FIRST QUARTER RESULTS

2019

MELIÃ HOTELS INTERNATIONAL

P&L AND KEY INDICATORS SUMMARY*

(Million Euros)	March 2019	March 2018*	% change
REVENUES	**393.0**	**401.1**	**-2.0%**
Revenues ex asset rotation	**393.0**	**401.1**	**-2.0%**
EBITDAR	96.1	101.0	-4.9%
EBITDA	**93.1**	**97.5**	**-4.5%**
EBITDA ex asset rotation	**93.1**	**97.5**	**-4.5%**
EBIT	29.8	39.3	-24.2%
TOTAL FINANCIAL PROFIT (LOSS)	(16.7)	(18.5)	9.9%
EARNINGS BEFORE TAXES	12.5	17.3	-28.2%
NET PROFIT	**9.5**	**13.0**	**-26.8%**
NET PROFIT ATTRIBUTABLE	11.5	15.0	-23.4%
EPS (€)	0.05	0.07	-23.4%
REVPAR Owned & Leased (€)	**76.6**	**78.6**	**-2.5%**
REVPAR Owned, Leased & Managed (€)	**65.7**	**68.4**	**-4.0%**
EBITDAR MARGIN (ex - capital gains)	24.5%	25.2%	-73 bps
EBITDA MARGIN (ex - capital gains)	23.7%	24.3%	-62 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

- As we anticipated in the latest earnings release, Owned & Leased RevPAR dropped by -2.5% given the decline in occupancy rates. EBITDA excluding capital gains posted a decline of -4.5% in Q1 2019 vs the same period last year, margin worsened by -62 bps and EPS fell by -23.4% to €0.05, which compares with the €0.07 posted in Q1 2018, being the main aspects that explain this drop the negative impact in our operations of the Easter Break effect, which negatively impacted particularly to our resorts located in Spain, the refurbishments and repositionings made in significant hotels and the ramp up processes of some others.
- Sales through our direct channel melia.com rose by +2.6% in the quarter vs the same period last year.
- During the quarter, we successfully closed the sale of Meliá Coco Beach, our hotel located in Puerto Rico.

Debt Management

- Considering the impact of IFRS 16, Net Debt increased by +€50.8M vs December 2018 and stood at +€1,894.6M. Having said that, we reiterate our strong commitment to close the year with a Net Debt / EBITDA (before IFRS 16) leverage ratio of below 2.0x.
- Net Financial Loss declined in the quarter after having dropped by -9.9% vs Q1 2018.

Development strategy

- Our global pipeline stood at 15k rooms and 65 hotels as of close of March 2019, representing around 18.2% of our total portfolio, and of which almost 90.0% have been signed under management and franchise contracts. Also, in the quarter we opened 4 hotels (632 rooms), 3 of them under asset-light formulas.
- Furthermore, in Q1 2019 we signed 4 additional hotels: 1 in Costa Rica, which will be our first hotel in the country, as well as 1 Portugal and 2 in the UAE to further penetrate into upper and luxury segments.

Outlook 2019

- For Q2 2019, we expect to recover from the negative RevPAR evolution posted over the first quarter of the year thanks mainly to the good performance that we have had during the Easter Break in Spain and other destinations, as well as due to the positive outlook for Spanish and European cities. Additionally, on the book sales for the summer season are currently in line with past years' numbers, although we remain cautious for some 5-star hotels located in the Canary Islands and in certain areas of the Balearic Islands.
- Furthermore, the extension given to the UK regarding the Brexit should benefit bookings for the summer season.
- For 2019, we reiterate our guidance of a low single digit RevPAR growth.


Paradisus Cancún | Mexico

REPORT ON HOTELS OPERATION

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MELIÃ HOTELS INTERNATIONAL

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GLOBAL HOTELS

FINANCIAL INDICATORS

HOTELS OWNED & LEASED	Q1 2019 €M	Q1 2018 €M	% change
Total aggregated Revenues	**335.3**	**345.9**	**-3.1%**
Owned	193.0	203.4	
Leased	142.3	142.6	
Of which Room Revenues	***196.2***	***200.6***	**-2.2%**
Owned	94.1	99.5	
Leased	102.1	101.1	
EBITDAR Split	**84.1**	**87.6**	**-4.0%**
Owned	59.2	63.9	
Leased	24.9	23.7	
EBITDA Split	**81.1**	**84.3**	**-3.9%**
Owned	59.2	63.9	
Leased	21.9	20.4	
EBIT Split	**24.6**	**33.2**	**-25.8%**
Owned	40.9	49.0	
Leased	-16.3	-15.8	

MANAGEMENT MODEL	Q1 2019 €M	Q1 2018 €M	% change
Total Management Model Revenues	**66.4**	**70.3**	**-5.6%**
Third Parties Fees	13.4	14.4	
Owned & Leased Fees	20.3	21.1	
Other Revenues*	32.6	34.8	
Total EBITDA Management Model	**14.9**	**17.5**	**-15.1%**
Total EBIT Management Model	**13.1**	**15.1**	

** Other Revenues in Q1 2019 include €26.2M of Corporate Revenues not directly attributable to any specific division. Idem in Q1 2018 data by €28.9M.*

OTHER HOTEL BUSINESS	Q1 2019 €M	Q1 2018 €M	% change
Revenues	**15.1**	**16.6**	**-9.0%**
EBITDAR	0.8	1.9	
EBITDA	0.8	1.7	
EBIT	0.4	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 HOTELS	65.2%	-2.6	117.5	1.3%	76.6	-2.5%	62.9%	-3.1	104.5	0.8%	65.7	-4.0%
TOTAL HOTELS SAME STORE BASIS	68.1%	-0.9	117.2	0.1%	79.8	-1.2%	65.0%	-1.9	103.6	-0.5%	67.3	-3.4%
AMERICA	66.0%	-5.5	136.6	6.1%	90.2	-2.1%	61.6%	-3.9	125.8	6.5%	77.5	0.1%
EMEA	66.4%	-0.9	132.4	4.1%	87.9	2.7%	65.6%	-1.8	133.7	5.1%	87.7	2.3%
SPAIN	64.3%	-2.0	100.7	-2.9%	64.7	-5.8%	62.5%	-3.3	94.9	-1.7%	59.3	-6.7%
CUBA	-	-	-	-	-	-	64.8%	-5.5	96.7	-2.9%	62.6	-10.6%
ASIA	-	-	-	-	-	-	58.0%	3.5	71.5	1.4%	41.5	8.0%

* Available Rooms Q1 2019: 2,560.1k (vs 2,551.9k in Q1 2018) in O&L // 5,469.6k (versus 5,351.2 in Q1 2018) in O,L&M.

