According to article 228 of the consolidated text of the Securities Market Act and its related legislation, MELIÁ HOTEL INTERNATIONAL S.A. makes public the following:

SIGNIFICANT EVENT

The Board of Directors held today has formulated the Interim Financial Accounts for the First Half 2019. This information has been sent to the CNMV through CIFRADOC/CNMV.

In addition, please find attached the 2019 First Half earnings report for analysts and investors.

Meliá Hotels International, S.A.
Palma, July 30 2019

Gran Meliá Palacio de Isora Resort & Spa | Tenerife - Spain

FIRST HALF RESULTS

2019

MELIÃ HOTELS INTERNATIONAL

MELIÃ HOTELS INTERNATIONAL

Dear fellow shareholders,

During the first half of 2019, the global travel and hospitality industry has faced a number of significant changes that resulted in a fast paced and challenging competitive environment oriented to the digital world in which hotel chains and tour operators have adapted in order to properly serve the needs of an even more demanding type of guest and tourist.

"We delivered a positive set of results after having posted an increase in revenues and O&L RevPAR of +0.3% and +0.4% respectively vs H1 2018 "

In this global competitive landscape, where different factors beyond our control added additional pressures to our operations and business model, particularly in locations that historically were among the most profitable ones for our core business, we delivered a slightly positive set of results after having posted an increase in revenues and O&L RevPAR of +0.3% and +0.4% respectively vs H1 2018 thanks to the commitment with digitalization and the strengthening of our balance sheet, being both aspects critical to become more resilient to potential cycle downturns.

Operationally speaking, we faced a number of challenges in America that impacted our performance in countries like Mexico and the Dominican Republic, which were affected by socio-economic and political concerns, sargassum/seaweed problems, refurbishments and ramp ups of certain hotels and press campaigns that created noise and uncertainties among visitors, thus resulting in a drop in demand. In Spain, and in line with the report published back in July 2019 by Exceltur, our resorts were impacted by the recovery in demand of alternative destinations and the decline in air capacity in certain destinations, as well as by the deterioration of demand from significant feeder markets, such as the United Kingdom and Germany. However, our urban hotels located in Spanish cities, like Madrid and Barcelona, and EMEA, particularly in Germany, Italy, the United Kingdom and France, delivered a positive performance. Finally, in Asia, the region in which we will focus to continue increasing our global footprint, our managed hotels posted positive results thanks to the better positioning of our brands and properties among upper and luxury segments.

"Our urban hotels located in Spanish cities, like Madrid and Barcelona, and EMEA, particularly in Germany, Italy, the United Kingdom and France, delivered a positive performance"

From a development perspective, we reached a global pipeline of 61 hotels and over 14k rooms, mainly of them signed under asset-light formulas, after having signed 4 additional hotels in countries with high growth potential such as Vietnam, Portugal and the UAE. Also, our current global portfolio consists of 327 hotels and around 83k rooms, as we incorporated 5 new hotels in Asia, Cuba and EMEA. Furthermore, regarding our real estate strategy, we completed the sale of our hotel located in Puerto Rico during the period, and we are constantly and actively seeking for attractive opportunities to further benefit from the positive momentum of the market from a value-accretive perspective.

Finally, I would like to highlight that the different ESG and CSR initiatives we have been focusing on over the past months have been internationally recognized, as reflected in several awards, such as having been ranked amongst the most valuable brands and with the strongest reputation levels in the industry not only in Spain, but also globally, by institutions like Brand Finance, Merco and Advice Strategic Consultants, among others, which reinforces our proven commitment to continue delivering sustainable and efficient growth going forward in order to make an impact to our future generations and local communities where we operate.

Yours sincerely,

Gabriel Escarrer, *Vice Chairman & CEO*

P&L AND KEY INDICATORS SUMMARY*

(Million Euros)	June 2019	June 2018*	% change
REVENUES	**869.3**	**879.2**	**-1.1%**
Revenues ex asset rotation	**869.3**	**866.6**	**0.3%**
EBITDAR	225.6	239.5	-5.8%
EBITDA	**216.8**	**231.0**	**-6.1%**
EBITDA ex asset rotation	**216.8**	**218.5**	**-0.7%**
EBIT	89.4	114.3	-21.8%
TOTAL FINANCIAL PROFIT (LOSS)	-33.9	-36.0	5.9%
EARNINGS BEFORE TAXES	56.9	77.1	-26.1%
NET PROFIT	**43.5**	**57.8**	**-24.7%**
NET PROFIT ATTRIBUTABLE	43.5	58.4	-25.4%
EPS (€)	0.19	0.25	-25.4%
REVPAR Owned & Leased (€)	**83.1**	**82.8**	**0.4%**
REVPAR Owned, Leased & Managed (€)	**66.7**	**67.8**	**-1.7%**
EBITDAR MARGIN (ex - capital gains)	26.0%	26.2%	-24 bps
EBITDA MARGIN (ex - capital gains)	*24.9%*	*25.2%*	-26 bps

Important disclosure: Following the introduction of the new IFRS 16 standard related to rental expenses, we would like to highlight that the figures reported have been adjusted in order to consider the impact of this new standard in order to facilitate historical comparisons. In this regard, for those interested, the Appendix section includes a detailed explanation of the effects in our financial statements.

Business performance

- During the second quarter of the year, O&L RevPAR grew by +2.1% vs the same period last year, being this increase explained exclusively by price hikes, which allowed us to close the first semester of the year with an increase of +0.4% in RevPAR, despite the different challenges faced during the period. Also, EBITDA excluding capital gains stood at +€216.8M (-0.7% vs H1 2018).
- EPS stood at +€0.19, representing a decline of -25.4% vs H1 2018, mainly due to the impact of capital gains (revaluations) generated the previous year.
- Our direct channel increased its penetration among customers and sales through melia.com rose by +1.1% in Q1, highlighting also the +7.6% growth of OTB sales and the evolution of MeliáPro, our digital B2B platform, which grew by +26.8%.

Debt Management

- Net Financial Result improved by +5.9% vs the same period last year, while average interest rate was of 3.20%, in line with the reported in H1 2018.
- Net Debt prior to IFRS 16 fell vs December 2018 by -€21.8M to +€585.7M.

Development strategy

- Our global portfolio stood at 327 hotels and around 83k rooms as of June 2018. Also, during the second quarter, we opened 1 new hotel (146 rooms) Q2 in Colombia, a country benefitting from a positive market dynamic, and disaffiliated 4 hotels (1,252 rooms).
- Moreover, we signed 4 new hotels (761 rooms) in countries with high growth potential like Vietnam, Portugal and the UAE. Due to this, as of June 2019, our global pipeline now consists of 61 hotels and over 14k rooms, of which around 90.0% have been signed under asset-light formulas.

Outlook 2019

- For the rest of the year, we expect RevPAR to grow by a low-single digit fully explained by prices. In this regard, In Spain we have positive expectations for our urban hotels located in cities like Madrid and Barcelona but remain cautious for our resorts located in both the Balearic and Canary Islands, as well as in America, while in EMEA we are positive and forecast an increase in RevPAR given the good prospects in Germany, the United Kingdom and Italy. In Asia we also foresee a positive second half of the year. Finally, we would like to highlight the implementation of our plan *BeDigital360* on a worldwide basis, which is aimed at making our processes much more efficient.
- Finally, we reiterate our strong commitment to maintain Net Debt/EBITDA pre-IFRS16 below 2x.

REPORT ON HOTELS OPERATION

I

GLOBAL HOTELS

FINANCIAL INDICATORS

HOTELS OWNED & LEASED	H1 2019 €M	H1 2018 €M	% change
Total aggregated Revenues	**744.2**	**745.7**	**-0.2%**
Owned	381.3	394.5	
Leased	362.9	351.2	
Of which Room Revenues	***465.1***	***460.5***	**1.0%**
Owned	202.5	206.7	
Leased	262.6	253.8	
EBITDAR Split	**193.8**	**197.5**	**-1.9%**
Owned	104.7	117.9	
Leased	89.1	79.7	
EBITDA Split	**185.2**	**189.9**	**-2.5%**
Owned	104.7	117.9	
Leased	80.5	72.0	
EBIT Split	**72.8**	**87.6**	**-16.9%**
Owned	70.9	87.1	
Leased	1.9	0.5	

MANAGEMENT MODEL	H1 2019 €M	H1 2018 €M	% change
Total Management Model Revenues	**145.3**	**148.9**	**-2.4%**
Third Parties Fees	23.9	25.4	
Owned & Leased Fees	45.8	45.6	
Other Revenues*	75.6	77.9	
Total EBITDA Management Model	**39.2**	**37.4**	**4.9%**
Total EBIT Management Model	**33.4**	**32.7**	

** Other Revenues in H1 2019 include €62.0M of Corporate Revenues not directly attributable to any specific division. Idem in H1 2018 data by €63.6M.*

OTHER HOTEL BUSINESS	H1 2019 €M	H1 2018 €M	% change
Revenues	**30.3**	**32.4**	**-6.4%**
EBITDAR	1.8	2.7	
EBITDA	1.7	1.9	
EBIT	1.0	1.4	

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	68.7%	-2.7	120.9	4.4%	83.1	0.4%	64.1%	-2.9	104.0	2.8%	66.7	-1.7%
TOTAL HOTELS SAME STORE BASIS	71.5%	-1.1	121.0	2.4%	86.5	0.8%	66.1%	-1.2	101.5	0.7%	67.1	-1.1%
AMERICA	62.9%	-9.5	130.6	9.2%	82.1	-5.2%	61.3%	-5.9	117.3	6.8%	71.9	-2.5%
EMEA	70.9%	-0.5	139.2	3.6%	98.7	2.8%	69.6%	-1.4	140.2	4.6%	97.6	2.6%
SPAIN	70.1%	-0.9	109.2	2.5%	76.6	1.2%	67.9%	-1.8	100.5	2.5%	68.3	-0.1%
CUBA	-	-	-	-	-	-	56.9%	-5.6	85.3	-1.7%	48.5	-10.6%
ASIA	-	-	-	-	-	-	59.1%	3.5	71.9	-0.8%	42.5	5.5%

* Available Rooms H1 2019: 5,599.9k (vs 5,564.6k in H1 2018) in O&L // 11,769.7k (vs 11,438.2k in H1 2018) in O,L&M.

