba division has been negatively impacted in Q3 by two external factors beyond our control. On the one hand, the Trump Administration announced a new set of restrictions and initiatives that eroded the relationship with the Cuban Government, including the recommendation for US citizens of not travelling to the island. Although the US has not been historically the main feeder market for the region, this will definitely not help the destination and will have a negative impact in the economic prospects of the country. On the other hand, the region was hit hard by Irma, a hurricane that heavily impacted important tourist destinations, such as Jardines del Rey and Cayo Santa María, although its effects were minor in other areas like La Habana and Varadero.

The above mentioned issues, combined with certain problems with flight connections, had a negative impact on RevPAR, which fell sharply vs Q3 2016, as well as on total revenues for our managed hotels, which fell by 8% in the quarter vs the same period last year. However, we remain optimistic for the country, as the Cuban Government has been working tirelessly to solve the problems faced by the island in a relatively short period of time.

OUTLOOK

Hurricane Irma hit hard some of our hotels, particularly those located in the eastern region of the island. In this regard, 11 hotels suffered damages that forced them to temporarily cease operations (2 in Varadero, 5 in Jardines del Rey and 4 in Cayo Santa María) and evacuate clients, although fortunately no employee nor guest was hurt. However, some of the hotels will be closed for a few months in order to make reparations, as well as to improve the current facilities in order to enhance the services offered to clients, so therefore we expect a slowdown in this region for Q4. Having said that, and given the current status of the reparations, we are confident on having all of our hotels in Cuba up and running for the high season (Q1 2018).

PORTFOLIO AND PIPELINE

Our portfolio in Cuba has remained stable over the quarter after having signed some management contracts in Q1 that will materialize over the following years. However, and given the importance of the region for us and relatively low risk of the current model, we are actively looking for opportunities to further penetrate in the island.


Paradisus Rio de Oro | Cuba

FINANCIAL INDICATORS

HOTELS OWNED & LEASED	9M 2017 €mn	9M 2016 €mn	% change
Total aggregated Revenues	**3,3**	**0,0**	**-**
Owned	0,0	0,0	
Leased	3,3	0,0	
Of which Room Revenues	***2,1***	***0,0***	**-**
Owned	0,0	0,0	
Leased	2,1	0,0	
EBITDAR Split	**-3,8**	**0,0**	**-**
Owned	0,0	0,0	
Leased	-3,8	0,0	
EBITDA Split	**-6,9**	**0,0**	**-**
Owned	0,0	0,0	
Leased	-6,9	0,0	
EBIT Split	**-6,9**	**0,0**	**-**
Owned	0,0	0,0	
Leased	-6,9	0,0	

MANAGEMENT MODEL	9M 2017 €mn	9M 2016 €mn	% change
Total Management Model Revenues	3,8	3,1	24,9%
Third Parties Fees	2,5	1,7	
Owned & Leased Fees	0,1	0,0	
Other Revenues	1,2	1,3	

MAIN STATISTICS

	OWNED & LEASED						OWNED, LEASED & MANAGED					
	Occup.		ARR		RevPAR		Occup.		ARR		RevPAR	
	%	p.p. change	€	% change	€	% change	%	p.p. change	€	% change	€	% change
TOTAL BRAZIL	11,5%	-	164,4	-	18,9	-	50,5%	-2,5	85,6	10,7%	43,2	5,3%
TOTAL BRAZIL SAME STORE BASIS	-	-	-	-	-	-	55,8%	2,7	83,4	8,0%	46,6	13,5%

* Available Rooms 9M 2017: 0,112k (vs 0k in 9M 2016) in O&L // 0,937k (versus 0,828k in 9M 2016) in O,L&M.

CHANGES IN PORTFOLIO

Openings between 01/01/2017 – 30/09/2017

Hotel	Country / City	Contract	# Rooms
-			

Disaffiliations between 01/01/2017 – 30/09/2017

Hotel	Country / City	Contract	# Rooms
-			

FUTURE DEVELOPMENT

	Current Portfolio				Pipeline									
	9M 2017		2016 YE		2017		2018		2019		Onwards		TOTAL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
TOTAL BRAZIL	15	3.563	15	3.621	0	0	0	0	0	0	0	0	0	0
Management	13	3.024	13	3.016	0	0	0	0	0	0	0	0	0	0
Franchised	1	126	1	192	0	0	0	0	0	0	0	0	0	0
Owned	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Leased	1	413	1	413	0	0	0	0	0	0	0	0	0	0

2017 9 MONTHS RESULTS

- RevPAR (owned, leased & managed) increased in the quarter by +2.9% vs Q3 2016 as a result of a significant rise in prices (+4.2%) and a slight reduction in occupancy rates.
- Total fee revenue surged and ended this third quarter with a +216.2% increase vs Q3 2016 (+49.9% YTD vs 9M 2016) as a result of the significantly higher third party fees.
- Melia.com sales jumped by +29.4% in the quarter vs Q3 2016 (+13.6% YTD vs 9M 2016), as the platform has been optimized to increase leads and conversion rates.

The Brazilian economy is still on its track to recover previous activity levels in a challenging economic environment. Government actions and new measures have been taken in order to boost returns of public enterprises, as well as to fight corruption at all levels, which brought back confidence from investors, increased transparency and improved expectations for a faster recovery over the next months.