FUTURE DEVELOPMENT

	Current Portfolio				Pipeline									
	Q1 2019		2018 YE		2019		2020		2021		Onwards		TOTAL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
GLOBAL HOTELS	330	83,192	329	83,253	13	2,557	29	7,724	14	2,827	9	1,993	65	15,101
Management	129	37,589	129	37,556	12	2,412	23	6,338	10	2,236	8	1,883	53	12,869
Franchised	48	9,843	47	9,714	0	0	1	96	3	468	1	110	5	674
Owned	44	13,246	45	13,735	0	0	0	0	0	0	0	0	0	0
Leased	109	22,514	108	22,248	1	145	5	1,290	1	123	0	0	7	1,558

AMERICA

FINANCIAL INDICATORS*

HOTELS OWNED & LEASED	Q1 2019 €M	Q1 2018 €M	% change
Total aggregated Revenues	**131.2**	**138.4**	**-5.2%**
Owned	124.8	130.7	
Leased	6.4	7.7	
Of which Room Revenues	***54.3***	***56.4***	***-3.7%***
Owned	49.2	50.3	
Leased	5.2	6.1	
EBITDAR Split	**50.5**	**51.3**	**-1.7%**
Owned	49.1	51.0	
Leased	1.3	0.4	
EBITDA Split	**49.6**	**49.3**	**0.8%**
Owned	49.1	51.0	
Leased	0.5	-1.7	
EBIT Split	**39.4**	**40.1**	**-1.7%**
Owned	40.9	44.1	
Leased	-1.5	-4.0	

MANAGEMENT MODEL	Q1 2019 €M	Q1 2018 €M	% change
Total Management Model Revenues	**16.9**	**15.2**	**11.2%**
Third Parties Fees	2.0	1.8	
Owned & Leased Fees	8.9	9.4	
Other Revenues	6.1	4.0	

* *Our hotels located in Brazil have been integrated into the America division and will be no longer reported separately.*

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	66.0%	-5.5	136.6	6.1%	90.2	-2.1%	61.6%	-3.9	125.8	6.5%	77.5	0.1%
TOTAL AMERICA SAME STORE BASIS	75.8%	-3.4	136.3	-0.6%	103.4	-4.9%	67.1%	-1.8	123.4	1.6%	82.8	-1.0%
Brazil	-	-	-	-	-	-	51.2%	3.6	78.8	-2.6%	40.4	4.8%
Mexico	76.1%	-4.0	129.6	-3.6%	98.6	-8.4%	74.5%	-4.1	138.4	-2.3%	103.0	-7.5%
Dominican Republic	67.9%	-12.1	147.5	10.5%	100.1	-6.3%	67.9%	-12.1	147.5	10.5%	100.1	-6.3%
Rest of America	45.7%	-10.1	124.2	18.8%	56.7	-2.8%	54.8%	-7.7	128.2	18.3%	70.3	3.7%

* Available Rooms Q1 2019: 602.6k (vs 612.6k in Q1 2018) in O&L // 1,016.5k (vs 1,033.6k in Q1 2018) in O,L&M.

CHANGES IN PORTFOLIO

Openings between 01/01/2019 – 31/03/2019

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

Disaffiliations between 01/01/2019 – 31/03/2019

Hotel	**Country / City**	**Contract**	**# Rooms**
Tryp Sao Paulo Berrini	Brazil / Sao Paulo	Management	171
Meliá Coco Beach	Puerto Rico / San Juan	Owned	486

FUTURE DEVELOPMENT

	Current Portfolio				Pipeline									
	Q1 2019		2018 YE		2019		2020		2021		Onwards		TOTAL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
TOTAL AMERICA	39	11,772	41	12,432	3	886	0	11,772	1	500	2	356	6	13,514
Management	20	4,720	22	5,020	3	886	0	4,720	1	500	2	356	6	6,462
Franchised	2	269	1	140	0	0	0	269	0	0	0	0	0	269
Owned	15	6,234	16	6,723	0	0	0	6,234	0	0	0	0	0	6,234
Leased	2	549	2	549	0	0	0	549	0	0	0	0	0	549

AMERICA 2019 FIRST QUARTER RESULTS

- RevPAR in USD (owned, leased & managed) dropped by -7.9% in Q1 2019 vs the same period last year as a result of different issues that affected our operations during the period that will be discussed below.
- Total fee revenue in USD declined by -17.9% in the period vs Q1 2018 given the significantly lower owned & leased fees collected.
- EBITDA (owned & leased) flow through (in USD) deteriorated during the period as a result of the decline posted by revenues, although we expect to revert this situation over the following months.
- Melia.com sales rose by +0.6% in Q1 2019 vs the same period last year due to a number of factors that impacted our operations in the region.

During the first quarter of the year, as initially expected, the performance of our hotels located in America has been impacted by a number of factors that had negative implications in our operations, such as the complex situation that we have been witnessing in Venezuela, the increased perceived insecurity levels by US visitors in certain locations in Mexico, which affected MICE demand due to the travel warnings of the US Government since early 2018, the ramp ups of certain hotels in the Dominican Republic and the impact of the Easter Break effect.

All the above mentioned aspects led to a decline in both RevPAR and fees revenue in our hotels located in America, despite the strengthening of the USD vs EUR (+8.0% in Q1 2019). Also, even tough revenues posted during the quarter dropped by -5.2% vs Q1 2018, EBITDA grew by +0.8%. Finally, it must be highlighted that the disposal of our hotel located in Puerto Rico has been successfully closed.

When looking at individual countries, in Mexico we posted a -15.0% RevPAR decrease (in USD) vs Q1 2018 due to the decline shown by both prices and occupancy rates that was explained mainly by the increase in the insecurity levels within the area combined with a number of travel warnings that had a severe impact in both the individual and MICE segments. Moreover, in the Dominican Republic we posted a -13.8% fall in RevPAR (in USD) vs the same period last year given the ramp up period that resulted from the reopening of Meliá Caribe Tropical as two separated hotels, Meliá Caribe Beach and Meliá Punta Cana Beach, which we expect to partially offset over the following months once both products are positioned among their targeted segments (families and adults only).

On the positive side, our hotels located in Bahamas and Jamaica, Meliá Nassau and Meliá Braco Village respectively, closed the quarter with RevPAR increases due to the increasing demand of both destinations, particularly of those visitors that opted for alternative destinations to Mexico, although however in the United States the two hotels that we operate within the country posted a slight deterioration in RevPAR levels. Finally, in Brazil our hotels were impacted by the severe depreciation of the BRL against the USD and posted a -6.8% RevPAR decline vs Q1 2018 (in USD), although in local currency RevPAR rose by a healthy +8.0% vs the same period last year.

OUTLOOK

For Q2, and according to our best estimates and current on the book sales levels, we expect to improve past year's figures in terms of both revenue and EBITDA levels, being the main aspects that explain our positive view for the upcoming months the higher contribution of Grand Reserve at Paradisus Palma Real (The Circle), which is still in ramp up, the higher number of events and trade fairs that will be held in Brazil compared with the same period last year, as well as the higher fees that we expect to collect from our managed hotels due to the improvements shown in their profitability levels, and all of that despite the negative impact in our operations resulting from the complex political and economic situation faced in Venezuela or the above mentioned ramp up of Meliá Punta Cana Beach and Meliá Caribe Beach, which will continue positioning themselves among upper segments.

PORTFOLIO AND PIPELINE

We have not added any new hotel to our portfolio in America during Q1 2019, although we disaffiliated 2 hotels, Tryp Sao Paulo Berrini (Brazil, management, 171 rooms), as well as Meliá Coco Beach (Puerto Rico, owned, 486 rooms) following its successful disposal. Additionally, we signed a new hotel in Costa Rica that we intend to open over the year.