FUTURE DEVELOPMENT

	Current Portfolio				Pipeline									
	H1 2019		2018 YE		2019		2020		2021		Onwards		TOTAL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
GLOBAL HOTELS	327	82,872	329	83,253	9	1,708	27	7,299	16	3,092	9	2,063	61	14,162
Management	126	37,282	129	37,556	8	1,563	21	5,913	12	2,501	8	1,953	49	11,930
Franchised	48	9,860	47	9,714	0	0	1	96	3	468	1	110	5	674
Owned	45	13,403	45	13,735	0	0	0	0	0	0	0	0	0	0
Leased	108	22,327	108	22,248	1	145	5	1,290	1	123	0	0	7	1,558

AMERICA

FINANCIAL INDICATORS

HOTELS OWNED & LEASED	H1 2019 €M	H1 2018 €M	% change
Total aggregated Revenues	**230.2**	**234.9**	**-2.0%**
Owned	215.3	218.9	
Leased	14.9	16.0	
Of which Room Revenues	***101.8***	***107.8***	**-5.5%**
Owned	89.5	94.3	
Leased	12.3	13.4	
EBITDAR Split	**71.7**	**81.5**	**-12.0%**
Owned	67.8	78.9	
Leased	4.0	2.6	
EBITDA Split	**70.2**	**78.7**	**-10.8%**
Owned	67.8	78.9	
Leased	2.4	-0.2	
EBIT Split	**51.2**	**60.3**	**-15.2%**
Owned	52.7	64.9	
Leased	-1.6	-4.5	

MANAGEMENT MODEL	H1 2019 €M	H1 2018 €M	% change
Total Management Model Revenues	**29.2**	**28.3**	**3.2%**
Third Parties Fees	3.5	3.8	
Owned & Leased Fees	15.2	16.2	
Other Revenues	10.4	8.3	

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	62.9%	-9.5	130.6	9.2%	82.1	-5.2%	61.3%	-5.9	117.3	6.8%	71.9	-2.5%
TOTAL AMERICA SAME STORE BASIS	72.4%	-6.4	128.6	2.1%	93.0	-6.1%	68.7%	-1.6	110.3	0.2%	75.8	-2.0%
Brazil	-	-	-	-	-	-	57.9%	4.0	79.8	3.0%	46.2	10.6%
Mexico	72.0%	-6.1	129.4	6.1%	93.2	-2.2%	72.0%	-4.5	129.4	0.3%	93.2	-5.6%
Dominican Republic	62.2%	-15.4	130.2	11.4%	81.0	-10.7%	62.2%	-15.4	130.2	11.4%	81.0	-10.7%
Rest of America	47.9%	-12.6	134.5	11.7%	64.4	-11.6%	54.8%	-9.9	127.2	13.4%	69.7	-3.9%

* Available Rooms H1 2019: 1,241.2k (vs 1,194.7k in H1 2018) in O&L // 2,060.0k (vs 2,034.0k in H1 2018) in O,L&M.

CHANGES IN PORTFOLIO

Openings between 01/01/2019 – 30/06/2019

Hotel	**Country / City**	**Contract**	**# Rooms**
Meliá Cartagena Karmairi	Colombia / Cartagena	Franchise	146

Disaffiliations between 01/01/2019 – 30/06/2019

Hotel	**Country / City**	**Contract**	**# Rooms**
Tryp Sao Paulo Berrini	Brazil / Sao Paulo	Management	171
Meliá Coco Beach	Puerto Rico / San Juan	Owned	486
ME Miami	United States / Miami	Management	129
Tryp Sao Paulo Itaim	Brazil / Sao Paulo	Management	133

FUTURE DEVELOPMENT

	Current Portfolio				Pipeline									
	H1 2019		2018 YE		2019		2020		2021		Onwards		TOTAL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
TOTAL AMERICA	38	11,656	41	12,432	2	740	0	0	1	500	2	356	5	1,596
Management	18	4,425	22	5,020	2	740	0	0	1	500	2	356	5	1,596
Franchised	2	286	1	140	0	0	0	0	0	0	0	0	0	0
Owned	16	6,396	16	6,723	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

- RevPAR in USD (owned, leased & managed) dropped by -10.8% vs Q2 2018 given the deterioration in our operations due to a number of aspects that were beyond our control and that will be discussed below.
- Total fee revenue in USD fell by -12.5% vs Q2 2018 given the lower third parties and owned and leased fees collected during the period.
- Melia.com sales grew by +5,1% in Q2 2019 vs the SPLY thanks to the different marketing actions implemented.

During the second quarter of the year, our operations in America were negatively impacted by a number of aspects that were beyond our control but that however hit the performance of those hotels located in the most significant touristic destinations in the region.

On a country basis, we were hit by the situation faced in the Dominican Republic, particularly in the Punta Cana area due to a significant noise generated by US media motivated by the fact a number of US tourists died due to different causes. This aspect resulted in a number of cancelations that affected all our hotels located in the country mainly in June. In the case of Mexico, the trend started in the first quarter of the year continued and we were still affected by the insecurity in certain areas of the country, which were particularly fueled by the press in both the US and Canada, and that combined with the sargassum problems affecting Playa del Carmen and Cancún negatively impacted our global results in terms of bookings and thus revenues and RevPAR. Finally, on the positive side, the performance of our hotels located in Brazil was good during the second quarter of the year vs Q2 2018 after having posted a significant rise in both prices and occupancy rates.

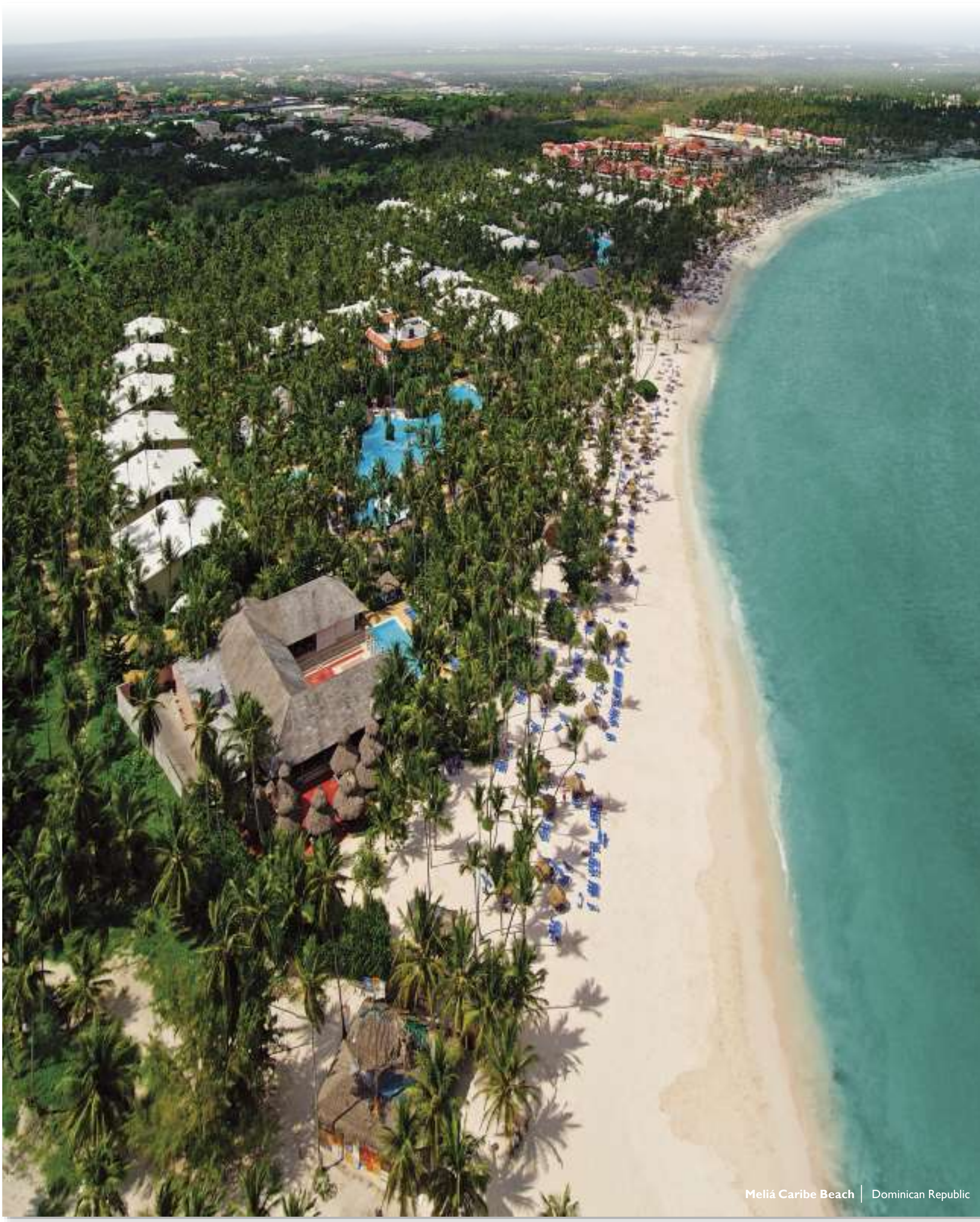
When looking at specific segments, in the Dominican Republic we witnessed a deep decline in the number of US visitors, which was partially offset by the rise shown by both European and LATAM customers, and an increasing supply, that combined with the rise on average prices of airline tickets reduced the competitiveness of the destination vs some other locations in the Caribbean. This had a negative impact in the groups segment, although we managed to partially offset the decline with the growth posted by sales through our direct channel thanks to the individual segment and which was boosted by successful marketing campaigns and commercial actions like the Wonder Week and Super Sale, among others. Furthermore, the global figures of the country were affected by the fact that both Grand Reserve, which posted a positive contribution to the division's figures since its opening back in December 2018, and Meliá Caribe Beach and Meliá Punta Cana Beach are still in ramp up and positioning themselves among upper segments. In Mexico, and particularly in Playa del Carmen and Cancun, our hotels were affected by the rise in the perceived insecurity levels and the effects of sargassum, which resulted in price wars aimed at limiting the impact of both effects. Additionally, the current socio-economic and political situation of the country worsened over the past months since the change in the Government, thus resulting in a severe decline in the MICE segment that negatively impacted occupancy rates, revenues and RevPAR, despite the fact that the direct channel posted a decent evolution. Also, we would like to highlight the very positive performance of our hotels located in Los Cabos and Puerto Vallarta. Finally, in Brazil we managed to close a positive quarter particularly thanks to the good performance of our hotels during May thanks to a number of significant trade fairs, such as APAS, Hospitalar and ILTM, international medical congresses and music festivals that were held in the country, as well as due to the positive impact of the CONMEBOL America Cup that took place in June. In this context, the segment that posted a better performance during the quarter was the direct channel, which was boosted by the Wonder Week campaign during June.

