

Dear friend,

Sol Meliá is pleased to announce a 150 million euro exchangeable bond issue as part of an ongoing strategy aimed at strengthening and diversifying company financing sources, the main objective of the which is to refinance short term debt and increase the average term of outstanding debt.

The exchangeable bonds will be traded on the Luxembourg market and placed amongst international institutional investors. No public offering will be made neither in Spain, the Netherlands nor the United Kingdom.

The tenor of the bonds will be 5 years and they will carry an annual coupon rate between 4.05% and 4.55%. The bookrunner will be Barclays Capital.

Each bond will have a nominal value of 10,000 Euros, and may be exchanged for existing treasury stock, cash or both, thus avoiding the need for any capital increase should investors wish to exercise their conversion rights. A conversion premium of 80% will be added to the conversion price, calculated as the volume-weighted average of the bond price between the launch and the pricing of the transaction.

Exchangeable bond issue summary:

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|----------------------------|-------------------------|
| Total value: | 150 million Euros |
| Nominal bond value: | 10,000 Euros per bond |
| Trading market: | Luxembourg stock market |
| Due date: | 5 years |
| Annual coupon rate: | 4.3% |
| Conversion premium: | 80% |
| Strike Price | € 11.90 |
| Bookrunner: | Barclays Capital |

Sol Meliá is the leading hotel company in Spain, Latin America and the Caribbean, and the largest resort hotel company in the world. The company provides more than 350 hotels and 80,000 rooms in 30 countries under its **Meliá Hotels**, **TRYP Hotels**, **Sol Hotels** and **Paradisus Resorts** brands.