Finally, it must be noted that, due to the integration of our hotels located in Brazil, which will be no longer reported as an individual division, 13 new hotels (3,024 rooms) were added to the America division, all of them under management contracts.

FINANCIAL INDICATORS*

HOTELS OWNED & LEASED	Q1 2019 €M	Q1 2018 €M	% change
Total aggregated Revenues	**81.4**	**78.2**	**4.1%**
Owned	22.2	15.0	
Leased	59.1	63.1	
Of which Room Revenues	***57.7***	***55.4***	***4.1%***
Owned	15.0	11.5	
Leased	42.7	43.9	
EBITDAR Split	**15.2**	**15.3**	**-0.7%**
Owned	3.7	3.2	
Leased	11.5	12.2	
EBITDA Split	**14.6**	**14.7**	**-0.8%**
Owned	3.7	3.2	
Leased	10.9	11.5	
EBIT Split	**-1.0**	**1.6**	**-162.5%**
Owned	0.3	2.2	
Leased	-1.2	-0.6	

MANAGEMENT MODEL	Q1 2019 €M	Q1 2018 €M	% change
Total Management Model Revenues	**4.9**	**6.2**	**-21.3%**
Third Parties Fees	0.2	0.2	
Owned & Leased Fees	4.5	4.0	
Other Revenues	0.1	2.0	

* *The EMEA division now includes 17 hotels that used to be part of the Mediterranean division. Also, 12 hotels were moved from EMEA to the Spain division.*

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	66.4%	-0.9	132.4	4.1%	87.9	2.7%	65.6%	-1.8	133.7	5.1%	87.7	2.3%
TOTAL EMEA SAME STORE BASIS	66.9%	-0.4	133.8	4.4%	89.5	3.8%	66.3%	-1.6	134.6	5.1%	89.2	2.7%
Germany	66.0%	-0.4	110.8	4.2%	73.2	3.5%	66.0%	-0.4	110.8	4.2%	73.2	3.5%
France	67.2%	-8.4	166.2	1.3%	111.7	-10.0%	67.2%	-8.4	166.2	1.3%	111.7	-10.0%
United Kingdom	67.6%	1.3	164.1	7.6%	110.9	9.7%	63.5%	-2.2	175.8	-0.2%	111.6	-3.6%
Italy	64.6%	-1.9	176.0	0.0%	113.6	-2.8%	68.0%	1.7	160.1	5.0%	108.9	7.7%
Rest of Europe	68.4%	1.9	146.6	4.9%	100.2	7.9%	60.2%	-8.2	156.7	19.7%	94.3	5.2%

* Available Rooms Q1 2019: 656.3k (vs 647.7k in Q1 2018) in O&L // 700k (versus 694.2k in Q1 2018) in O,L&M.

CHANGES IN PORTFOLIO

Openings between 01/01/2019 – 31/03/2019

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

Disaffiliations between 01/01/2019 – 31/03/2019

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

FUTURE DEVELOPMENT

	Current Portfolio				Pipeline									
	Q1 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	15,654	81	15,331	2	316	10	2,298	9	1,659	3	608	24	4,881
Management	8	672	8	615	1	171	5	1,076	5	1,068	2	498	13	2,813
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	6,067	35	5,801	1	145	4	1,126	1	123	0	0	6	1,394

EMEA 2019 FIRST QUARTER RESULTS

- RevPAR (owned, leased & managed) rose by +2.3% in the period vs Q1 2018 due to price hikes.
- Total fee revenue grew by +13.1% in Q1 2019 vs the same period last year.
- EBITDA (owned & leased) flow through slightly deteriorated during the period.
- Melia.com sales slightly decreased by a -0.5% in the period vs Q1 2018.

The performance of our hotels located in the EMEA region has been mixed during the first quarter of the year, being the main aspects to highlight for each of the countries where we operate discussed below:

GERMANY/AUSTRIA

The positive market dynamics of the German market allowed us to deliver a solid growth in the period vs Q1 2018, with RevPAR growing by a +3.5% thanks to price hikes. In this regard, we would like to mention the good performance of our hotels located in both the Munich and Wolfsburg areas thanks to the positive contribution of both the MICE and groups segments that resulted from the significant trade fairs that were held in the region during the period, and with the only exception being the Frankfurt area provided the growth shown by supply.

UK

Despite the Brexit concerns, our hotels located in the United Kingdom closed a positive quarter vs the same period last year, as shown by the +6.5% RevPAR (in GBP) increase posted thanks to the remarkable performance of ME London, which registered a double digit RevPAR growth, plus the significantly higher contribution of both Hotel Kensington by Meliá and Meliá White House, even though the latter was affected by a deep refurbishment and repositioning process that will last for some months.

FRANCE

The "Yellow Vest" movement that started a few months ago is still having a negative impact in our hotels located in France, which struggled during the period as a result of the decline shown by leisure demand due to the perceived insecurity given the violence of certain demonstrations combined with the fact that the Easter Break took place in April in contrast to 2018, when it took place in March. In this context, RevPAR grew by +1.0% on a like for like basis (excluding our latest opening in the country, Innside Paris Charles de Gaulle), while the overall Paris market fell by -4.1% according to STR data. In this regard, the negative evolution of RevPAR posted by our hotels in the period was partially compensated by the increasing demand shown by the MICE segment mainly in Meliá Paris la Defense

ITALY

The significantly lower number of trade fairs that took place in the country during the period, particularly in the Milano area, plus the negative effects of the Morandi Bridge disaster in the Genoa market and the refurbishment and partial closure of Gran Meliá Rome negatively impacted the performance of our hotels located in Italy, which closed the first quarter of the year posting a slight decline in RevPAR vs the same period last year.

OUTLOOK

For the second quarter of the year, we expect a positive evolution of our operations in France as a result of the opening of Innside Paris Charles de Gaulle, as it will allow us to strengthen our presence in both the MICE and crews segments given its optimal location, very close to the airport, and despite the fact that we do not envisage a short term solution to the "Yellow Vest" movement. However, on a like for like basis we expect a RevPAR growth of a mid single digit. In Germany, we are also optimistic and foresee a mid single digit RevPAR increase despite the fact that the Easter Break will impact our operations during Q2 while in the United Kingdom we also forecast a positive performance despite the different refurbishments, repositionings and rebrandings that we will implement in some of our hotels located in the country and the uncertainties regarding the Brexit process. Finally, in Italy we are also optimistic and envisage a low to mid single digit RevPAR growth, as we expect both the Milano and Rome areas to recover, and with the only exception being the Genoa market, where we do not expect significant changes.

PORTFOLIO AND PIPELINE

During the first quarter of the year we added 2 hotels to our portfolio in EMEA, Innside Paris Charles de Gaulle (France, lease, 266 rooms), that will reinforce our presence in the city and allow us to further penetrate and position ourselves in the MICE and crews segments due to its optimal location by the airport, and Innside Prague Old Town (Czech Republic, management, 89 rooms), which will be our first hotel in the country. Additionally, we disaffiliated Meliá Campione (Italy, management, 40 rooms). For the upcoming months, we expect to open a new hotel in Tanzania, Gran Meliá Arusha (Arusha, management, 171 rooms) that will increase our footprint in the region, while in the meantime we will continue repositioning and refurbishing some of our hotels in order to adapt them to the needs and demands of upper and luxury segments.