OUTLOOK

For the third quarter of the year, in the Dominican Republic we still foresee a drop in the number of bookings and therefore demand due to the insecurity problems that were widespread by the US press, although the Government has recently launched an ambitious campaign to reinforce the security levels within the country. In this regard, we forecast a decline in the number of US visitors which we will try to partially mitigate by focusing on both LATAM and European visitors, implementing marketing campaigns aimed at improving the competitiveness of the main touristic destinations within the country, as well as by implementing our plan *BeDigital360* aimed at making our processes much more efficient. In Mexico we expect price wars to continue in order to achieve higher volumes, and therefore we believe that the trend will be similar than in previous periods, with a lower demand levels. In this context, our strategy will still be focused on improving occupancy rates by focusing on both local market and LATAM, as well as to continue positioning our hotels and brands among upper segments. In the case of Brazil, however, we have positive expectations for Q3, particularly in July, as a significant religious event will boost the groups segment in our hotels located in Sao Paulo. Also, in August current on the book sales are above past years numbers.

PORTFOLIO AND PIPELINE

In Q2 2019, we incorporated one new hotel to our portfolio in America: Meliá Cartagena Karmairi (Colombia, franchise, 146 rooms), while our hotel located in Los Cabos (Mexico) ME Cabo became part of our owned portfolio. Furthermore, we disaffiliated 2 hotels, both under management contracts: ME Miami (United States, 129 rooms) and Tryp Sao Paulo Itaim (Brazil, 133 rooms). For the rest of the year, we expect to incorporate 1 new hotel under a management contract: Paradisus Playa Mujeres (Mexico, 498 rooms), a brand-new all-inclusive resort located in one of the touristic destinations with the highest growth potential in the Caribbean.



Meliá Caribe Beach | Dominican Republic

EMEA

FINANCIAL INDICATORS

HOTELS OWNED & LEASED	H1 2019 €M	H1 2018 €M	% change
Total aggregated Revenues	**181.9**	**173.9**	**4.6%**
Owned	50.4	47.9	
Leased	131.6	126.1	
Of which Room Revenues	***131.7***	***125.1***	**5.3%**
Owned	35.2	26.7	
Leased	96.5	98.3	
EBITDAR Split	**46.1**	**41.6**	**10.9%**
Owned	13.0	10.0	
Leased	33.1	31.5	
EBITDA Split	**44.3**	**40.0**	**10.8%**
Owned	13.0	10.0	
Leased	31.4	30.0	
EBIT Split	**13.3**	**13.6**	**-2.4%**
Owned	7.3	7.7	
Leased	6.0	6.0	

MANAGEMENT MODEL	H1 2019 €M	H1 2018 €M	% change
Total Management Model Revenues	**14.1**	**13.5**	**4.6%**
Third Parties Fees	0.5	0.4	
Owned & Leased Fees	10.5	9.3	
Other Revenues	3.1	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 EMEA	70.9%	-0.5	139.2	3.6%	98.7	2.8%	69.6%	-1.4	140.2	4.6%	97.6	2.6%
TOTAL EMEA SAME STORE BASIS	71.1%	0.1	139.5	4.2%	99.2	4.4%	70.1%	-0.3	139.7	4.0%	97.9	3.6%
Germany	69.7%	-0.2	110.8	3.7%	77.3	3.3%	69.7%	-0.2	110.8	3.7%	77.3	3.3%
France	72.4%	-7.9	174.4	-3.7%	126.2	-13.2%	72.4%	-7.9	174.4	-3.7%	126.2	-13.2%
United Kingdom	72.2%	1.5	173.4	5.7%	125.2	8.0%	70.1%	-0.2	219.4	3.9%	153.9	3.6%
Italy	71.0%	-0.2	217.3	3.3%	154.3	2.9%	72.7%	2.0	170.3	3.8%	123.7	6.7%
Rest of Europe	76.9%	2.1	151.5	6.1%	116.4	9.1%	62.5%	-7.4	153.0	16.8%	95.7	4.5%

* Available Rooms H1 2019: 1,333.8k (vs 1,302.6k in H1 2018) in O&L // 1,440.4k (versus 1,399.2k in H1 2018) in O,L&M.

CHANGES IN PORTFOLIO

Openings between 01/01/2019 – 30/06/2019

Hotel	Country / City	Contract	# Rooms
Innside Paris Charles de Gaulle	France / Paris	Lease	266
Innside Prague Old Town	Czech Republic / Prague	Management	89

Disaffiliations between 01/01/2019 – 30/06/2019

Hotel	Country / City	Contract	# Rooms
Meliá Campione	Italy / Campione	Management	40

FUTURE DEVELOPMENT

	Current Portfolio				Pipeline									
	H1 2019		2018 YE		2019		2020		2021		Onwards		TOTAL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
TOTAL EMEA	82	15,653	81	15,331	2	316	8	2,010	9	1,571	3	608	22	4,505
Management	8	672	8	615	1	171	3	788	5	980	2	498	11	2,437
Franchised	31	7,518	31	7,518	0	0	1	96	3	468	1	110	5	674
Owned	7	1,397	7	1,397	0	0	0	0	0	0	0	0	0	0
Leased	36	6,066	35	5,801	1	145	4	1,126	1	123	0	0	6	1,394

- RevPAR (owned, leased & managed) rose by +3.0% in the quarter vs the same period last year thanks to the good performance posted by our hotels located in all the countries where we operate.
- Total fee revenue increased by +14.6% in Q2 vs the same period last year mainly due to the rise posted by owned and leased fees.
- Melia.com sales rose by +5.3% in the quarter vs Q2 2018 given the further penetration of our platform among potential clients.

The overall performance of our hotels located in EMEA has been positive during the second quarter of the year in all the countries where we operate, being the main highlights for each of them discussed below:

GERMANY/AUSTRIA/CZECH REPUBLIC

Our hotels located in Germany posted a solid quarter vs Q2 2018 after having closed the period with a RevPAR increase of over +3.1%, mainly explained by price hikes and thanks to the increase shown by sales through our direct channel melia.com, which grew by +6.5%. This positive performance has been explained mainly due to the positive evolution of both the Munich and Berlin markets, which posted double digit RevPAR hikes, given the recovery of the transient market in Berlin and its positive impact on both the OTAs and direct channel segments combined with the significant BAUMA trade fair that was held in Munich in April. On the other hand, both the Frankfurt and Wolfsburg markets struggled during the period, as they were impacted by the Easter Break effect and the cancelation of a significant trade fair, while in the case of the Dusseldorf area results were in line with Q2 2018. Finally, we would like to highlight the good performance of our new hotel in Prague, Innside Prague Old Town.

UK

The second quarter of the year has been positive for our hotels located in the United Kingdom, particularly for both ME London and Meliá White House, our flagships, after having posted a +5.7% RevPAR growth (in GBP) vs the same period last year. These figures are relevant considering the fact that we were affected in some way by Brexit uncertainties and due to the refurbishment that is taking place in Meliá White House. In this regard, and even though we had a delay in the refurbishment, the hotel closed the period with similar figures than in Q2 2018, while however in the case of ME London we registered a RevPAR increase of +18.0% motivated mainly by the deep increase in revenues during Easter and bank holidays combined with the higher demand of the MICE segment, which benefitted from the contribution of new accounts. Finally, sales through melia.com declined by -1.7% vs Q2 2018.

FRANCE

The negative effect of the "Yellow Vest Movement" in our operations pretty much vanished over the past months, which allowed our hotels located in the country to close a positive quarter after having posted a +3.0% RevPAR growth on a LFL basis, despite that a number of refurbishments took place during the period affecting hotels such as Hotel Paris Opera and Meliá Champs Elysses. During June, we reached the figures that we used to post prior to the 2015 terrorist attacks at both prices and occupancy rates levels thanks to the celebration of the 2019 FIFA Women's World Cup. Also, in the case of Innside Paris Charles de Gaulle, a hotel that is still in ramp up, we managed to secure commercial agreements that will assure the sustainability of its operations going forward. Finally, it is worth to mention that sales through melia.com jumped by +8.8% in Q2 2019 vs SPLY.

ITALY

We had a positive quarter in Italy after having posted a +8.5% RevPAR increase vs Q2 2018 thanks mainly to the evolution of the Milano market. In this regard, ME Milan and Meliá Milan closed the period posting RevPAR increases of +11.0% and +17.0% respectively, being this positive performance also reinforced by the recovery of Meliá Genova the Morandi Bridge disaster. However, the Rome market was affected by a weaker demand of both the transient and MICE segments and posted a RevPAR decline of -4.0%, below our initial expectations. Furthermore, sales through our direct channel increased by +8.0% vs Q2 2018.

OUTLOOK

For Q3 2019, we expect our hotels located in Germany to post similar figures than in Q3 2018, despite that there will be a lower number of trade fairs in the country compared with 2018. However, in the United Kingdom we foresee a mid-single digit RevPAR growth, while in the case of France we expect our hotels to deliver a set of results that will be in line with past year's figures. Finally, in Italy we forecast a mid-single digit RevPAR growth vs Q3 2018.

PORTFOLIO AND PIPELINE

We have not added nor disaffiliated any hotels to our portfolio in EMEA during Q2, as we have been focusing on refurbishments and repositionings aimed at continue increasing the value of our properties, as well as to improve current facilities to be better positioned when targeting upper and luxury segments. Going forward, we expect to incorporate 2 new hotels in EMEA: Innside Milano Torre Galfa (Italy, lease, 145 rooms) that will help us to continue benefitting from the positive trend of the Milano market, and Gran Meliá Arusha (Tanzania, management, 171 rooms) which will increase our footprint in the region and the penetration of our brands among upper segments.

Meliá Zanzibar | Tanzania

SPAIN

FINANCIAL INDICATORS

HOTELS OWNED & LEASED	H1 2019 €M	H1 2018 €M	% change
Total aggregated Revenues	**332.1**	**336.9**	**-1.4%**
Owned	115.6	141.3	
Leased	216.5	195.6	
Of which Room Revenues	***231.6***	***232.1***	**-0.2%**
Owned	77.8	90.1	
Leased	153.8	142.0	
EBITDAR Split	**76.0**	**74.5**	**2.1%**
Owned	24.0	28.9	
Leased	52.0	45.5	
EBITDA Split	**70.7**	**71.2**	**-0.8%**
Owned	24.0	28.9	
Leased	46.7	42.3	
EBIT Split	**8.3**	**13.6**	**-38.9%**
Owned	10.8	14.6	
Leased	-2.5	-1.0	

MANAGEMENT MODEL	H1 2019 €M	H1 2018 €M	% change
Total Management Model Revenues	**30.2**	**36.2**	**-16.5%**
Third Parties Fees	10.6	10.3	
Owned & Leased Fees	20.1	20.1	
Other Revenues	-0.4	5.8	

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	70.1%	-0.9	109.2	2.5%	76.6	1.2%	67.9%	-1.8	100.5	2.5%	68.3	-0.1%
TOTAL SPAIN SAME STORE BASIS	71.3%	0.1	110.0	1.5%	78.4	1.6%	68.8%	-1.3	98.6	1.8%	67.9	-0.1%
Resorts	69.2%	-1.4	95.4	-4.6%	66.0	-6.5%	66.1%	-3.0	88.7	-1.6%	58.7	-5.9%
Urban	70.9%	-0.6	119.9	7.2%	85.0	6.3%	70.3%	-0.3	115.2	6.7%	81.0	6.3%
Rest of Areas	-	-	-	-	-	-	60.1%	-4.0	78.9	6.7%	47.4	0.1%

* Available Rooms H1 2019: 3,024.9k (vs 3,067.4k in H1 2018) in O&L // 5,060.6k (vs 4,961.6k in H1 2018) in O,L&M.