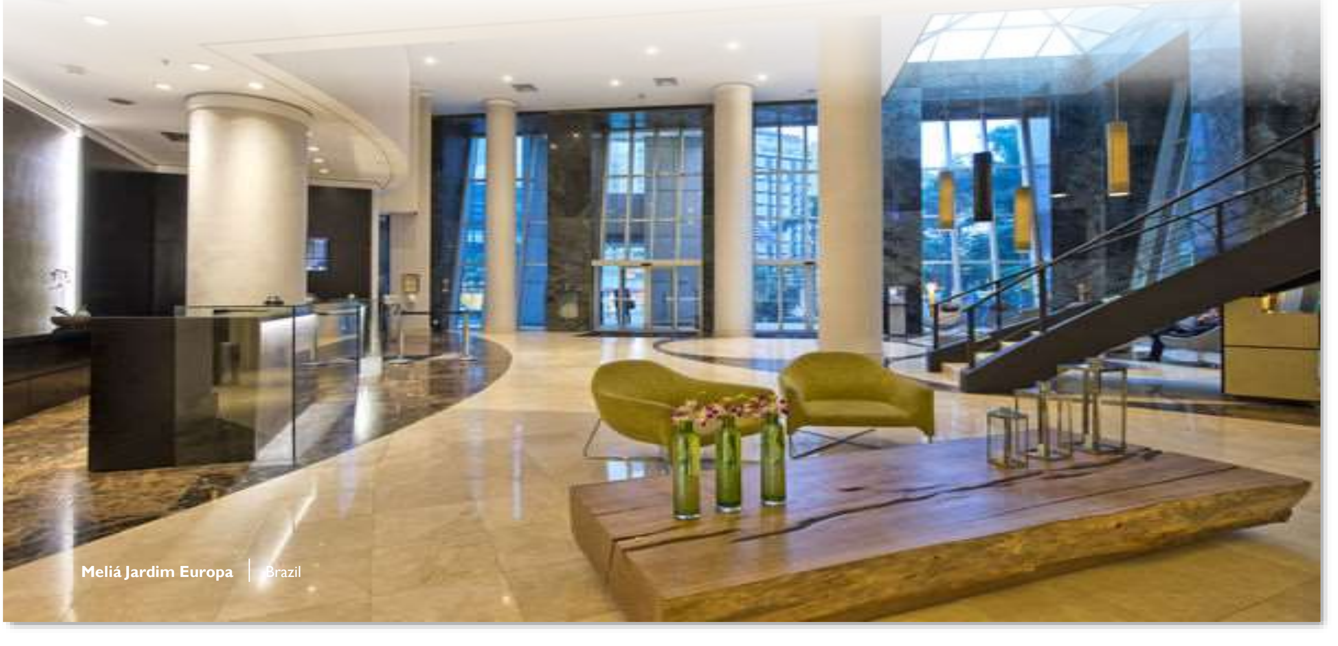
When looking at country-wide figures, and even though Gran Meliá Nacional de Río can be still considered to be in a ramp-up phase, with no more than 60% of its rooms available and an unjustified delay by the owner in the design, construction and delivery of the convention center that is having a negative impact on the hotel's performance. Our RevPAR and ARR rose by 12.4% and 3.6% respectively on a L4L basis. In this regard, we had a significant increase in room revenues in Q3 (+11.0%) in local currency, with some hotels such as Tryp Paulista (+21.0%), Meliá Brasil (+21.0%), Tryp Ibirapuera (+18.0%) and Tryp Higienopolis (+17.0%) leading this rise, particularly during August due to a number of events that took place in Sao Paulo. Moreover, both individual and groups (including MICE) segments significantly increased, mainly as a result of the optimization and improved capabilities of our online reservations and customer acquisition systems.

OUTLOOK

When looking at Q4, we expect a 7.0% RevPAR increase for the last quarter of the year vs Q4 2016 as a result of the continued improvement of our operations given the higher scale of our hotels due to the increasing number of groups that are expected in Sao Paulo, particularly in October and November, as a number of events will be held in the city, including the F1 Brazilian Grand Prix and international concerts, as well as due to the recovery of the corporate and MICE segments. Moreover, we believe that December will benefit from some events that will took place in the area, as well as by the increasing number of visitors of the Comic-Con, an international event focusing on entertainment (TV, comics, movies, video games and internet). Finally, it is worth to mention that we are concerned about the longer than expected construction time of Gran Meliá Nacional de Rio, which is still not operating at its full capacity and therefore has a significant room for improvement going forward.

PORTFOLIO AND PIPELINE

Our Brazilian portfolio has remained constant, as no hotels were added during the period. Also, we do not envisage new additions for the upcoming years.


Meliá Jardim Europa | Brazil

FINANCIAL INDICATORS

HOTELS OWNED & LEASED	9M 2017 €mn	9M 2016 €mn	% change
Total aggregated Revenues	**N.A.**	**N.A.**	-
Owned			
Leased			
Of which Room Revenues	***N.A.***	***N.A.***	-
Owned			
Leased			

MANAGEMENT MODEL	9M 2017 €mn	9M 2016 €mn	% change
Total Management Model Revenues	5,9	4,3	38,1%
Third Parties Fees	3,3	2,3	
Owned & Leased Fees	0,0	0,0	
Other Revenues	2,6	2,0	

MAIN STATISTICS

	OWNED & LEASED						OWNED, LEASED & MANAGED					
	Occup.		ARR		RevPAR		Occup.		ARR		RevPAR	
	%	p.p. change	€	% change	€	% change	%	p.p. change	€	% change	€	% change
TOTAL ASIA	-	-	-	-	-	-	57,7%	-4,5	75,9	-0,2%	43,7	-7,4%
TOTAL ASIA SAME STORE BASIS	-	-	-	-	-	-	65,5%	-0,4	75,8	-6,9%	49,6	-7,5%
Indonesia	-	-	-	-	-	-	54,1%	-8,7	61,8	-17,0%	33,5	-28,5%
China	-	-	-	-	-	-	61,2%	-2,3	72,8	-8,8%	44,5	-12,1%
Vietnam	-	-	-	-	-	-	59,5%	-9,5	98,4	11,4%	58,5	-3,9%

* Available Rooms 9M 2017: 1,111k (versus 0,794k in 9M 2016) in O,L&M.