Finally, we would like to highlight that, due to the internal reorganization that we implemented at the end of the year and that affected the structure and hotels included in our EMEA and Spain divisions, 17 new hotels (5,434 rooms) were added to the EMEA division from the Mediterranean division and 12 hotels (2,486 rooms) were moved to the Spain division.

Hotel London Kensington | United Kingdom

FINANCIAL INDICATORS*

HOTELS OWNED & LEASED	Q1 2019 €M	Q1 2018 €M	% change
Total aggregated Revenues	**122.7**	**129.4**	**-5.2%**
Owned	46.0	51.9	
Leased	76.7	77.4	
Of which Room Revenues	***84.2***	***88.7***	***-5.1%***
Owned	30.0	37.8	
Leased	54.2	51.0	
EBITDAR Split	**18.4**	**21.0**	**-12.2%**
Owned	6.3	9.8	
Leased	12.1	11.2	
EBITDA Split	**16.9**	**20.4**	**-17.2%**
Owned	6.3	9.8	
Leased	10.5	10.6	
EBIT Split	**-13.8**	**-8.5**	**62.5%**
Owned	-0.2	2.0	
Leased	-13.6	-10.5	

MANAGEMENT MODEL	Q1 2019 €M	Q1 2018 €M	% change
Total Management Model Revenues	**11.7**	**12.6**	**-7.5%**
Third Parties Fees	4.7	5.0	
Owned & Leased Fees	7.0	7.7	
Other Revenues	0.0	0.0	

* *The Spain division now includes 76 hotels that used to be part of both the Mediterranean and EMEA divisions.*

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	64.3%	-2.0	100.7	-2.9%	64.7	-5.8%	62.5%	-3.3	94.9	-1.7%	59.3	-6.7%
TOTAL SPAIN SAME STORE BASIS	65.6%	-0.4	99.3	-2.7%	65.1	-3.3%	64.2%	-2.7	92.4	-1.9%	59.3	-5.8%
Urban	68.9%	-3.8	97.2	-8.9%	67.0	-13.7%	63.8%	-6.1	90.1	-5.0%	57.4	-13.4%
Resorts	61.7%	-0.6	102.8	1.2%	63.4	0.2%	61.2%	-0.4	100.0	1.5%	61.2	0.9%
Rest of Areas	-	-	-	-	-	-	71.4%	-8.0	91.0	+3.3%	64.9	-7.2%

* Available Rooms Q1 2019: 1,301.2k (versus 1,291.6k in Q1 2018) in O&L // 2,196.8k (versus 2,124.8k in Q1 2018) in O,L&M.

CHANGES IN PORTFOLIO

Openings between 01/01/2019 – 31/03/2019

Hotel	Country / City	Contract	# Rooms
-	-	-	-

Disaffiliations between 01/01/2019 – 31/03/2019

Hotel	Country / City	Contract	# Rooms
-	-	-	-

FUTURE DEVELOPMENT

	Current Portfolio				Pipeline									
	Q1 2019		2018 YE		2019		2020		2021		Onwards		TOTAL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
TOTAL SPAIN	152	37,050	152	37,049	2	403	6	1,907	0	0	0	0	8	2,310
Management	44	13,481	44	13,480	2	403	5	1,743	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	5,615	22	5,615	0	0	0	0	0	0	0	0	0	0
Leased	71	15,898	71	15,898	0	0	1	164	0	0	0	0	1	164

SPAIN 2019 FIRST QUARTER RESULTS

- RevPAR (owned, leased & managed) fell by -6.7% in Q1 2019 vs the same period last year mainly as a result of the Easter Break effect.
- Total fee revenue dropped by -12.7% in the quarter vs Q1 2018 due to the lower owned and leased and third parties fees collected.
- EBITDA (owned & leased) flow through was severely impacted by the Easter Break effect and the recovery in demand of alternative destinations.
- Melia.com sales jumped by +4.4% in the period vs Q1 2018, despite the Easter Break effect and the impact that resulted from the recovery of alternative destinations.

The performance of our hotels located in Spain during Q1 has been heavily affected by the effect of the Easter Break, which took place in April (Q2), in contrast to 2018 when it took place in March. This aspect benefitted urban hotels, but however had a negative impact on resorts, particularly in the Canary Islands. By region, the main highlights are discussed below:

NORTHEAST AREA

Our hotels located in Madrid had a positive performance in Q1 2019 after having posted an O&L RevPAR increase of +4.5% vs the same period last year thanks to the positive market dynamics and higher contribution of both the MICE and groups segments, particularly in hotels like Meliá Castilla, Meliá Barajas, ME Madrid and Meliá Madrid Princesa, and despite the slight drop shown by individual demand in both the Central and Northwest areas in January and February given the fact that the Easter Break took place in April, plus the negative effect of certain refurbishments and repositionings in our operations. Additionally, the performance of our hotels located in Eastern Spain has been positive, in general terms, during the first quarter of the year vs Q1 2018 as a result of the increasing demand of both MICE and groups segments, which positively affected a number of hotels such as Meliá Barcelona Sarriá, ME Sitges Terramar and Tryp Apollo, among others. Additionally, we would like to highlight the good performance of our hotels located in Barcelona, which closed a strong quarter after having posted an O&L RevPAR growth of +10.2% vs Q1 2018, mainly as a result of the recovery shown by the groups segment.

SOUTHERN SPAIN

The Easter Break effect had a negative impact in our hotels located in Southern Spain, particularly in those located in Málaga and Benidorm, as a result of the severe drop shown by individual demand, which negatively impacted a number of hotels such as Meliá Villaitana, Sol Príncipe, Sol Pelícanos Ocas and House Costa del Sol during March. Having said that, it is worth mention the positive contribution to the region's figures of our hotels located in Seville, particularly Meliá Lebreros, and Sierra Nevada, with the latter posting similar numbers vs the same period last year despite the fact that weather conditions were not optimal.

BALEARIC ISLANDS

The first quarter of the year has been negative for our hotels located in the Balearic Islands due to the Easter Break effect combined with the decline posted by the MICE segment given the significantly lower number of events that were held in Mallorca during the period, which negatively impacted the performance of Meliá Palma Bay, Hotel Palma Bellver and Innside Palma Bosque.

CANARY ISLANDS, CAPE VERDE AND MOROCCO

During the first quarter of the year, our hotels located in the Canary Islands were negatively impacted by the reduction in the number of air seats available due to certain cancelations of routes and bankruptcies, including that of Germania and Air Berlin, combined with the increasing demand of alternative destinations, which impacted the individual demand in a number of hotels like Meliá Jardines del Teide or Gran Meliá Palacio de Isora, among others. Additionally, some of our hotels were closed due to refurbishments and repositionings, which reduced the number of available rooms vs Q1 2018. On the positive side, we would like to highlight the relatively good performance of both groups and crews segments, as well as the higher contribution of our hotels located in Morocco.