CHANGES IN PORTFOLIO

Openings between 01/01/2019 – 30/06/2019

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

Disaffiliations between 01/01/2019 – 30/06/2019

Hotel	**Country / City**	**Contract**	**# Rooms**
Tryp Indalo Almería	Spain / Almería	Alquiler	186

FUTURE DEVELOPMENT

	Current Portfolio				Pipeline									
	H1 2019		2018 YE		2019		2020		2021		Onwards		TOTAL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
TOTAL SPAIN	151	36,861	152	37,049	1	192	7	2,118	0	0	0	0	8	2,310
Management	44	13,483	44	13,480	1	192	6	1,954	0	0	0	0	7	2,146
Franchised	15	2,056	15	2,056	0	0	0	0	0	0	0	0	0	0
Owned	22	5,610	22	5,615	0	0	0	0	0	0	0	0	0	0
Leased	70	15,712	71	15,898	0	0	1	164	0	0	0	0	1	164

SPAIN 2019 FIRST HALF RESULTS

- RevPAR (owned, leased & managed) grew by +4.4% in Q2 2019 vs SPLY, despite the performance of our Spanish resorts -0.7% vs our urban hotels +10.7%.
- Total fee revenue closed the period with a +0.8% increase vs Q2 2018 thanks to the rise in third parties fees collected.
- Melia.com sales rose by +4.9% in the quarter vs the same period last year given the positive effect of the digital marketing campaigns recently launched.

The performance of our hotels located in Spain has been impacted due to the Easter Break effect, which particularly affected the resorts segment in terms of higher occupancy rates, as well as due to the higher available rooms vs Q2 2018. In this regard, the positive performance of those hotels located in coasts partially offset the drops registered in our hotels located in both the Balearic and Canary Islands due to the reduction in air capacity and the recovery of demand in alternative destinations. On the other hand, the performance of our urban hotels was remarkable after having posted a +6.3% RevPAR increase vs Q2 2018, particularly in cities like Madrid, Valencia, Barcelona and Seville, with the only exception of Palma de Mallorca. Having said that, the main highlights of each of the areas within the country are discussed below:

NORTHEAST AREA

The region posted an increase in RevPAR of +11.4% vs Q2 2018 thanks to the good performance of our hotels located in both Madrid and Barcelona, which benefitted from the strong performance of the MICE segment due to certain large events that took place during the period, such as the UEFA Champions League Final or the EULAR Congress in Madrid and the world's largest clothing fair ITMA in Barcelona, and that had a positive impact in a number of hotels such as Meliá Castilla, Meliá Barajas, Gran Meliá Fénix, Gran Meliá Palacio de los Duques and Meliá Barcelona Sarriá. Additionally, sales through melia.com rose by over +3.1% vs the same period last year, particularly due to the rise in demand from America and EMEA.

SOUTHERN SPAIN

During Q2, RevPAR rose by +3.5% vs Q2 2018, mainly explained by prices, in our hotels located in Southern Spain. In this regard, the good performance posted in Seville thanks to the MICE segment and Torremolinos, particularly in hotels like Sol Don Pedro and Sol Príncipe, allowed us to deliver a positive set of results vs Q2 2018. By segment, we managed to partially offset the drop in demand from TOs, thanks to our direct channel melia.com, which posted a double digit increase in sales of +13.5% vs the same period last year.

BALEARIC ISLANDS

Our hotels located in the Balearic Islands posted a -4.2% RevPAR fell in the quarter vs Q2 2018 motivated by the negative impact in Palma due to the lower number of events held in the city in April and May, even though we partially offset this effect with the positive impact of the Easter Break effect in April in our resorts. When looking at segments, both the individual and direct channel, which rose by +5.0% and +0.6% vs Q2 2018, partially offset the fell posted by MICE.

CANARY ISLANDS AND OTHERS

Our hotels located in the Canary Islands closed a negative quarter after having posted a -3.4% RevPAR decline vs SPLY, due to refurbishments, as well as given the drop in air capacity and flight connections that affected the TOs segment, particularly due to the decline in demand from the United Kingdom. Finally, melia.com sales fell by -4.0% vs Q2 2018.

OUTLOOK

In general terms, the expectations during Q3 for both our urban hotels and resorts are quite different. In the case of resorts, for Q3 and high season period, currently OTB sales are slightly above SPLY, as they are improving in Coasts, in line with past year's numbers in Mallorca and declining in the Canary Islands, Menorca and Ibiza, given the ambitious commercial campaign started since the beginning of the year aimed at promoting sales through our direct channel and agreements with key partners. However, the expectations for the quarter are uncertain and will depend on last minute sales and price levels set by the market. On the other hand, we have positive expectations for our urban hotels, particularly in Madrid and Barcelona.

Having said that, when looking at the different areas within the country, for those hotels located in the Northern Area, we are optimistic and expect a double-digit growth due to the expected rise of demand in cities like Madrid and Barcelona given the religious and medical international events, as well as music festivals, that will take place in July and September and that are expected to positively affect hotels in both cities. In the case of Southern Spain, OTB sales are currently above past year's numbers and therefore we have positive expectations, being significant examples cities like Málaga and Benidorm thanks to the increasing demand of both the individual and direct channel segments. However, for our hotels located in the Balearic Islands we expect to be negatively impacted by the decline expected in prices, particularly in regions like Ibiza and Menorca, although we expect to offset this decrease with the expected rise in occupancy rates thanks to the individual, MICE and direct channel segments, while finally in the Canary Islands we expect to be heavily impacted by the recovery of alternative destinations and its effect in demand from TOs, which is forecasted to post a sharp decline vs Q3 2018, despite the fact that a number of events will take place in the region.

PORTFOLIO AND PIPELINE

We have not added any new hotels during the second quarter and we do not expect to add additional ones to our portfolio in Spain during the rest of the year, although we disaffiliated Tryp Indalo Almería (Lease, 186 rooms), a hotel with a negative contribution to our EBITDA, as part of our active portfolio management strategy. Going forward, we will continue focusing on refurbishments and repositionings to properly position our hotels among upper segments.

Meliá Villaitana | Alicante - Spain

CUBA

FINANCIAL INDICATORS

HOTELS OWNED & LEASED	H1 2019 €M	H1 2018 €M	% change
Total aggregated Revenues	*N.A.*	*N.A*	-
Owned	-	-	-
Leased	-	-	-
Of which Room Revenues	*N.A.*	*N.A.*	-
Owned	-	-	-
Leased	-	-	-

MANAGEMENT MODEL	H1 2019 €M	H1 2018 €M	% change
Total Management Model Revenues	**8.6**	**8.9**	**-3.9%**
Third Parties Fees	7.0	8.5	
Owned & Leased Fees	-	-	
Other Revenues	1.6	0.4	

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	-	-	-	-	-	-	56.9%	-5.6	85.3	-1.7%	48.5	-10.6%
TOTAL CUBA SAME STORE BASIS	-	-	-	-	-	-	58.7%	-3.6	85.5	-3.6%	50.2	-9.1%

* Available Rooms H1 2019: 2,356.8k (vs 2,199.9k in H1 2018) in O,L&M.

CHANGES IN PORTFOLIO

Openings between 01/01/2019 – 30/06/2019

Hotel	Country / City	Contract	# Rooms
Meliá Internacional Varadero	Cuba / Varadero	Gestión	200 (*out of 946*)

Disaffiliations between 01/01/2019 – 30/06/2019

Hotel	Country / City	Contract	# Rooms
-	-	-	-

FUTURE DEVELOPMENT

	Current Portfolio				Pipeline									
	H1 2019		2018 YE		2019		2020		2021		Onwards		TOTAL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
TOTAL CUBA	35	13,625	34	13,425	0	0	4	923	0	0	0	0	4	923
Management	35	13,625	34	13,425	0	0	4	923	0	0	0	0	4	923
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

- RevPAR in USD (managed) was impacted by certain aspects and posted a drop of -13.9% in the quarter vs Q2 2018, although we have implemented a number of initiatives aimed at reverting and improving the situation.
- Total fee revenue in USD fell by -31.5% in the quarter vs the same period last year due to a number of aspects that negatively impacted our operations in the country and that will be discussed below.
- Melia.com sales jumped by +24.0% in Q2 2019 vs SPLY due to the different marketing campaigns intended to further promote the platform among clients.

During the second quarter of the year, as initially expected, the levels of activity of the tourism industry within the country continued suffering due to the decline in demand registered over the past months as a result of a number of aspects, such as the increasing competitiveness of other alternative destinations in the region, the negative impact of a number of refurbishments that affected certain hotels or the worsening of the relationships between the United States and Cuban governments, among others. All these issues led to a decline in both occupancy rates and prices, which were particularly hit given the fact that the Trump Administration banned cruises operations in the country and eliminated the general license for those trips intended for educational programs for US citizens known as "People to People".

In this challenging context, RevPAR (in USD) dropped by -17.1% in Q2 2019 vs the same period last year, particularly in areas such as Cayo Largo, La Habana, Jardines del Rey and Cayo Santa María. Also, occupancy rates were significantly hit in regions like Cayo Largo, Cayo Santa María, Camaguey and La Habana, although however in certain touristic destinations such as Cienfuegos and Santiago de Cuba occupancy rates improved thanks mainly to the positive performance of the circuits segment.