CHANGES IN PORTFOLIO

Openings between 01/01/2017 – 30/09/2017

Hotel	Country / City	Contract	# Rooms
Sol House Legian	Bali, Indonesia	Management	110
Meliá Shanghai Hongqiao	Shanghai, China	Management	187
Innside Yogyakarta	Yogyakarta, Indonesia	Management	242
Innside Zhengzhou	Zhengzhou, China	Management	323

Disaffiliations between 01/01/2017 – 30/09/2017

Hotel	Country / City	Contract	# Rooms
-			

FUTURE DEVELOPMENT

	Current Portfolio				Pipeline									
	9M 2017		2016 YE		2017		2018		2019		Onwards		TOTAL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
TOTAL ASIA	18	4.617	14	3.758	0	0	6	1.461	8	1.544	8	2.200	22	5.205
Management	18	4.617	14	3.758	0	0	6	1.461	8	1.544	8	2.200	22	5.205
Franchised	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Owned	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Leased	0	0	0	0	0	0	0	0	0	0	0	0	0	0

2017 9 MONTHS RESULTS

- RevPAR in USD (managed) fell by -8.1% in the quarter vs Q3 2016 due to a combination of a sharp decrease in occupancy rates (-12.2%) and a significant increase in prices.
- Total fee revenue jumped by +70.2% in this quarter vs Q3 2016 (+45.1% YTD vs 9M 2016) given the significant rise in third party fees.
- Melia.com sales surged and ended the quarter with a +52.9% increase vs Q3 2016 (41.4% YTD vs 9M 2016) due to the great efforts made on improving customer acquisition capabilities.

The decrease in RevPAR posted by our Asian hotels over the first 9 months of the year, and if we exclude the effect of the exchange rates in ARR, has been mainly explained by occupancy, as well as by certain hotels in ramp up, such as Meliá Shanghai Hongqiao, Innside Jogjakarta, Sol House Legian and Sol Beach House Phu Quoc. However, we managed to increase revenues in the quarter by more than 30% vs Q3 2016, and by over 27% vs 9M 2016 when looking at the first 9 months of the year. Moreover, the increasing purchasing power of a middle class that is growing at a high pace in the area and that is giving more importance to health and wellness issues, as well as the attractiveness of the Asian culture for tourists from all over the world, is enabling the region to benefit from an increasing flow of visitors, as well as to be an important feeder market for certain European and Caribbean destinations.

With 44 hotels in the region when considering both our current portfolio plus pipeline and presence in 7 countries, we are still focusing on reaching scale in order to fully optimize our current structure, as well as on opening new destinations to take advantage of positive market dynamics. In this regard, we have been focusing on 4 main countries (China, Indonesia, Vietnam and Thailand) and particularly in the leisure and bleisure segments given their increasing importance among visitors. With this strategy focusing to a higher extent in countries with significant growth potential, we expect to generate additional synergies in the region, optimize our cost structure and reach scale in a significantly lower period of time, which will also help us to increase system-wide profitability and shareholders returns.

OUTLOOK

We remain optimistic in the region for the next quarter and expect a positive performance in all the countries as a result of the current positive market dynamics. Having said that, we acknowledge that the Mount Agung (Bali) volcano eruption might have an impact on Indonesia, although the country remains safe and Bali is operating with absolute normality. In addition, other destinations, such as Thailand and some islands located close to the area, might benefit as a result of the above mentioned one-off, although it is still early to quantify the real impact. Due to this, we have intensified our commercial actions through targeted marketing campaigns to absorb some of this flow of visitors.

PORTFOLIO AND PIPELINE

Given that the Asian region represent a significant portion of our growth strategy, we have been very active over the first nine months of the year, with 4 new additions to our portfolio in China and Indonesia, including the addition of Innside Zhengzhou (323 rooms) in this third quarter, as well as 2 new signings in China (Meliá Shanghai) and Malaysia (Meliá Melaka), all of them under management contracts, that are expected to open over the next years. Also, in October we signed 4 hotels in the region that will open in the upcoming years: Meliá Resort Xueye Lake (130 rooms, China), Meliá Bukit Tinggi (220 rooms, Malaysia), Meliá Chiang Mai (260+ rooms, Thailand) and Innside Bangkok (175+ rooms, Thailand). Furthermore, we have been actively repositioning and improving some of the properties in the region in order to adapt them to our higher standards and to increase region-wide profitability.

Sol Beach House Phu Quoc | Vietnam

OTHER NON HOTEL BUSINESS

2

THE CIRCLE

The transitioning between the former Club Meliá and The Circle, a unique multi-experience proposition that comes to serve the needs of a very demanding type of guest looking for a disruptive and flexible timesharing model, is still on track. In this regard, 2017 will be the inflection year after the deep transformation of the model, as shown by the current EBITDA level, which is above last year figures and with very positive expectations for 2018. The different actions taken are bearing fruit, as shown by the 28.0% increase in memberships over the quarter vs Q3 2016, even though the challenging market conditions as a result of the several hurricanes that hit the region during the period, particularly in the Punta Cana area, which represents around 60.0% of the business. In addition, average prices rose at a healthy pace, as well as profitability, which significantly improved after having closed certain non-core underperforming sales offices that were dragging resources and unlocked synergies between the pure hotel and the vacation club side of the business, being this key to assure and maintain the sustainability of the model going forward. This has been explained mainly as a result of the improved customer acquisition capabilities thru enhancing our digital campaigns before and after clients arrive on site. In this regard, around 30.0% of the invitations that finally convert have been mainly influenced by our digital channels, which also helped us to better communicate with clients, reduce complaints, as well as to increase the quality of the potential clients invited, among others.

When looking at Q4, which comprises two low-season months (October and November) plus a high season one (December), the latter historically benefitted from Christmas season, we remain positive and expect to outperform past year´s results. In addition, we firmly believe that, once the construction of The Circle, an all-inclusive brand new resort designed to mimic its surroundings and merge with nature located in Punta Cana is finished, the figures posted by the division will significantly improve, as it would be much easier to sell the product to clients, particularly through an innovative and fully tailored on-site selling experience where prospective customers will have the opportunity to feel and experience unique sensations.