OUTLOOK

For the second quarter of the year, we have positive expectations for our Spanish hotels, particularly for those located in Madrid, given the positive impact of the Easter Break effect combined with the contribution of the Champions League Final and certain international events that will be held in the city, such as the Eular one, which will positively impact both the MICE and groups segments. In the Balearic Islands, we remain cautious, particularly in Menorca and Ibiza, despite of the positive impact of the Easter Break effect during April. Finally, we forecast a negative performance for our hotels located in the Canary Islands during Q2 vs the same period last year due to the increasing competitive pressures coming from alternative destinations, which are expected to negatively impact a number of hotels, such as Gran Meliá Palacio de Isora and Meliá Jardines del Teide, plus the negative implications of certain refurbishments and repositionings that will reduce the number of rooms available for sale in the period. Furthermore, in Cape Verde we foresee an improvement vs the same period last year as a result of the increasing contribution of Meliá Llana and Sol Dunas.

PORTFOLIO AND PIPELINE

We have not added any hotel to our portfolio in Spain during the first quarter of the year, as we have been focusing on repositionings, refurbishments and rebrandings aimed at both targeting upper segments and improve the current facilities of our hotels.

As in the case of the EMEA division, and as part of the internal reorganization that affected the hotels included in the different divisions that comprise our Hotel Business, 76 hotels (23,311 rooms) were added to the Spain division.


Meliá Salinas | Lanzarote - Spain

FINANCIAL INDICATORS

HOTELS OWNED & LEASED	Q1 2019 €M	Q1 2018 €M	% change
Total aggregated Revenues	**N.A.**	**N.A**	**-**
Owned			
Leased			
Of which Room Revenues	***N.A.***	***N.A.***	***-***
Owned			
Leased			

MANAGEMENT MODEL	Q1 2019 €M	Q1 2018 €M	% change
Total Management Model Revenues	**5.3**	**6.3**	**-16.6%**
Third Parties Fees	5.3	6.3	
Owned & Leased Fees	-	-	
Other Revenues	0.0	0.0	

MAIN STATISTICS

	OWNED & LEASED						OWNED, LEASED & MANAGED					
	Occup.		ARR		RevPAR		Occup.		ARR		RevPAR	
	%	p.p. change	€	% change	€	% change	%	p.p. change	€	% change	€	% change
TOTAL CUBA	-	-	-	-	-	-	64.8%	-5.5	96.7	-2.9%	62.6	-10.6%
TOTAL CUBA SAME STORE BASIS	-	-	-	-	-	-	66.4%	-3.5	97.5	-4.4%	64.7	-9.2%

* Available Rooms Q1 2019: 1,149.4k (versus 1,101.6k in Q1 2018) in O,L&M.

CHANGES IN PORTFOLIO

Openings between 01/01/2019 – 31/03/2019

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

Disaffiliations between 01/01/2018 – 31/03/2019

Hotel	Country / City	Contract	# Rooms
-	-	-	-

FUTURE DEVELOPMENT

	Current Portfolio				Pipeline									
	Q1 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

CUBA 2019 FIRST QUARTER RESULTS

- RevPAR in USD (managed) fell by -17.8% in Q1 2019 vs the same period last year given the slowdown posted by the tourism industry within the country.
- Total fee revenue in USD dropped by -22.0% in the quarter vs Q1 2018 due to a number of factors discussed below.
- Melia.com sales rose by +4.4% in the period vs Q1 2018, despite the deterioration shown by the tourism industry in the country, although a number of commercial campaigns have been launched recently to face this situation.

Over the first quarter of the year, the high season, and as initially expected, the activity levels of the tourism industry in Cuba showed some negative signs resulting from the intense competition coming from other alternative destinations in the Caribbean, that resulted from the rise in rooms supply at certain locations. This factor motivated a significant decline in ARR, although however in certain touristic destinations, such as La Habana, Camaguey, Cienfuegos and Santiago de Cuba, we witnessed a modest growth in occupancy rates as a result of the above mentioned decline in prices combined with the recovery of the circuits segment.

In this complex environment, sales through our direct channel melia.com were affected given the relatively weak performance of our hotels located in La Habana.

When looking at the main feeder markets of the country, we would like to highlight the increasing number of visitors from Spain, Poland, Switzerland and France. However, on the negative side, there was a slight decline in the number of tourists from Canada, Argentina, Mexico and certain European countries due to a number of issues, such as the decline in the number of air seats and direct flights to and from the country available, the increasing supply of rooms in other competing destinations and the depreciation suffered by the Argentinian Peso, among others.

OUTLOOK

We do not foresee significant changes in our Cuban operations for the second quarter of the year, as our hotels located in the country will continue suffering from the intense competition coming from alternative destinations and its effect on prices. Additionally, we would like to highlight that during the period our operations will be impacted by the fact that some of our hotels located in the country, such as Paradisus Varadero, Meliá Las Américas, Hotel Sirenas and Sol Santa María, will be affected by refurbishments and repositionings aimed at improving their current facilities.

Finally, when looking at the expected evolution of sales through our direct channel melia.com, we forecast a double digit growth that should result from the positive effect of the Wonder Week combined with the improved pricing and yield management strategy implemented thanks to our improved digital capabilities.

PORTFOLIO AND PIPELINE

During the first quarter of 2019, we partially opened Meliá Internacional Varadero (Varadero, management, 946 rooms), a 5-star all inclusive resort that will reinforce our leading position within the country. In this regard, we opened 200 rooms of the hotel, while the rest of the rooms will be incorporated over the following months until late June. Additionally, during this quarter Paradisus Los Cayos has been further penetrating and consolidating its position among upper clients since its opening back in December 2018, thanks also to the new rooms available for sale that were opened within the hotel in the period.

Paradisus Princesa del Mar | Cuba

FINANCIAL INDICATORS

HOTELS OWNED & LEASED	Q1 2019 €M	Q1 2018 €M	% change
Total aggregated Revenues	**N.A.**	**N.A.**	**-**
Owned			
Leased			
Of which Room Revenues	***N.A.***	***N.A.***	***-***
Owned			
Leased			

MANAGEMENT MODEL	Q1 2019 €M	Q1 2018 €M	% change
Total Management Model Revenues	**1.3**	**1.6**	**-18.1%**
Third Parties Fees	1.1	1.1	
Owned & Leased Fees	-	-	
Other Revenues	0.2	0.5	

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	-	-	-	-	-	-	58.0%	3.5	71.5	1.4%	41.5	8.0%
TOTAL ASIA SAME STORE BASIS	-	-	-	-	-	-	58.1%	4.5	72.4	1.8%	42.1	10.3%
China	-	-	-	-	-	-	59.0%	5.7	64.3	-2.7%	38.0	7.7%
Southeast Asia	-	-	-	-	-	-	57.6%	2.8	74.0	2.9%	42.6	8.2%

* Available Rooms Q1 2019: 406.9k (versus 425.6k in Q1 2018) in O,L&M.