When looking at operations, we have been actively involved in a number of refurbishments that affected the performance of certain hotels like Paradisus Varadero, Sol Rio de Luna y Mares, Meliá Las Américas, Hotel Sirenas and Sol Santa Maria, and that were intended to improve, extend and adapt the current facilities to the quality standards and offering desired by upper and luxury segments. Also, regarding the main feeder markets, we would like to highlight that we witnessed a slight decline in the number of visitors coming from the United Kingdom, Canada, Germany, Spain and Russia. In the case of Canada, the main feeder market of the country, demand was negatively affected by the reduction in the number of flight connections, being this also the explanation, along with the deterioration of the Argentinian Peso, of the decline in the number of visitors coming from Argentina. On the positive side, visitors from France, Mexico, Italy, Chile and the Netherlands rose, as well as those from Colombia and Paraguay.

Finally, we would like to highlight that the different marketing and commercial actions implemented in the division, such as dynamic pricing strategies, participation in global campaigns launched by the company and the increasing penetration of Meliá Internacional Varadero, among others, helped us to improve sales through our direct channel melia.com, particularly in both the individual and groups segments, with the latter boosted by the positive performance of circuits.

OUTLOOK

For the third quarter of the year, we expect competitive pressures on pricing to continue and therefore we do not rule out price declines vs the same period last year, particularly in areas like La Habana, Cienfuegos and Santiago de Cuba. Also, occupancy rates are forecasted to post a decline, being in this case also affected by the increasing supply in Varadero and Cayo Santa María. Both aspects should led to a decline in RevPAR vs Q3 2018, which is expected to drop by a double digit in areas like La Habana and Cayo Largo, although however we expect to partially offset this negative impact in our operations with the higher contributions of both Paradisus Los Cayos and Meliá Internacional Varadero, as well as due to the expected rise in sales through our direct channel.

PORTFOLIO AND PIPELINE

We have not added any new hotels to our portfolio in Cuba during the second quarter of the year and we do not expect to incorporate additional ones until 2020. Therefore, we will continue focusing on improving the current facilities of our hotels through deep refurbishments and repositionings in order to adapt them to the needs of luxury and upper segments, as well as to continue increasing the competitiveness of the country compared to other regions located in the Caribbean.

FINANCIAL INDICATORS

HOTELS OWNED & LEASED	H1 2019 €M	H1 2018 €M	% change
Total aggregated Revenues	*N.A.*	*N.A*	-
Owned	-	-	-
Leased	-	-	-
Of which Room Revenues	*N.A.*	*N.A.*	-
Owned	-	-	-
Leased	-	-	-

MANAGEMENT MODEL	H1 2019 €M	H1 2018 €M	% change
Total Management Model Revenues	**2.7**	**3.2**	**-13.8%**
Third Parties Fees	2.2	2.4	
Owned & Leased Fees	-	-	
Other Revenues	0.5	0.7	

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	-	-	-	-	-	-	59.1%	3.5	71.9	-0.8%	42.5	5.5%
TOTAL ASIA SAME STORE BASIS	-	-	-	-	-	-	59.9%	4.8	72.3	-1.5%	43.4	7.0%
China	-	-	-	-	-	-	66.6%	4.6	65.2	-6.5%	43.4	0.4%
Southeast Asia	-	-	-	-	-	-	56.8%	3.2	74.4	1.2%	42.2	7.3%

* Available Rooms H1 2019: 851.9k (vs 843.6k in H1 2018) in O,L&M.

CHANGES IN PORTFOLIO

Openings between 01/01/2019 – 30/06/2019

Hotel	Country / City	Contract	# Rooms
Meliá Ho Tram	Vietnam / Ho Tram	Management	77 (*out of 213*)

Disaffiliations between 01/01/2019 – 30/06/2019

Hotel	Country / City	Contract	# Rooms
Lavender Boutique Hotel	Vietnam / Ho Chi Minh	Management	107

FUTURE DEVELOPMENT

	Current Portfolio				Pipeline									
	H1 2019		2018 YE		2019		2020		2021		Onwards		TOTAL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
TOTAL ASIA	21	5,077	21	5,016	4	460	8	2,248	6	1,021	4	1,099	22	4,828
Management	21	5,077	21	5,016	4	460	8	2,248	6	1,021	4	1,099	22	4,828
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

ASIA 2019 FIRST HALF RESULTS

- RevPAR in USD (managed) posted a slight decline of -1.9% vs SPLY due to a number of aspects that will be discussed below and that affected each of the countries where we operate in different ways.
- Total fee revenue in USD posted a severe decline of -55.9% in the period vs Q2 2018 mainly due to the negative evolution of local currencies vs USD.
- Melia.com sales grew by +8.2% in the quarter vs the same period last year, which shows that the different marketing actions launched on a regionwide basis bore fruit.

Our operations in Asia posted a mixed set of results during the period due to a number of issues that affected the global performance of our operations in the region, such as certain refurbishments that affected some of the restaurants of our hotels in order to boost the food and beverage quality and offering or the increasing competition, among others. Having said that, despite the above mentioned challenges, we managed to improve the overall profitability of our managed hotels.

On a country basis, our hotels located in China posted a slight drop in both revenues and profitability due to the lower revenues collected in Gran Meliá Xian vs the same period last year due to the deep refurbishment in one the production areas of the hotel, while in Meliá Jinan the increasing number of competitors in the area negatively impacted the performance of the property. However, on the positive side, Innside Zhengzhou improved its performance after having posted a double digit growth in revenues and a significant increase in profitability on its third year of operation. In Vietnam, both revenues and profitability rose due to the positive evolution posted by Meliá Hanoi, particularly during Q1 2019, thanks to a number of events and international political meetings that boosted demand in the city, such as the visit of the President of Argentina and the meeting between the United States and North Korea governments, which was held in our hotel. However, during the second quarter of the year, a refurbishment negatively impacted the MICE segment and thus the overall figures posted by the hotel. Other aspects that we would like to highlight were the good performance of Sol Beach House Phu Quoc, particularly during high season and due to the increasing demand of European visitors, despite the increasing supply in the island, as well as the slight reduction in revenues posted by Meliá Danang due to a refurbishment and the reduction in the number of Korean visitors, which opted for alternative destinations within the country like Cam Ranh.

In the case of Indonesia, our hotels posted an increase in both revenues and profitability in USD vs the same period last year, being particularly relevant the good performance of Meliá Bali and considering that during Q1 2018 the destination was still recovering from the negative impact of the Agung Volcano eruption. Also, some of our hotels that are still in ramp up, such as Sol House Legian and Innside Jogyakarta managed to improve their profitability levels to a great extent. In Myanmar, Meliá Yangon was negatively impacted in terms of revenues due to the increasing competition in the area, although it improved its profitability, while in Thailand our hotel The Imperial Boat House Koh Samui was still closed due to a deep refurbishment that will transform it in the future Meliá Koh Samui Beach Resort and that will be finished by 2020. Finally, in Malaysia our hotel Meliá Kuala Lumpur closed the period with revenues and profitability levels that were in line with H1 2018 figures, although during Q2 it managed to slightly improve its performance after the drop in demand that we witnessed in the city during the first quarter of the year.

OUTLOOK

For the rest of 2019 we expect an increase in demand in certain countries such as Indonesia, particularly after the Presidential Election, as well as in Myanmar and Malaysia in their high season periods. In the case of Vietnam, which will concentrate a significant number of openings, we have also positive expectations, particularly in areas such as Saigon, Nin Binh and Hoi An, as well as due to the consolidation of Meliá Ho Tram, which opened back in March 2019, among upper segments. Finally, in China the third quarter of the year is the high season for the corporate and MICE segment and we expect to improve the overall figures posted by our hotels located in the country.

PORTFOLIO AND PIPELINE

No new hotels were incorporated to our Asian portfolio during the second quarter of the year, although we expect to incorporate 4 new hotels in Q3, all of them under management contracts: Meliá Innside Saigon Central (Vietnam, 69 rooms), Meliá Shanghai Parkside (China, 88 rooms), The Hoi An Historic Hotel managed by Meliá Hotels International (Vietnam, 150 rooms) and The Reed Hotel managed by Meliá Hotels International (Vietnam, 153 rooms) that will help us to reinforce our leadership position and to increase our footprint in countries with high growth potential.

OTHER NON HOTEL BUSINESSESS

2

MELIÃ HOTELS INTERNATIONAL

CLUB MELIÁ & THE CIRCLE

During the second quarter of the year we consolidated our activity levels in The Grand Reserve at Paradisus Palma Real, located in the Dominican Republic, thanks to the increasing penetration of our brand new product Circle by Meliá, which was launched in Mexico recently and that had a significant and positive acceptance levels among new clients and former members of Club Meliá. In this regard, the main financials of the division posted a positive evolution during the period after having posted significant increases in the number of satisfied members, so in overall terms we can conclude that all the strategies implemented and aimed at increasing penetration and sales are bearing fruit. Also, we witnessed an increase in the average price per contract of +3.0%, which allowed revenues to rise by +23.0%.

When looking at specific regions, in the Dominican Republic we posted a positive evolution in terms of new clients, migrations and sales to existing members, including upgrades of the product, even though the potential number of clients interested in the new product declined. In this regard, the conversion ratio stood at a similar level compared with the same period last year, while however average price per contract significantly improved by +13.0%, thus helping us to generate additional revenues, which grew by +32.0%. In the case of Mexico, we posted a drop on average price per contract that negatively impacted revenues when compared with the same period last year, as our operations were affected by a number of issues, being the most relevant ones the worsening of the socio-economic conditions in certain areas within the country, such as Cancún and Playa del Carmen, or the large discounts offered by competitors, which reduced the number of potential clients interested in purchasing our product and motivated a drop in revenues of -6.0% vs the same period last year. In this regard, and in order to partially offset this situation, in June we started the marketing of our Circle by Meliá product, which allows us to adapt our offering to client's demand in terms of price, as well as to customize it to every specific case and type of customer, which will eventually led to a higher number of potential clients and a wider range of possibilities and competitive advantages vs competitors, particularly by using the different benefits that can be enjoyed for those clients who are also members of our Meliá Rewards loyalty program.

For the third quarter of the year, we have positive expectations, as we expect our new product Circle by Meliá to consolidate in terms of new customers and average price per contract. Also, with the introduction of this new product, we believe that our operations in Mexico will improve significantly due to the higher levels of flexibility and possibilities for clients, being this critical in order to increase sales and to improve past years figures. In the case of the Dominican Republic, we will continue optimizing our selling and marketing processes in order to improve the services and the experiences offered to clients. Furthermore, on a division level basis, we will focus on increasing our conversion rates by improving the efficiency level of our selling process.

REAL ESTATE

No capital gains have been generated due to asset disposals during Q2 2019, which compares with the €12.6M generated at EBITDA level in Q2 2018 that resulted from the revaluation of certain of our fixed assets.