REAL ESTATE

During this first nine months of the year, we have not sold any fully owned real estate assets and therefore no capital gains have been generated, which compares with the €2.0M generated in the same period last year. Furthermore, on a like for like basis, both of our malls located in Punta Cana and Venezuela have been negatively affected by a lower level of activity and the evolution of exchange rates. Going forward, we remain focused on analyzing options to crystalize value from some of our non-core assets located in Spain, as well as in evaluating potential opportunities to collaborate with long-term oriented Tier I sponsors to reposition certain hotels in order to increase system-wide profitability, being this an essential part of our current real estate strategy aimed at increasing the importance of JVs.

FINANCIAL STATEMENTS

3

INCOME STATEMENT

Important disclosure: As mentioned in June 2017, the financial statements presented in this report have been affected by the Venezuelan Bolivar/USD exchange rate.

Revenues

Total revenues rose by +5.0% in the first 9 months of the year vs 9M 2016 (+4.3% on a like for like basis) due to the aspects show below:

a) Higher revenues in the Hotels division (+€70.8M, +5.5% vs 9M 2016) as a result of the increase in RevPar (+6.1% vs 9M 2016), explained by price increases, higher room revenues (+€55.1M, +7.6% vs 9M 2016) and higher F&B revenues (+€16.7M, +4.6% vs 9M 2016).

b) Reduction of Real Estate revenues (-€3.3M, -39.0% vs 9M 2016) due to the lower capital gains on asset disposals.

c) Lower Club Meliá revenues (-€3.0M, -4.9% vs 9M 2016).

Operating Costs

Total operating costs increased by +4.2% vs 9M 2016 (+4.3% on a like for like basis) as a result of the following items:

a) Reduction in Raw Materials, which fell by -€3.6M, -2.1% vs 9M 2016 (-€4.6M, -3.0% on a like for like basis).

b) Increases in both Personnel Expenses (+€16.9M, +4.6% vs 9M 2016 // +€14.2M, +4.5% on a like for like basis) and Other Operating Expenses (+€29,5M, +6.2% vs 9M 2016 // +€18.5M, +4.2% on a like for like basis).

c) Increase in Rental Expenses (+€10.6M, +8.2% vs 9M 2016) due to a combination of new contracts, such as Innside NY NoMad, Meliá Nacional de Río, Meliá Palma Bay, Innside Aachen, Innside Frankfurt O. and Innside Leipzig, that has been partially offset by certain disaffiliations (+€5.2M), as well as due to the increases of existing contracts (+€6.3M). Furthermore, it is worth to mention the reversal of certain rental provisions by -€3.7M and -€2.8M in 2017 and 2016 respectively.

EBITDA

EBITDA grew by +6.9% vs 9M 2016 (+7.9% excluding capital gains). In addition, EBITDA excluding capital gains margin has been of 17.5%, which shows a 42 bps increase vs 9M 2016. Finally, EBITDA flow through for the period was 23.4%, which shows an improvement that comes to reinforce our strong commitment to keep focusing on improving this metric for the future.

Depreciation and Amortization increased by 3.9% vs 9M 2016, being this increase explained mainly by higher amortizations of software applications (i.e. SAP licenses). In this regard, it is worth to mention that this is a one-off that we do not expect will be repeated again in the near future.

Operating Profit (EBIT)

Operating Profit rose by +8.5% in the first nine months of the year vs 9M 2016.

Result from entities valued by the equity method improved (+€22.0M vs 9M 2016) thanks to the capital gain generated by Advanced Inv. (+€20.9M), which sold 5 of its subsidiaries that owned 4 hotels as part of a joint venture with Starwood Capital.

Net Profit

Net Profit significantly improved in the period (+22.5% vs 9M 2016), thus reflecting that the different strategies adopted and implemented aimed at increasing profitability and deliver further growth for shareholders are bearing fruit.

EPS for the first nine months of the year stood at €0.49, which compares with the €0.40 in the same period last year.

INCOME STATEMENT (cont´d)

% growth Q3 17 vs Q3 16	Q3 2017	Q3 2016	(Million Euros)	9M 2017	9M 2016	% growth 9M 17 vs 9M 16
			Revenues split			
	580,5	563,5	Total HOTELS	1.526,4	1.444,1	
	86,7	83,4	Management Model	230,7	212,7	
	479,9	464,8	Hotel Business Owned & Leased	1.243,5	1.172,0	
	13,9	15,4	Other Hotel Business	52,1	59,4	
	1,1	1,4	Real Estate Revenues	5,2	8,4	
	19,6	22,2	Club Meliá Revenues	65,3	68,3	
	35,6	29,6	Overheads	107,5	87,7	
	636,8	616,8	Total Revenues Aggregated	1.704,4	1.608,6	
	-93,2	-84,7	Eliminations on consolidation	-246,2	-220,3	
2,2%	**543,7**	**532,0**	**Total Consolidated Revenues**	**1.458,2**	**1.388,4**	**5,0%**
	-58,2	-59,6	Raw Materials	-168,6	-172,1	
	-138,4	-134,9	Personnel Expenses	-385,9	-369,0	
	-174,1	-176,3	Other Operating Expenses	-509,9	-480,4	
0,0%	**(370,7)**	**(370,8)**	**Total Operating Expenses**	**(1.064,4)**	**(1.021,5)**	**4,2%**
7,3%	**173,0**	**161,3**	**EBITDAR**	**393,8**	**366,8**	**7,3%**
	-65,5	-59,7	Rental Expenses	-139,2	-128,6	
5,8%	**107,5**	**101,5**	**EBITDA**	**254,6**	**238,3**	**6,9%**
	-29,8	-27,1	Depreciation and Amortisation	-88,1	-84,8	
4,3%	**77,6**	**74,4**	**EBIT (OPERATING PROFIT)**	**166,5**	**153,5**	**8,5%**
	-8,1	-9,8	Financial Expense	-23,1	-34,4	
	2,3	0,9	Other Financial Results	8,0	7,6	
	1,0	-3,3	Exchange Rate Differences	-18,0	-0,7	
0,0%	**(4,8)**	**(12,2)**	**Total financial profit/(loss)**	**(33,2)**	**(27,5)**	**0,0%**
	7,2	8,6	Profit / (loss) from Associates and JV	26,5	4,5	
12,9%	**80,0**	**70,8**	**Profit before taxes and minorities**	**159,9**	**130,5**	**22,5%**
	-20,0	-17,8	Taxes	-40,0	-32,6	
0,0%	**60,0**	**53,0**	**Group net profit/(loss)**	**119,9**	**97,9**	**0,0%**
	6,7	6,1	Minorities	6,2	5,7	
13,4%	**53,3**	**47,0**	**Profit/(loss) of the parent company**	**113,7**	**92,2**	**23,3%**