CHANGES IN PORTFOLIO

Openings between 01/01/2019 – 31/03/2019

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

Disaffiliations between 01/01/2019 – 31/03/2019

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

FUTURE DEVELOPMENT

	Current Portfolio				Pipeline									
	Q1 2019		2018 YE		2019		2020		2021		Onwards		TOTAL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
TOTAL ASIA	22	5,091	21	5,016	6	952	9	2,596	4	668	4	1,029	23	5,245
Management	22	5,091	21	5,016	6	952	9	2,596	4	668	4	1,029	23	5,245
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 QUARTER RESULTS

- RevPAR in USD (managed) declined by -1.1% in the period vs Q1 2018 due to a slight decrease in prices that resulted mainly because of the depreciation posted by local currencies against the USD during the quarter.
- Total fee revenue in USD dropped by -14.4% in Q1 2019 vs the same period last year given the lower third parties fees collected.
- Melia.com sales rose by +9.2% over the first quarter of the year vs Q1 2018 due to the higher penetration of our platform among current and potential clients.

The figures posted by our hotels located in the Asian, on a like for like basis, have been positive in general terms, as we managed to post a +1.0% increase in revenues and a +4.0% improvement in GOP. Also, fees revenues closed the period flat vs Q1 2018, despite the depreciation of the CNY against the USD, while EBITDA was negative due to the impact of higher legal advisory costs and the lower revenues collected from technical services that we expect to offset over the following months. Furthermore, when looking at the main feeder markets of the division, we have witnessed an increasing demand of travelers from the United States, Africa and Europe thanks to the attractiveness and perceived stability of certain Asian destinations, which boosted the individual segment, while on the other hand the division is becoming a significant feeder market for a number of our hotels located in Europe and the Caribbean.

On a country basis, our hotels located in China faced a complex market situation and increasing competition during the period and closed the quarter with a slight decline of -1.1% in RevPAR (in USD), although in local currency RevPAR grew by +5.2%, as a result of the depreciation of the CNY against the USD plus the significantly lower revenues collected in Gran Meliá Xian due to a refurbishment that affected one of its restaurants, which offset the higher contribution of certain hotels, such as Innside Zhengzhou or Melia Shanghai Hongqiao, among others.

In Vietnam, both revenues and RevPAR (in USD) rose during the quarter vs Q1 2018 thanks to the positive performance of certain hotels, like Melia Hanoi and Sol Beach House Phu Quoc, that benefitted from the increasing demand of international tourists, particularly Europeans during the high season, combined with a number of international political events that were held in Hanoi during the quarter, such as the visit of the President of Argentina and the meeting between the US and North Korean presidents. Additionally, Meliá Danang struggled due to the recent reopening of part of the hotel facilities following a deep refurbishment and the decline of South Korean visitors, which opted for alternative destinations within the country, such as Cam Ranh, and in other regions. Also, our hotels located in Indonesia posted a solid +3.5% RevPAR increase (in USD), although in local currency RevPAR rose by +7.1%, given the positive market dynamics, being significant examples Meliá Bali, which in Q1 2018 was still recovering from the Agung Volcano eruption, as well as Sol House Legian and Innside Jogyakarta, which significantly improved their profitability levels, as both hotels are still in ramp up.

On the negative side, in Myanmar our hotel Meliá Yangon posted a slight decline in revenues as a result of the increasing number of competitors in the city and despite the improved profitability that resulted from the implementation of an action plan aimed at increasing its efficiency levels, while in Malaysia we struggled during the period and our hotel Meliá Kuala Lumpur closed the quarter with a drop in revenues that negatively impacted our overall performance within the country. Finally, in Thailand our hotel The Imperial Boat House Koh Samui remained closed during the period due to a deep refurbishment that will end by late 2019 and that will result in the reopening and subsequent rebranding of the hotel, whose name will change to Meliá Koh Samui.

OUTLOOK

For the second quarter of the year, we have positive expectations, in general terms, for all the Asian countries where we operate, as we expect to continue benefitting from the increasing demand of Asian destinations by tourists from all over the world, as well as from the higher penetration of our hotels, including a number of them that are still in ramp up, among upper segments plus the positive effect of the new openings in countries with strong growth potential, such as China, Thailand and Vietnam. Furthermore, we expect an improvement in terms of demand in Indonesia, particularly after the General Elections, as well as in Myanmar and Malaysia backed by the healthy increase in demand during the high season period.

PORTFOLIO AND PIPELINE

During Q1 2019 we incorporated 1 additional hotel to our portfolio in Asia under a management contract, Meliá Ho Tram (Vietnam, 77 rooms which represent a partial opening, as the rest of the rooms will be incorporated in Q2), while in the second quarter of the year we expect to open 3 new hotels in the country, all of them under management contracts: Innside Saigon Central (Ho Chi Minh, 72 rooms), Meliá Hoi An (Hoi An, 150 rooms) and Meliá Ninh Binh (Nin Binh, 153 rooms), that will increase our footprint in a country that is currently benefitting from positive market dynamics, increasing international demand and a strong growth potential.

OTHER NON HOTEL BUSINESSESS

2

MELIÃ HOTELS INTERNATIONAL

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

CLUB MELIÁ & THE CIRCLE

The first quarter of 2019 has been positive for our timesharing business, which benefitted from the opening, back in December, of the new 5-star all-inclusive resort Grand Reserve at Paradisus Palma Real – The Circle in the Dominican Republic. Even tough the hotel is still in ramp up, it allowed us to increase the number of members at a double digit level vs the same period last year, despite the fact that the number of potential clients available was significantly lower and that average price per contract showed a slight decline.

When looking at specific areas and product type, we would like to highlight, on the one hand, the positive performance posted by the new product The Circle in the Dominican Republic, particularly in Punta Cana, where the different marketing strategies and commercial campaigns implemented during the quarter bore fruit, as reflected by the rise shown in the number of clients and average price per contract, thus leading to a significant increase in revenues vs Q1 2018. Additionally, client migrations from the former product Club Meliá to the new one The Circle rose by a low single digit, being this aspect one of the factors that come to explain the positive evolution of average price per contract among members. On the other hand, in Mexico, which is still suffering from the worsening in the economic conditions faced over the past months, we also managed to close a positive high season quarter, even tough the client segmentation shifted from United States nationals to locals due to certain issues beyond our control, such as sargassum (seaweed) and travel warnings maintained by the Trump Administration, affecting some touristic destinations within the country like Playa del Carmen and Cancún. In this context, the number of members remained fairy stable vs the same period last year due to the attractive services and prices offered.

For the second quarter of the year, we have well founded positive expectations resulting from the higher expected contribution of the new product within the division thanks to the improved positioning of the new resort, as clients now have the possibility to experience and feel unique sensations inside the facilities of the property, as well as due to the different marketing actions and processes re-engineering aimed at serving the needs and adapt the range of services and products offered to the needs of a very demanding type of guest, mostly upper and luxury segments. In this regard, we are also focused on selecting and training our salespeople to sell the product in a very unique way that has been specifically adapted, designed and customized to the different clients nationalities, as well as to be fully aligned and committed with our business and corporate culture and strategy, which should led for a better, improved and efficient selling process that will definitely increase conversion rates and to promote a higher number of product upgrades among current clients and therefore to allow us continue increasing average prices per contract at a healthy rate.