Lastly, we would like to highlight that the company is now the owner of the 100.0% of the society owning the hotel ME Cabo (162 rooms) located in Los Cabos, Mexico, after having assumed the remaining 69.72% of the stake for a total consideration of $33.4M, of which 50.0% was paid at the end of June. Due to this, the hotel will now be part of our owned hotels portfolio.

The Circle | Dominican Republic

FINANCIAL STATEMENTS

3

MELIÃ HOTELS INTERNATIONAL

GRAN MELIÁ HOTELS & RESORTS ME BY MELIÃ PARADISUS BY MELIÃ MELIÃ HOTELS & RESORTS INNSIDE BY MELIÃ TRYP Sol by Meliã CIRCLE BY MELIÃ MELIÃ REWARDS

INCOME STATEMENT

Important disclosure: Our consolidated P&L statement has been adapted by the implementation of the accounting principles included in IFRS 16. In this regard, 2018 figures have been restated in order to facilitate a proper comparison with 2019 numbers.

Revenues and Operating Costs

Consolidated Revenues Excluding Capital Gains rose by +0.3% vs H1 2018, in line with RevPAR growth (+0.4%).

Total Operating Costs rose by +0.6% vs the same period last year.

EBITDA

EBITDA Excluding Capital Gains dropped by -0.7% vs H1 2018, while EBITDA margins excluding capital gains deteriorated by -26 bps.

Depreciation and Amortization costs increased by +9.2% vs the same period last year due to exchange rates, the impact of IFRS 16 and new openings.

Operating Profit (EBIT)

Operating Profit stood at +€89.4M, representing a decline of -21.8% vs H1 2018.

Result from entities valued by the equity method in the period was of +€1.5M, which compares with the -€1.2M reported in H1 2018.

Effective tax rate for the period stood at 23.6%, which compares with the 25.0% satisfied in H1 2018.

Net Profit

Net Profit in H1 2019 was +€43.5M, thus representing a -24.7% (-€14.3M) decline vs the same period last year, which was affected by capital gains.

EPS for the period stood at +€0.19, which compares with the +€0.25 reported in H1 2018.

Meliá Zanzibar | Tanzania

INCOME STATEMENT (cont´d)

% change Q2 19 vs Q2 18	Q2 2019	Q2 2018	(Million Euros)	6M 2019	6M 2018	% change 6M 19 vs 6M 18
			Revenues split			
	503.0	494.1	Total HOTELS	919.8	927.0	
	78.9	78.6	Management Model	145.3	148.9	
	408.9	399.8	Hotel Business Owned & Leased	744.2	745.7	
	15.2	15.8	Other Hotel Business	30.3	32.4	
	1.7	16.6	Real Estate Revenues	4.4	18.4	
	24.4	18.5	Club Meliá Revenues	43.3	39.6	
	35.1	34.6	Overheads	58.4	52.8	
	564.2	563.9	Total Revenues Aggregated	1.025.8	1.037.8	
	-87.9	-85.8	Eliminations on consolidation	-156.5	-158.7	
-0.4%	**476.3**	**478.0**	**Total Consolidated Revenues**	**869.3**	**879.2**	**-1.1%**
	-50.9	-51.9	Raw Materials	-96.7	-96.6	
	-140.0	-148.0	Personnel Expenses	-258.9	-259.1	
	-156.0	-139.7	Other Operating Expenses	-288.1	-284.0	
2.1%	**(346.8)**	**(339.6)**	**Total Operating Expenses**	**(643.7)**	**(639.7)**	**0.6%**
-6.5%	**129.5**	**138.5**	**EBITDAR**	**225.6**	**239.5**	**-5.8%**
	-5.7	-4.9	Rental Expenses	-8.7	-8.5	
-7.3%	**123.8**	**133.5**	**EBITDA**	**216.8**	**231.0**	**-6.1%**
	-31.9	-30.1	Depreciation and Amortisation	-62.1	-58.0	
	-32.3	-28.5	Depreciation and Amortisation (ROU)	-65.4	-58.8	
-20.6%	**59.5**	**75.0**	**EBIT (OPERATING PROFIT)**	**89.4**	**114.3**	**-21.8%**
	-8.2	-7.4	Financial Expense	-15.8	-14.0	
	-9.3	-11.3	Rental Financial Expense	-18.8	-22.9	
	1.8	2.0	Other Financial Results	5.7	5.3	
	-1.5	-0.7	Exchange Rate Differences	-4.9	-4.4	
+1.7%	**(17.2)**	**(17.5)**	**Net Financial Profit/(Loss)**	**(33.9)**	**(36.0)**	**+5.9%**
	2.1	2.2	Profit / (loss) from Associates and JV	1.5	-1.2	
-25.5%	**44.5**	**59.7**	**Profit before taxes and minorities**	**56.9**	**77.1**	**-26.1%**
	-10.5	-14.9	Taxes	-13.4	-19.3	
-24.1%	**34.0**	**44.8**	**Group net profit/(loss)**	**43.5**	**57.8**	**-24.7%**
	2.0	1.4	Minorities	0.0	-0.6	
-26.2%	**32.0**	**43.3**	**Profit/(loss) of the parent company**	**43.5**	**58.4**	**-25.4%**


Gran Meliá Fénix | Madrid - Spain

BALANCE SHEET

Assets

Total Assets grew by +1.4% vs December 2018 as a result of the following:

a) Increase in Tangible Assets of +€71.8M mainly explained due to:

   I. Amortizations in the period (-€51.7M).

   II. Integration of ME Cabo (+€64.2M).

   III. Net Investments (+€59.7M).

b) Decline in Rights of Use and due to the net effect of amortizations, the new rental contract of Innside Charles de Gaulle and certain updates of current contracts.

c) Elimination of Non Current Assets held for Sale as a result of the disposal of our hotel located in Puerto Rico.

(Million Euros)	June 2019	December 2018	% change June 19 vs December 18
ASSETS			
NON-CURRENT ASSETS			
Goodwill	68.0	68.0	0.0%
Other Intangibles	106.6	107.2	-0.6%
Tangible Assets	1,923.0	1,851.2	3.9%
Rights of Use (ROU)	967.4	971.6	-0.4%
Investment Properties	149.8	149.4	0.3%
Investments in Associates	188.2	197.8	-4.8%
Other Non-Current Financial Assets	132.6	140.6	-5.6%
Deferred Tax Assets	314.6	312.5	0.7%
TOTAL NON-CURRENT ASSETS	**3,850.3**	**3,798.3**	**1.4%**
CURRENT ASSETS			
Non Current Assets Held for Sale	0.0	56.1	-100.0%
Inventories	32.5	26.5	22.8%
Trade and Other receivables	245.9	249.1	-1.3%
Tax Assets on Current Gains	29.8	28.9	3.2%
Other Current Financial Assets	43.9	41.1	6.8%
Cash and Cash Equivalents	375.2	312.9	19.9%
TOTAL CURRENT ASSETS	**727.3**	**714.5**	**1.8%**
TOTAL ASSETS	**4,577.6**	**4,512.8**	**1.4%**

Liabilities

Total liabilities rose by +2.0% vs December 2018 due to the following aspects discussed below:

a) Increase in Non Current Liabilities (+1.6%) mainly due to a combination of the rose posted by Bank Debt (+€39.4M) and Deferred Tax Liabilities (+€17.8M) that resulted mainly for the acquisition of ME Cabo.

b) Rise in Current Liabilities (+3.2%) thanks mainly due to the growth in Other Current Financial Liabilities (+€38.1M) resulting from the accounting of the dividends to be paid plus a pending payment for ME Cabo.

(Million Euros)	June 2019	December 2018	% change June 19 vs December 18
EQUITY			
Issued Capital	45.9	45.9	0.0%
Share Premium	1,119.4	1,119.3	0.0%
Reserves	430.8	431.9	-0.2%
Treasury Shares	-15.9	-16.0	-0.7%
Results From Prior Years	-350.2	-456.0	-23.2%
Other Equity Instruments	0.0	0.0	0.0%
Translation Differences	-127.8	-133.8	-4.5%
Other Adjustments for Changes in Value	-3.1	-2.1	44.4%
Profit Attributable to Parent Company	43.5	147.0	-70.4%
EQUITY ATTRIBUTABLE TO THE PARENT CO.	**1,142.7**	**1,136.1**	**0.6%**
Minority Interests	33.6	41.4	-18.8%
TOTAL NET EQUITY	**1,176.3**	**1,177.6**	**-0.1%**
LIABILITIES			
NON CURRENT LIABILITIES			
Issue of Debentures and Other Marketable Securities	33.9	33.8	0.1%
Bank Debt	759.3	719.9	5.5%
Present Value of Long Term Debt (Rentals)	1,077.4	1,099.1	-2.0%
Other Non-Current Liabilities	14.0	15.0	-6.2%
Capital Grants and Other Deferred Income	371.0	368.5	0.7%
Provisions	56.0	54.5	2.7%
Deferred Tax Liabilities	207.2	189.3	9.4%
TOTAL NON-CURRENT LIABILITIES	**2,518.8**	**2,480.2**	**1.6%**
CURRENT LIABILITIES			
Issue of Debentures and Other Marketable Securities	40.0	51.5	-22.5%
Bank Debt	127.7	115.1	11.0%
Present Value of Short Term Debt (Rentals)	160.7	150.1	7.1%
Trade and Other Payables	451.9	471.9	-4.2%
Liabilities for Current Income Tax	4.7	7.1	-34.1%
Other Current Liabilities	97.5	59.4	64.2%
TOTAL CURRENT LIABILITIES	**882.5**	**855.0**	**3.2%**
TOTAL LIABILITIES AND EQUITY	**4,577.6**	**4,512.8**	**1.4%**

FINANCIAL RESULTS & DEBT

Financial results

Net Financial Result improved by +5.9% vs the same period last year as a result of the following:

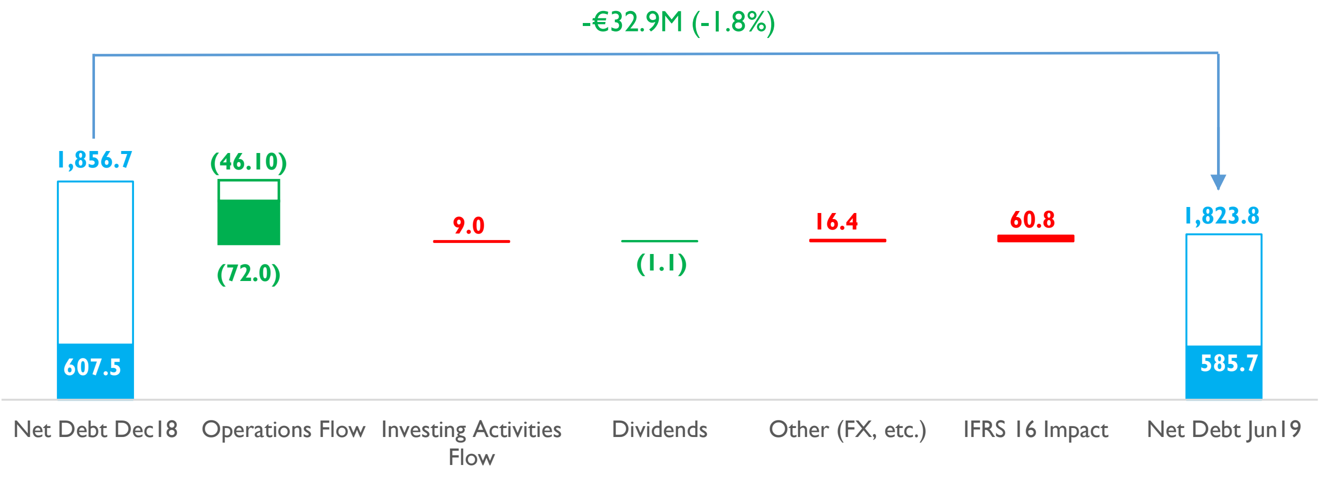
a) Increase in Financial Expenses of -€1.8M given the integration of Adprotel in Q2 2018. Also, cost of debt stood at 3.2%, in line with H1 2018.
b) Slight rise in Other Financial Results of +€0.4M.
c) Decline in Rental Financial Expenses of +€4.0M mainly due the decline in liabilities as time passes by for rentals.
d) Decrease in Exchange Rates Differences of -€0.5M.

Q2 2019	Q2 2018	Item	6M 2019	6M 2018
-1.5	-0.7	Exchange Rates Differences	-4.9	-4.4
-9.3	-11.3	Rental Financial Expense	-18.8	-22.9
-8.2	-7.4	Financial Expense	-15.8	-14.0
1.8	2.0	Other Financial Results	5.7	5.3
(17.2)	**(17.5)**	**Net Financial Income/(Loss)**	**(33.9)**	**(36.0)**

Debt and Cash Flow

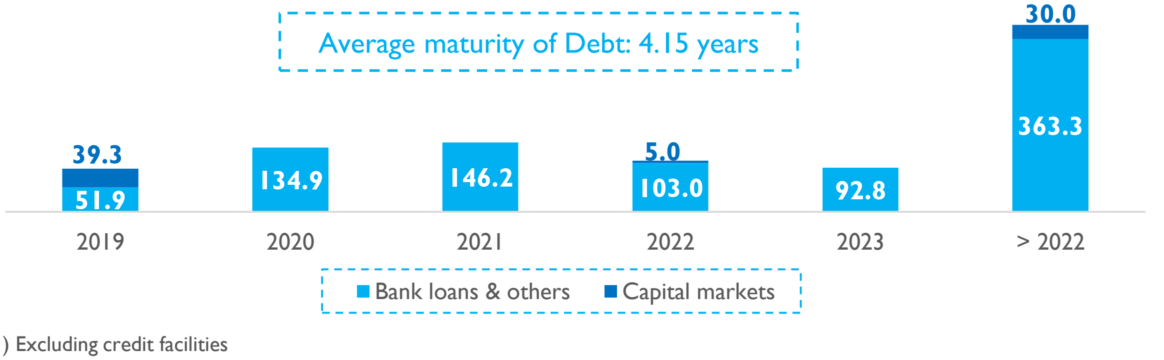
Net Debt Prior to IFRS 16 stood at +€585.7M as of June 2018, which represents a -€21.8M decline vs December 2018. Considering the impact of rentals, Net Debt fell by -€32.9M during the period to +€1,823.8M. Finally, we would like to reiterate our strong commitment to maintain a Net Debt/EBITDA (prior IFRS 16) leverage ratio below 2.0x.

Net Debt evolution: December 2018 – June 2019 (€ millions)



Furthermore, the maturity profile of current debt is shown below.

Debt maturity profile[1] (€ millions)



1) Excluding credit facilities

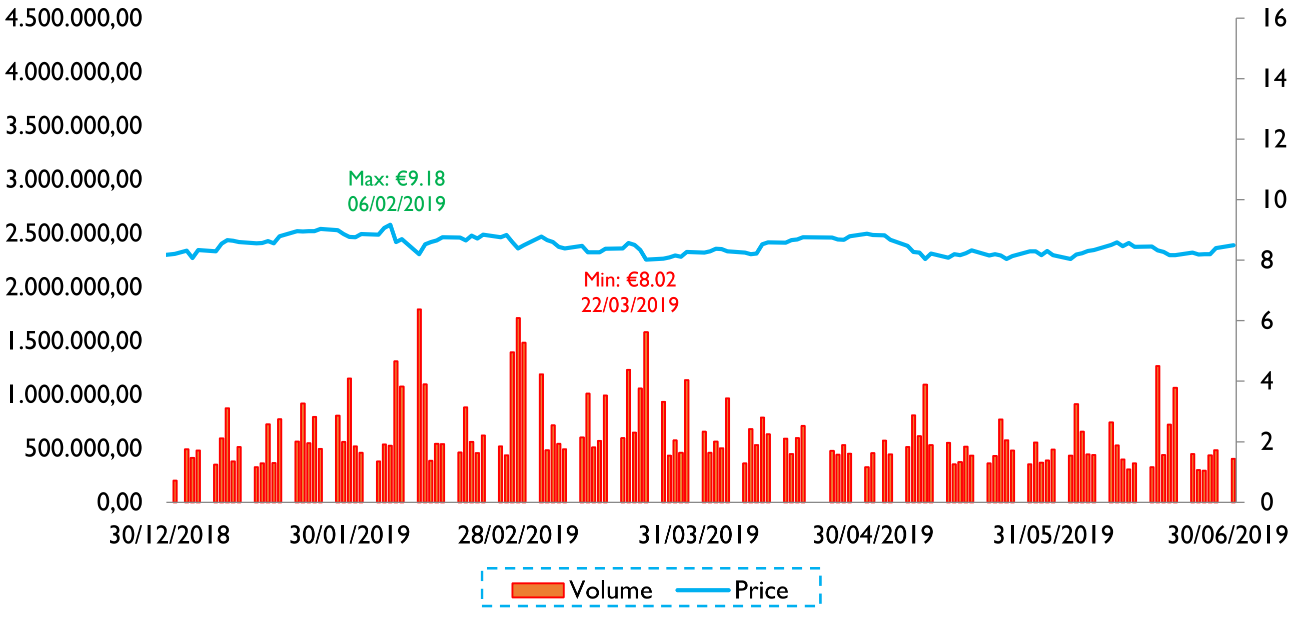
Gran Meliá Palacio de Isora Resort & Spa | Tenerife - Spain

MELIÁ IN THE STOCK MARKET

4

STOCK MARKET

Over the second quarter of the year, Meliá' share price rose by +1.5%, outperforming the Ibex 35 Index (-0.5%). On a year-to-date basis, our shares rose by +2.3%, underperforming the Ibex 35 Index (+7.7%).



	Q1 2019	Q2 2019	Q3 2019	Q4 2018	2019
Average daily volume (*thousand shares*)	729.1	544.3	-	-	637.4
Meliá performance	+0.8%	+1.5%	-	-	+2.3%
Ibex 35 performance	+8.2%	-0.5%	-	-	+7.7%

	H1 2019	2018
Number of shares (*millions*)	229.70	229.70
Average daily volume (*thousands shares*)	637.4	724.36
Maximum share price (*euros*)	9.18	12.66
Minimum share price (*euros*)	8.02	7.96
Last Price (*euros*)	8.40	8.21
Market capitalization (*million euros*)	1,929.48	1,885.84
Dividend (*euros*)	0.18	0.17

Source: Bloomberg

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

Main Highlights of 2019:

- On July 09, 2019, a €0.1830 ordinary dividend per share was paid to shareholders.

Gran Meliá Rome Villa Agrippina | Italy

APPENDIX

5

MELIÃ HOTELS INTERNATIONAL

GRAN MELIÁ HOTELS & RESORTS ME PARADISUS MELIÃ HOTELS & RESORTS INNSIDE TRYP Sol CIRCLE MELIÃ REWARDS

6M 2019	Total Hotels	Real Estate	Club Meliá	Overheads	Total Aggregated	Eliminations On Consolidation	Total Consolidated
Revenues	**919.8**	**4.4**	**43.3**	**58.4**	**1.025.8**	**(156.5)**	**869.3**
Expenses	685.0	3.7	34.0	77.6	800.3	(156.5)	643.7
EBITDAR	234.8	0.7	9.3	(19.3)	225.6	0.0	225.6
Rentals	8.7	0.0	0.0	0.0	8.7	0.0	8.7
EBITDA	**226.1**	**0.7**	**9.3**	**(19.3)**	**216.8**	**0.0**	**216.8**
D&A	57.1	0.2	0.6	6.3	64.2	0.0	64.2
D&A (ROU)	61.8	0.0	(0.0)	1.5	63.3	0.0	63.3
EBIT	107.1	0.5	8.7	(27.0)	89.4	(0.0)	89.4

6M 2018	Total Hotels	Real Estate	Club Meliá	Overheads	Total Aggregated	Eliminations On Consolidation	Total Consolidated
Revenues	**927.0**	**18.4**	**39.6**	**52.8**	**1.037.8**	**(158.7)**	**879.2**
Expenses	689.4	3.8	35.9	69.2	798.3	(158.7)	639.7
EBITDAR	237.6	14.6	3.7	(16.4)	239.5	(0.0)	239.5
Rentals	8.5	0.0	0.0	(0.0)	8.5	0.0	8.5
EBITDA	**229.1**	**14.6**	**3.7**	**(16.4)**	**231.0**	**(0.0)**	**231.0**
D&A	49.4	0.2	1.1	7.3	58.0	(0.0)	58.0
D&A (ROU)	58.1	0.0	0.0	0.7	58.8	0.0	58.8
EBIT	121.7	14.4	2.6	(24.4)	114.3	0.0	114.3

Q2 2019	Total Hotels	Real Estate	Club Meliá	Overheads	Total Aggregated	Eliminations On Consolidation	Total Consolidated
Revenues	**503.0**	**1.7**	**24.4**	**35.1**	**564.2**	**(87.9)**	**476.3**
Expenses	368.0	0.5	18.1	48.1	434.7	(87.9)	346.8
EBITDAR	135.0	1.2	6.3	(13.0)	129.5	0.0	129.5
Rentals	5.7	0.0	0.0	0.0	5.7	0.0	5.7
EBITDA	**129.3**	**1.2**	**6.3**	**(13.0)**	**123.8**	**(0.0)**	**123.8**
D&A	30.8	0.1	0.1	3.1	34.0	0.0	31.9
D&A (ROU)	29.5	0.0	(0.0)	0.8	30.2	0.0	32.3
EBIT	69.1	1.1	6.2	(16.8)	59.5	(0.0)	59.5