FINANCIAL RESULTS & DEBT

Financial results

Net financial income increased by +20.7% as a result of the following aspects:

a) Significant decline in "Bank Financing" (-€11.3M vs 9M 2016) motivated by the reduction of average gross debt, the lower average interest rate paid (3.3% vs 3.6% in 9M 2016) and the lengthening of our debt maturities.

b) Higher income in "Other Financial Results" (+€0.4M vs 9M 2016).

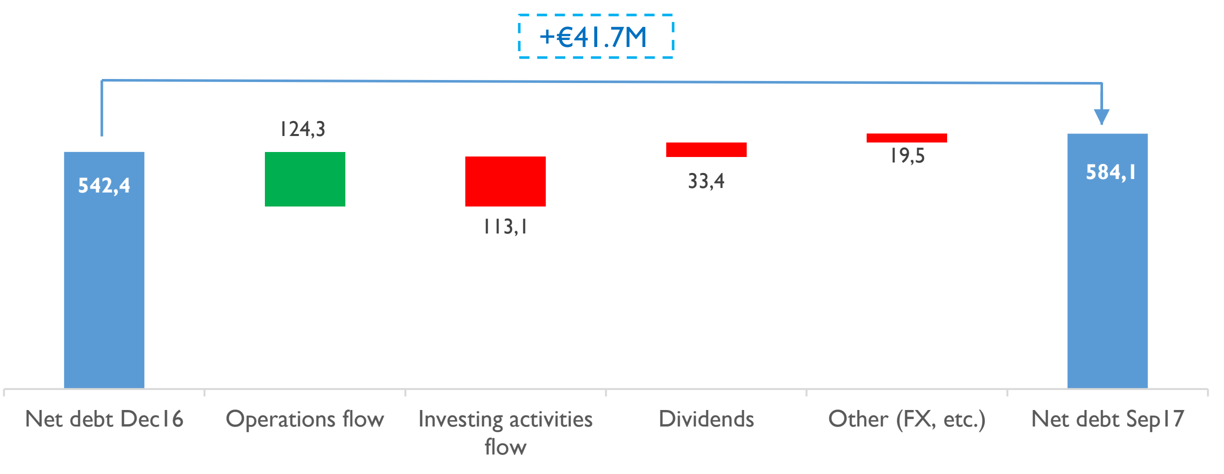
c) "Exchange Rate Differences" (-€17.3M vs 9M 2016) mainly affected as a result of the depreciation of the USD vs the EUR (-11.1% vs -2.5% in 9M 2016).

Q3 2017	Q3 2016	Item	9M 2017	9M 2016
979	-3.287	Exchange rates differences	-18.029	-696
-8.103	-9.756	Borrowings	-23.104	-34.382
-867	-1.284	*Interest Capital Markets*	-2.524	-9.977
-7.236	-8.473	*Interest bank loans and others*	-20.580	-24.405
979	-3.287	Other financial incomes	7.981	7.617
-6.144	**-16.330**	**Net Financial Income/(loss)**	**-33.152**	**-27.460**

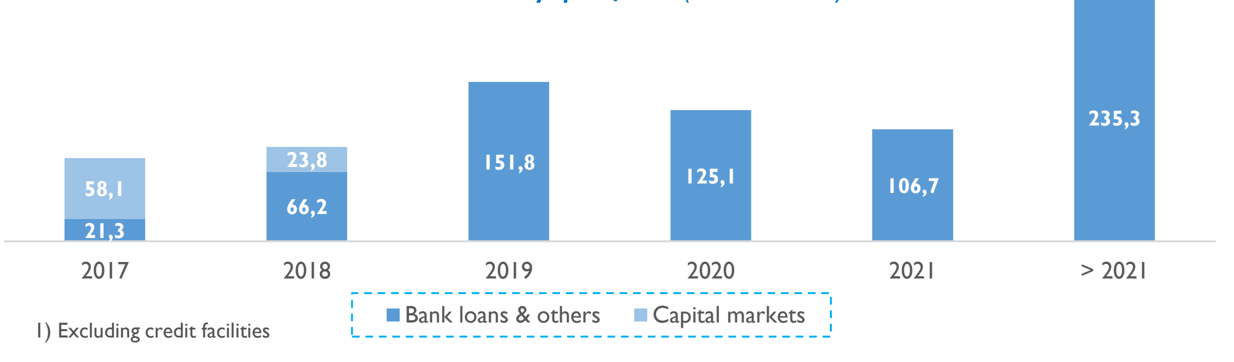
Debt

In the first nine months of the year, gross debt fell by €-2.0M and net debt rose by €41.7M, reaching €584.1M.