REAL ESTATE

During the first quarter of the year, we closed the sale of Meliá Coco Beach, our hotel located in Puerto Rico, for a total amount of $72.0M after having completed a deep due diligence process requested by the current owner. In this regard, as the due diligence was positive, no changes to the initial agreement reached were made in regards with the sale. Also, no capital gains were generated at EBITDA level, as in the case of Q1 2018.

Finally, and regarding our real estate strategy for the upcoming months, we will remain open to evaluate potential opportunities that might arise in order to continue unleashing additional value for our shareholders through disposals of our non core assets, as well as focused on increasing the value of our fully owned portfolio through repositionings, refurbishments and rebrandings aimed at increasing our penetration among upper and luxury segments.


The Circle | Dominican Republic

FINANCIAL STATEMENTS

3

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

Total Consolidated Revenues fell by -2.0% in Q1 2019 vs the same period last year as a result of the following:

a) Positive impact of exchange rates of +€14.5M due to the evolution of the USD against the EUR

b) On a constant currency basis, total consolidated revenues dropped by -€22.7M mainly due to the fell posted by RevPAR on a constant currency basis of -4,7%, which impacted total consolidated revenues, as well as due to the negative impact of some refurbishments and repositionings.

Operating Costs

Total Operating Costs declined by -1.1% in the first quarter of the year vs Q1 2018 due to the below mentioned aspects:

a) Negative impact resulting from the evolution of exchange rates of +€9.6M

b) On a constant currency basis, total savings were -€12.8M as a result of the decline posted by total operating costs due to the drop in occupancy rates, as well as because of the cost savings associated to cost efficiencies.

EBITDA

EBITDA declined by -4.5% in Q1 2019 vs the same period last year, while EBITDA dropped by -62 bps, although however on a constant currency basis this deterioration would have been of -101 bps.

Depreciation and Amortization costs increased by +8.7% in Q1 2019 vs the same period last year, being the main aspects that come to explain this rise the following:

a) Evolution of USD/EUR exchange rate of +€0.9M

b) Differences that resulted from the application of IFRS 16 on a constant currency basis of +€2.6M

c) Opening of The Circle and the consolidation of ME London

Operating Profit (EBIT)

Operating Profit declined by -24.2% in the first quarter of the year vs Q1 2018 due to the above mentioned aspects.

Result from entities valued by the equity method in the period was -€0.7M, which compares with -€3.5M posted in Q1 2018, being this evolution explained mainly by the dividends received from some JV and the consolidation of Adprotel.

Net Profit

Net Profit in Q1 2019 was €11.5M after having declined by -23.4% vs the same period last year.

EPS for the period stood at €0.05, which compares with +€0.07 in Q1 2018.

% change Q1 19 vs Q1 18	Q1 2019	Q1 2018	(Million Euros)	3M 2019	3M 2018	% change 3M 19 vs 3M 18
			Revenues split			
	416.8	432.9	Total HOTELS	416.8	432.9	
	66.4	70.3	Management Model	66.4	70.3	
	335.3	345.9	Hotel Business Owned & Leased	335.3	345.9	
	15.1	16.6	Other Hotel Business	15.1	16.6	
	2.6	1.8	Real Estate Revenues	2.6	1.8	
	18.9	21.0	Club Meliá Revenues	18.9	21.0	
	23.3	18.2	Overheads	23.3	18.2	
	461.6	474.0	Total Revenues Aggregated	461.6	474.0	
	(68.6)	(72.8)	Eliminations on consolidation	(68.6)	(72.8)	
-2.0%	**393.0**	**401.1**	**Total Consolidated Revenues**	**393.0**	**401.1**	**-2.0%**
	(45.8)	(44.7)	Raw Materials	(45.8)	(44.7)	
	(118.9)	(111.1)	Personnel Expenses	(118.9)	(111.1)	
	(132.2)	(144.3)	Other Operating Expenses	(132.2)	(144.3)	
-1.1%	**(296.9)**	**(300.1)**	**Total Operating Expenses**	**(296.9)**	**(300.1)**	**-1.1%**
-4.9%	**96.1**	**101.0**	**EBITDAR**	**96.1**	**101.0**	**-4.9%**
	(3.1)	(3.6)	Rental Expenses	(3.1)	(3.6)	
-4.5%	**93.1**	**97.5**	**EBITDA**	**93.1**	**97.5**	**-4.5%**
	(30.2)	(27.9)	Depreciation and Amortisation	(30.2)	(27.9)	
	(33.1)	(30.3)	Depreciation and Amortisation (ROU)	(33.1)	(30.3)	
-24.2%	**29.8**	**39.3**	**EBIT (OPERATING PROFIT)**	**29.8**	**39.3**	**-24.2%**
	(7.6)	(6.6)	Financial Expense	(7.6)	(6.6)	
	(9.5)	(11.5)	Rental Financial Expense	(9.5)	(11.5)	
	3.9	3.3	Other Financial Results	3.9	3.3	
	(3.4)	(3.7)	Exchange Rate Differences	(3.4)	(3.7)	
-9.9%	**(16.7)**	**(18.5)**	**Net Financial Profit/(Loss)**	**(16.7)**	**(18.5)**	**-9.9%**
	(0.7)	(3.4)	Profit / (loss) from Associates and JV	(0.7)	(3.4)	
-28.2%	**12.5**	**17.3**	**Profit before taxes and minorities**	**12.5**	**17.3**	**-28.2%**
	(2.9)	(4.3)	Taxes	(2.9)	(4.3)	
-26.8%	**9.5**	**13.0**	**Group net profit/(loss)**	**9.5**	**13.0**	**-26.8%**
	(2.0)	(2.0)	Minorities	(2.0)	(2.0)	
-23.4%	**11.5**	**15.0**	**Profit/(loss) of the parent company**	**11.5**	**15.0**	**-23.4%**

FINANCIAL RESULTS & DEBT

Financial results

Net Financial Loss improved during the period after having declined by -9.9% vs Q1 2018 as a result of the following:

a) Increase of Financial Expenses (+€1.0M) vs Q1 2018 due to the consolidation of Adprotel and the higher volume of USD denominated debt, which carries a higher average interest cost. In this regard, average interest rate satisfied during Q1 2019 was 3.24% vs 3.19% in Q1 2018.

b) Slight rise of Other Financial Results (+€0.6M) vs the same period last year.

c) Rental Financial Expenses, the application of IFRS 16 motivated a decrease in financial expenses of +€2.0M vs Q1 2018.

d) Decrease of Exchange Rates Differences (-€0.3M) resulting from the strengthening of the USD vs EUR and the Mexican Peso vs USD during the quarter.