Q2 2018	Total Hotels	Real Estate	Club Meliá	Overheads	Total Aggregated	Eliminations On Consolidation	Total Consolidated
Revenues	**494.1**	**16.6**	**18.5**	**34.6**	**563.9**	**(85.8)**	**478.0**
Expenses	363.6	2.2	17.3	42.3	425.4	(85.8)	339.6
EBITDAR	130.5	14.4	1.2	(7.6)	138.5	(0.0)	138.5
Rentals	4.9	0.0	0.0	(0.0)	4.9	0.0	4.9
EBITDA	**125.6**	**14.4**	**1.2**	**(7.6)**	**133.5**	**(0.0)**	**133.5**
D&A	24.9	0.1	0.5	4.6	30.1	(0.0)	30.1
D&A (ROU)	28.5	0.0	0.0	(0.1)	28.5	0.0	28.5
EBIT	72.1	14.3	0.7	(12.2)	75.0	0.0	75.0

Meliá Hoi An | Vietnam

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	68.0%	-11.7	146.0	7.1%	99.3	-8.7%	59.2%	-16.0	142.6	5.3%	84.5	-17.1%
ME by Melia	67.8%	-4.5	277.8	9.5%	188.4	2.7%	65.7%	2.3	257.6	5.4%	169.3	9.2%
Gran Meliá	50.6%	-7.1	234.9	16.0%	118.9	1.7%	50.9%	-6.0	199.6	13.1%	101.7	1.3%
Meliá	70.8%	-0.6	124.6	3.4%	88.3	2.5%	63.8%	-1.4	104.6	1.8%	66.8	-0.4%
Innside	65.8%	-3.3	120.9	-1.7%	79.5	-6.4%	63.7%	-1.5	110.7	-3.0%	70.6	-5.3%
Tryp by Wyndham	71.2%	-0.3	89.5	7.0%	63.7	6.6%	65.9%	0.2	79.6	4.0%	52.4	4.4%
Sol	72.9%	-0.8	61.3	-1.2%	44.7	-2.3%	69.3%	-2.7	68.7	0.6%	45.4	-5.0%
TOTAL	68.7%	-2.7	120.9	4.4%	83.1	0.4%	64.1%	-2.9	104.0	2.8%	66.7	-1.7%

MAIN STATISTICS BY KEY COUNTRIES

	OWNED & LEASED						OWNED, LEASED & MANAGED					
	Occup.		ARR		RevPAR		Occup.		ARR		RevPAR	
	%	p.p. change	€	% change	€	% change	%	p.p. change	€	% change	€	% change
AMERICA	62.9%	-9.5	130.6	9.2%	82.1	-5.2%	58.9%	-5.8	100.9	2.6%	59.4	-6.6%
Dominican Republic	62.2%	-15.4	130.2	11.4%	81.0	-10.7%	62.2%	-15.4	130.2	11.4%	81.0	-10.7%
Mexico	72.0%	-6.1	129.4	6.1%	93.2	-2.2%	72.0%	-4.5	129.4	0.3%	93.2	-5.6%
USA	77.2%	-1.3	146.4	0.7%	113.0	-0.9%	77.2%	-1.3	146.4	0.7%	113.0	-0.9%
Venezuela	16.7%	-26.8	122.0	39.8%	20.3	-46.4%	16.7%	-26.8	122.0	39.8%	20.3	-46.4%
Cuba	-	-	-	-	-	-	56.9%	-5.6	85.3	-1.7%	48.5	-10.6%
Brazil	-	-	-	-	-	-	57.9%	4.0	79.8	3.0%	46.2	10.6%
ASIA	-	-	-	-	-	-	59.1%	3.5	71.9	-0.8%	42.5	5.5%
Indonesia	-	-	-	-	-	-	55.4%	1.4	65.9	8.0%	36.5	10.8%
China	-	-	-	-	-	-	66.6%	4.6	65.2	-6.5%	43.4	0.4%
Vietnam	-	-	-	-	-	-	62.5%	6.8	93.9	-10.2%	58.8	0.8%
EUROPE	70.4%	-0.8	118.4	3.1%	83.3	2.0%	68.3%	-1.7	109.5	3.3%	74.8	0.7%
Austria	75.7%	4.1	137.0	9.4%	103.7	15.7%	75.7%	4.1	137.0	9.4%	103.7	15.7%
Germany	69.7%	-0.2	110.8	3.7%	77.3	3.3%	69.7%	-0.2	110.8	3.7%	77.3	3.3%
France	72.4%	-7.9	174.4	-3.7%	126.2	-13.2%	72.4%	-7.9	174.4	-3.7%	126.2	-13.2%
United Kingdom	72.2%	1.5	173.4	5.7%	125.2	8.0%	72.7%	2.0	170.3	3.8%	123.7	6.7%
Italy	71.0%	-0.2	217.3	3.3%	154.3	2.9%	70.1%	-0.2	219.4	3.9%	153.9	3.6%
Spain	70.1%	-0.9	109.2	2.5%	76.6	1.2%	67.9%	-1.8	100.5	2.5%	68.3	-0.1%
Resorts	69.2%	-1.4	95.4	-4.6%	66.0	-6.5%	66.1%	-3.0	88.7	-1.6%	58.7	-5.9%
Urban	70.9%	-0.6	119.9	7.2%	85.0	6.3%	70.3%	-0.3	115.2	6.7%	81.0	6.3%
TOTAL	68.7%	-2.7	120.9	4.4%	83.1	0.4%	64.1%	-2.9	104.0	2.8%	66.7	-1.7%

MAIN STATISTICS BY DIVISION AND EXCHANGE RATES

FINANCIAL INDICATORS SUMMARY Q2 2019

	HOTELS OWNED & LEASED										MANAGEMENT MODEL					
	Aggregated Revenues		Room Revenues		EBITDAR		EBITDA		EBIT		Third Parties Fees		Owned & Leased Fees		Other Revenues	
	€	% change	€	% change	€	% change	€	% change	€	% change	€	% change	€	% change	€	% change
America	99.0	2.6%	47.5	-7.5%	21.2	-29.6%	20.6	-30.0%	11.8	-41.8%	1.6	-20.8%	6.4	-6.5%	4.3	0.9%
EMEA	100.6	5.0%	74.0	6.2%	30.8	17.6%	29.7	17.6%	14.3	18.7%	0.3	55.5%	6.0	14.4%	2.9	58.2%
Spain	209.4	0.9%	147.4	2.8%	57.6	7.7%	53.8	5.8%	22.1	0.0%	5.9	10.7%	13.1	4.8%	-0.4%	-107.0%
Cuba	-	-	-	-	-	-	-	-	-	-	1.7	-23.1%	-	-	1.6	328.5%
Asia	-	-	-	-	-	-	-	-	-	-	1.2	-11.4%	-	-	0.3	-1.9%
TOTAL	408.9	2.3%	268.9	3.4%	109.7	-0.2%	104.1	-1.4%	48.2	-11.4%	10.5	-4.4%	25.5	3.7%	42.9	-0.2%

MAIN STATISTICS BY DIVISION Q2 2019

	OWNED & LEASED						OWNED, LEASED & MANAGED					
	Occupancy		ARR		RevPAR		Occupancy		ARR		RevPAR	
	%	p.p. change	€	% change	€	% change	%	p.p. change	€	% change	€	% change
America	60.1%	13.2	120.1	9.1%	72.2	-10.6%	60.9%	-8.0	108.2	6.5%	65.9	-5.9%
EMEA	75.3%	-0.3	145.2	3.1%	109.2	2.7%	74.1%	-0.5	145.6	3.9%	107.9	3.3%
Spain	74.6%	0.0	114.7	6.0%	85.6	6.0%	72.1%	-0.6	104.3	5.3%	75.2	4.4%
Cuba	-	-	-	-	-	-	49.3%	5.3	71..2	1.1%	35.1	-8.8%
Asia	-	-	-	-	-	-	60.3%	3.6	71.7	-3.6%	43.2	2.4%
TOTAL	71.7%	2.8	122.8	6.1%	88.1	2.1%	65.3%	-2.6	103.4	4.4%	67.5	0.3%

H1 2019 EXCHANGE RATES

	H1 2019	H1 2018	H1 2019 VS H1 2018
1 foreign currency = X €	Average Rate	Average Rate	% Change
Sterling (GBP)	1.1455	1.1366	+0.8%
American Dollar	0.8854	0.8266	+7.1%

Q2 2019 EXCHANGE RATES

	Q2 2019	Q2 2018	Q2 2019 VS Q2 2018
1€ = X foreign currency	Average Rate	Average Rate	% Change
Sterling (GBP)	1.1437	1.1411	+0.2%
American Dollar	0.8899	0.8394	+6.0%

Meliá Serengeti Lodge | Tanzania

IMPACT OF IFRS 16 IN OUR FINANCIAL STATEMENTS

On January 1, 2019, the new rule regarding leases included in the IFRS 16 came into force. This new rule brought significant changes to the composition of our assets and liabilities, as well as in the structure of our consolidated P&L. In this regard, in order to facilitate a proper comparison, the table included below reflects the main impacts of the new standard in our consolidated H1 2019 P&L statement.

	June 2019 After IFRS 16	IFRS 16	June 2019 Before IFRS 16
EBITDA	**216,845**	**84,581**	**132,264**
Depreciation and amortization	(62,059)	0	(62,059)
Depreciation and amortization (ROU)	(65,426)	(65,426)	-
EBIT (OPERATING PROFIT)	**89,361**	**21,302**	**70,205**
Exchange Rate Differences	(4,903)	0	(4,903)
Financial Expense	(15,802)	0	(15,802)
Rental Financial Expense	(18,830)	(18,830)	-
Other Financial Results	5,651	0	5,651
Total financial profit/(loss)	**(33,883)**	**(18,829)**	**(15,054)**
Profit / (loss) from Associates and JV	1,468	0	1,468
Profit before taxes and minorities	**56,946**	**2,472**	**55,151**
Taxes	(13,439)	(0,583)	(12,856)
Group net profit/(loss)	**43,506**	**1,888**	**42,295**
Minorities	(16,4)	113,9	(130.3)
Profit/(loss) of the Parent Company	**43,523**	**2,036**	**42,165**

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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.