Net debt evolution: Dec 2016 – Sep 2017 (€ millions)



Debt maturity profile[1] (€ millions)



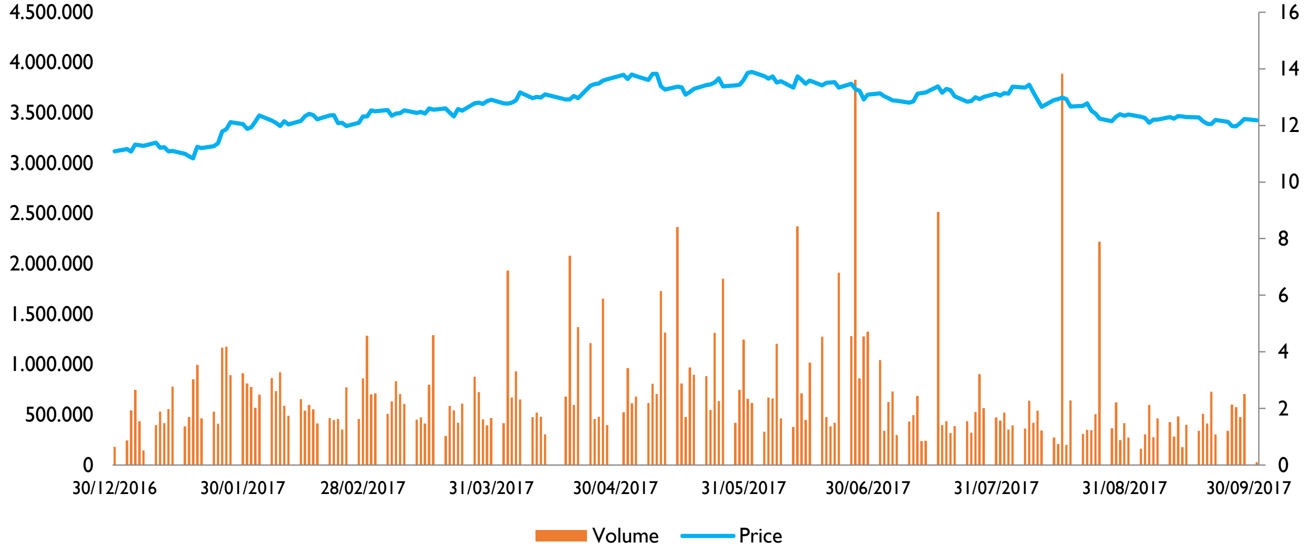
1) Excluding credit facilities

MELIÁ IN THE STOCK MARKET

4

STOCK MARKET

Our stock price decreased by -6.6% in Q3 2017, underperforming the Ibex 35 Index (-0.6%).



	Q1 2017	Q2 2017	Q3 2017	2017
Average daily volume (thousand shares)	629,8	952,6	552,7	707,9
Meliá performance	16%	2%	-7%	10%
Ibex 35 performance	12%	1%	-1%	11%

	30/09/2017	31/12/2017
Number of shares (millions)	229,70	229,7
Average daily volume (thousands shares)	707,94	862,44
Maximum share price (thousands shares)	13,890	11,815
Minimum share price (thousands shares)	10,84	8,42
Last price	12,23	11,08
Market capitalization (millions euros)	2.809,23	2,545,08
Dividend (euros)	0,132	0,04

Source: Bloomberg

NOTE: Meliá´s shares are listed on the Ibex 35 and FTSE4Good Ibex Index

Main Highlights of 2017:

- On January 13th 2017, we signed a stock liquidity agreement aimed at providing Meliá shares with higher liquidity in the market and attractiveness for investors.
- On July 11th 2017, a €0.1315 dividend was paid to shareholders.

ANNEX
5

CONSOLIDATED FLOW THROUGH AND MARGINS EVOLUTION

CONSOLIDATED P&L ACCOUNT

	9M 2017 €M	9M 2016 €M	% change	Flow through %
Revenues	1.458,2	1.388,4	69,8	
Operating expenses	(1.064,4)	(1.021,5)	(42,9)	
EBITDAR	**393,8**	**366,8**	**26,9**	**38,6%**
EBITDAR Margin	**27,0%**	**26,4%**	**2,2%**	
Rentals	(139,2)	(128,6)	(10,6)	
EBITDA	**254,6**	**238,3**	**16,4**	**23,4%**
EBITDA Margin	**17,5%**	**17,2%**	**1,8%**	

CONSOLIDATED P&L ACCOUNT EXCLUDING CAPITAL GAINS AND THE REVERSAL OF ONEROUS CONTRACTS

	9M 2017 €M	9M 2016 €M	% change	Flow through %
Revenues	1.458,2	1.386,2	72,0	
Operating expenses	(1.064,4)	(1.021,4)	(43,0)	
EBITDAR	**393,8**	**364,8**	**29,0**	**40,2%**
EBITDAR Margin	**27,0%**	**26,3%**		
Rentals	(142,8)	(131,4)	(11,4)	
EBITDA	**251,0**	**233,4**	**17,6**	**24,4%**
EBITDA Margin	**17,2%**	**16,8%**		

P&L adjusted by:

a) Ex-capital gains on asset rotation (€0.0 M in 9M 2017; €2.0 M in 9M 2016).

b) Excluding the reversal of onerous lease contracts (€3.6 M in 9M 2017; €2.8 M in 9M 2016).

ADJUSTED CONSOLIDATED P&L

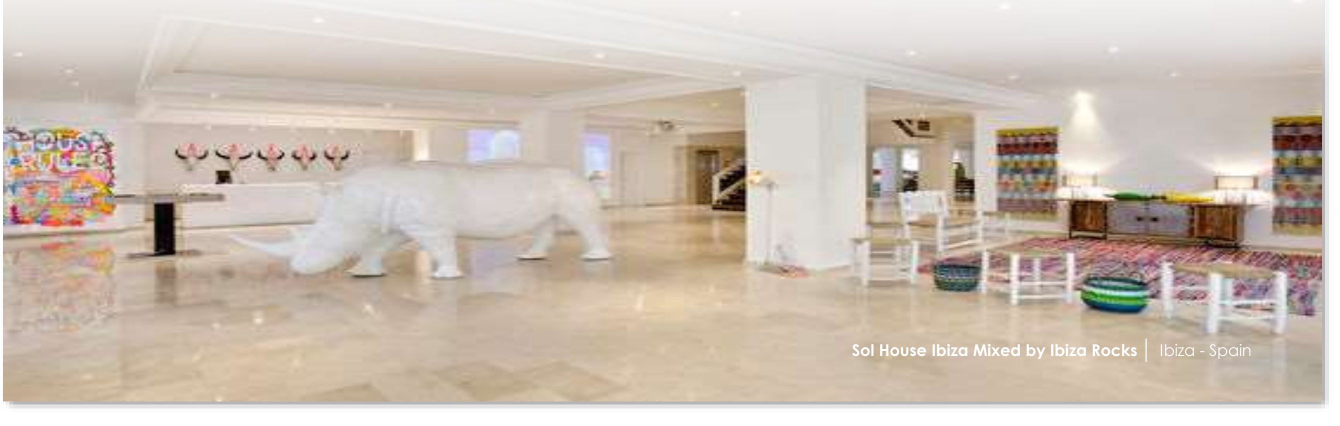
	9M 2017 €M	9M 2016 €M	% change	Flow through %
Revenues	1.279,6	1.227,3	52,3	
Operating expenses	(939,0)	(910,8)	(28,2)	
EBITDAR	**340,6**	**316,5**	**24,1**	**46,0%**
EBITDAR Margin	**26,6%**	**25,8%**		
Rentals	(118,7)	(110,4)	(8,3)	
EBITDA	**221,9**	**206,1**	**15,7**	**30,1%**
EBITDA Margin	**17,3%**	**16,8%**		

P&L adjusted by:

a) Ex-capital gains on asset rotation.

b) Excluding the reversal of onerous lease contracts.

c) Based in Same Store Sales (excluding openings, disaffiliations and majors refurbishments).



Sol House Ibiza Mixed by Ibiza Rocks | Ibiza - Spain

MAIN STATISTICS BY BRAND & COUNTRY

MAIN STATISTICS BY BRAND

	OWNED & LEASED						OWNED, LEASED & MANAGED					
	Occup.		ARR		RevPAR		Occup.		ARR		RevPAR	
	%	p.p. change	€	% change	€	% change	%	p.p. change	€	% change	€	% change
Paradisus	74,8%	-3,6	140,8	4,2%	105,3	-0,5%	70,4%	-2,4	143,2	1,0%	100,8	-2,4%
Me by Melia	69,7%	2,7	263,8	-0,8%	183,9	3,2%	64,5%	0,0	259,7	16,8%	167,4	16,7%
Gran Meliá	56,1%	-5,1	208,5	6,5%	117,0	-2,4%	54,5%	-5,4	164,1	-6,2%	89,4	-14,6%
Meliá	72,9%	-0,4	121,9	4,7%	88,8	4,1%	68,0%	1,0	111,0	6,4%	75,4	8,0%
Innside	71,6%	-1,2	127,9	0,2%	91,6	-1,4%	68,1%	-4,8	126,0	-0,3%	85,8	-6,8%
Tryp by Wyndham	73,9%	2,5	86,3	9,4%	63,8	13,2%	68,9%	0,8	82,9	8,7%	57,2	9,9%
Sol	78,2%	-1,6	82,6	12,8%	64,6	10,6%	75,3%	-3,0	78,9	8,5%	59,4	4,3%
TOTAL	72,4%	-0,7	120,7	7,1%	87,5	6,1%	68,6%	-0,9	109,1	5,7%	74,9	4,3%

MAIN STATISTICS BY MAIN COUNTRIES

	OWNED & LEASED						OWNED, LEASED & MANAGED					
	Occup.		ARR		RevPAR		Occup.		ARR		RevPAR	
	%	p.p. change	€	% change	€	% change	%	p.p. change	€	% change	€	% change
AMERICA	68,9%	-2,7	118,4	-1,0%	81,6	-4,8%	64,5%	-2,0	105,5	2,0%	68,0	-1,1%
Dominican Republic	78,2%	1,7	115,1	0,1%	90,0	2,4%	78,2%	1,7	115,1	0,1%	90,0	2,4%
Mexico	74,3%	-6,5	124,7	7,0%	92,6	-1,6%	72,9%	-4,7	132,9	8,5%	96,9	2,0%
Peru	67,3%	7,1	107,8	-6,5%	72,6	4,5%	67,3%	7,1	107,8	-6,5%	72,6	4,5%
Puerto Rico	57,9%	4,2	115,0	-6,8%	66,6	0,4%	57,9%	4,2	115,0	-6,8%	66,6	0,4%
USA	81,0%	4,5	155,0	-8,0%	125,5	-2,6%	75,2%	3,1	157,9	-6,4%	118,8	-2,3%
Venezuela	47,7%	7,4	49,2	-52,5%	23,5	-43,8%	47,7%	7,4	49,2	-52,5%	23,5	-43,8%
Cuba	-	-	-	-	-	-	64,3%	-3,1	99,2	1,9%	63,8	-2,7%
Brazil	11,5%	-	164,4	-	18,9	-	50,5%	-2,6	85,6	10,8%	43,2	5,3%
ASIA	-	-	-	-	-	-	56,7%	-7,4	72,1	-8,4%	40,9	-19,0%
Indonesia	-	-	-	-	-	-	54,1%	-8,7	61,8	-17,0%	33,5	-28,5%
China	-	-	-	-	-	-	61,2%	-2,3	72,8	-8,8%	44,5	-12,1%
Vietnam	-	-	-	-	-	-	59,5%	-9,5	98,4	11,4%	58,5	-3,9%
EUROPE	71,4%	-0,3	158,2	2,6%	112,9	2,2%	71,2%	-0,1	160,7	3,1%	114,5	2,9%
Austria	67,5%	-8,8	137,0	16,3%	92,5	2,9%	67,5%	-8,8	137,0	16,3%	92,5	2,9%
Germany	70,9%	-0,3	108,3	1,2%	76,7	0,7%	70,9%	-0,3	108,3	1,2%	76,7	0,7%
France	70,0%	2,2	175,6	2,1%	122,9	5,4%	70,0%	2,2	175,6	2,1%	122,9	5,4%
United Kingdom	74,7%	0,3	164,4	-2,2%	122,8	-1,8%	74,7%	0,3	164,4	-2,2%	122,8	-1,8%
Italy	68,2%	4,7	212,2	-2,5%	144,9	4,6%	67,7%	4,7	215,8	-1,9%	146,1	5,4%
Spain	74,3%	0,0	116,5	12,6%	86,6	12,6%	74,0%	0,4	111,2	11,8%	82,3	12,3%
Resorts	76,8%	-1,7	119,8	9,1%	92,0	6,7%	77,3%	-1,2	112,6	9,8%	87,0	8,1%
Urban	71,8%	1,5	113,0	16,6%	81,1	19,1%	70,1%	1,9	109,4	14,6%	76,7	17,8%
TOTAL	72,4%	-0,7	120,7	7,1%	87,5	6,1%	68,6%	-0,9	109,1	5,7%	74,9	4,3%

MAIN STATISTICS BY DIVISION AND EXCHANGE RATES

MAIN STATISTICS BY DIVISION Q3 2017

	OWNED & LEASED						OWNED, LEASED & MANAGED					
	Occup.		ARR		RevPAR		Occup.		ARR		RevPAR	
	%	Chg pts.	€	Chg %	€	Chg %	%	Chg pts.	€	Chg %	€	Chg %
America	69,0%	-0,9	103,0	-4,5%	71,1	-5,8%	67,0%	-0,3	104,5	-2,7%	69,9	-3,2%
EMEA	74,7%	-1,0	166,3	3,5%	124,2	2,2%	73,4%	-1,4	166,1	2,3%	121,9	0,4%
Spain	79,4%	1,0	109,1	12,3%	86,7	13,8%	76,5%	1,8	108,0	11,4%	82,6	14,0%
Mediterranean	85,0%	-3,2	122,5	10,5%	104,1	6,5%	82,9%	-4,1	118,0	8,9%	97,8	3,7%
Brasil	14,4%	-	149,6	-	21,6	-	51,9%	-0,6	82,4	4,2%	42,7	2,9%
Cuba	-	-	-	-	-	-	50,0%	-5,9	73,5	-6,0%	36,7	-15,9%
Asia	-	-	-	-	-	-	61,3%	-8,5	74,5	-1,1%	45,6	-13,2%
TOTAL	76,8%	-2,0	128,1	6,7%	98,4	3,9%	69,7%	-2,8	113,7	4,6%	79,2	0,5%

9M 2017 EXCHANGE RATES

	9M 2016	9M 2017	9M 2017 VS 9M 2016
1€ = X foreign currency	average rate	average rate	Change
Sterling (GBP)	0,804	0,874	-8,05%
American Dollar	1,117	1,116	0,09%

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DEFINITIONS

EBITDA and EBITDA ex capital gains

Earnings before interest expense, taxes and depreciation and amortization ("EBITDA"), presented herein, reflects income (loss) from continuing operations, net of taxes, excluding interest expense, a provision for income taxes and depreciation and amortization.

EBITDA ex capital gains, presented herein, is calculated as EBITDA, as previously defined, further adjusted to exclude certain items, including gains, losses and expenses in connection with asset dispositions for both consolidated and unconsolidated investments.

EBITDAR and EBITDA ex capital gains margins

EBITDAR margin represents EBITDAR as a percentage of total revenues excluding capital gains generated in asset dispositions at revenue level.

EBITDA ex capital gains margin represents EBITDA ex capital gains as a percentage of total revenues excluding capital gains generated in asset dispositions at revenue level.

Net Debt

Net Debt, presented herein, is a financial measure that the Company uses to evaluate its financial leverage. Net Debt is calculated as long-term debt, including current maturities, plus short-term debt; reduced by cash and cash equivalents. Net Debt may not be comparable to a similarly titled measure of other companies.

Net Debt to EBITDA Ratio

Net debt to EBITDA ratio, presented herein, is a financial measure and is included as it is frequently used by securities analysts, investors and other interested parties to compare the financial condition of companies. Net Debt to EBITDA ratio may not be comparable to a similarly titled measure of other companies.

Occupancy

Occupancy represents the total number of room nights sold divided by the total number of room nights available at a hotel or group of hotels for a given period. It measures the utilization of the hotels' available capacity. Management uses occupancy to gauge demand at a specific hotel or group of hotels in a given period. Occupancy levels also help management determine achievable average daily rate levels as demand for hotel rooms increases or decreases.

Average Room Rate (ARR)

ARR represents hotel room revenue divided by total number of room nights sold for a given period. It measures average room price attained by a hotel, and ARR trends provide useful information concerning the pricing environment and the nature of the customer base of a hotel or group of hotels. ARR is a commonly used performance measure in the industry, and management uses ARR to assess pricing levels that the Company is able to generate by type of customer, as changes in rates have a different effect on overall revenues and incremental profitability than changes in occupancy, as described above.

Revenue per Available Room (RevPAR)

RevPAR is calculated by dividing hotel room revenue by total number of room nights available to guests for a given period. Management considers RevPAR to be a meaningful indicator of the Company's performance as it provides a metric correlated to two primary and key drivers of operations at a hotel or group of hotels: occupancy and ARR. RevPAR is also a useful indicator in measuring performance over comparable periods for comparable hotels.

Flow Through

Flow Through is calculated by dividing the changes in EBITDA by the changes in revenues over any given period. It is a financial metric related to margins closely monitored by Management that indicates out of the total incremental revenue of the business, how much goes down to EBITDA.