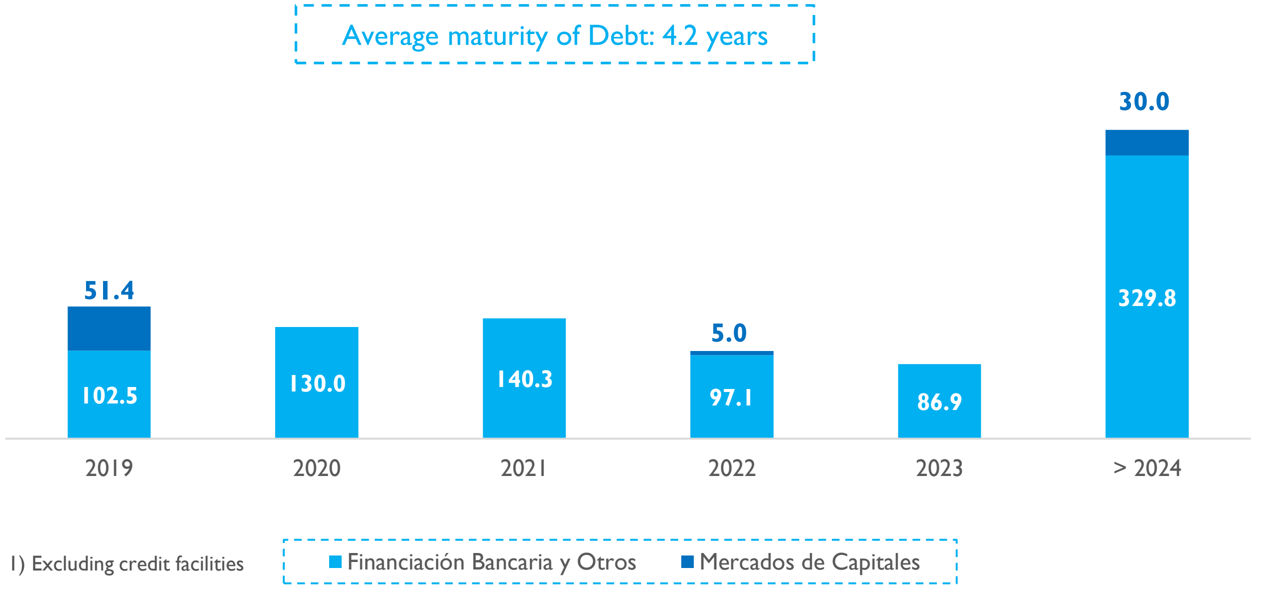
Q1 2019	Q1 2018	Item	3M 2019	3M 2018
(3.4)	(3.7)	Exchange Rates Differences	(3.4)	(3.7)
(9.5)	(11.5)	Rental Financial Expense	(9.5)	(11.5)
(7.6)	(6.6)	Financial Expense	(7.6)	(6.6)
3.9	3.3	Other Financial Results	3.9	3.3
(16,7)	**(18,5)**	**Net Financial Income/(Loss)**	**(16,7)**	**(18,5)**

Debt and Cash Flow

Over the first quarter of the year, Net Debt rose by +€25.2M and closed the period at +€632.7M. Having said that, if we consider the impact of IFRS 16, Net Debt posted an increase of +€50.8M vs December 2018 and stood at +€1,894.6M.

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

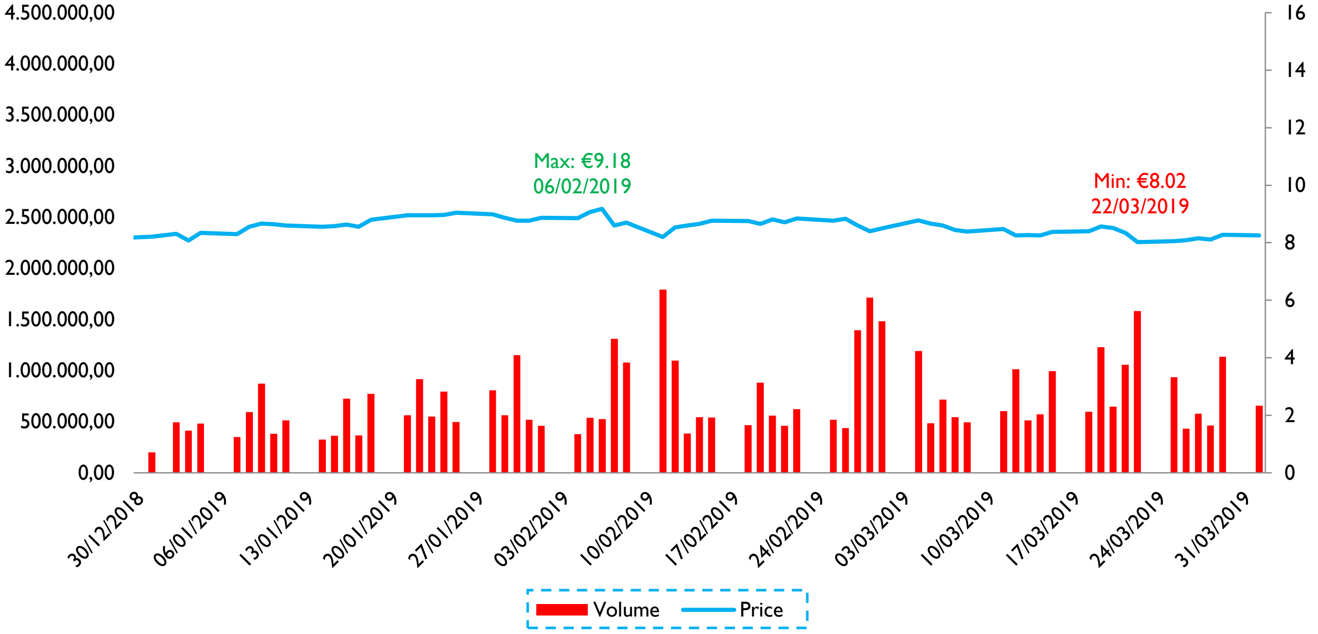
MELIÁ IN THE STOCK MARKET

4

MELIÃ HOTELS INTERNATIONAL

STOCK MARKET

Our stock price rose by +0.8% during Q1 2019, underperforming the Ibex 35 Index (+8.2%).



	Q1 2019	Q2 2019	Q3 2019	Q4 2018	2019
Average daily volume (*thousand shares*)	729.1	-	-	-	729.1
Meliá performance	+0.8%	-	-	-	+0.8%
Ibex 35 performance	+8.2%	-	-	-	+8,2%

	Q1 2019	2018
Number of shares (*millions*)	229.70	229.70
Average daily volume (*thousands shares*)	729.15	724.36
Maximum share price (*euros*)	9.18	12.66
Minimum share price (*euros*)	8.02	7.96
Last Price (*euros*)	8.27	8.21
Market capitalization (*million euros*)	1,899.62	1,885.84
Dividend (*euros*)	-	0.17

Source: Bloomberg

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

Main Highlights of 2019:

- There are not significant events related to our shares to mention so far.


Gran Meliá Rome Villa Agrippina | Italy

APPENDIX

5

BUSINESS SEGMENTATION OF MELIÁ HOTELS INTERNATIONAL

3M 2019	Total Hotels	Real Estate	Club Meliá	Overheads	Total Aggregated	Eliminations On Consolidation	Total Consolidated
Revenues	**416.8**	**2.6**	**18.9**	**23.3**	**461.6**	**(68.6)**	**393.0**
Expenses	317.0	3.1	15.9	29.5	365.5	(68.6)	296.9
EBITDAR	99.8	(0.5)	3.1	(6.3)	96.1	0.0	96.1
Rentals	3.1	0.0	0.0	0.0	3.1	0.0	3.1
EBITDA	**96.7**	**(0.5)**	**3.1**	**(6.3)**	**93.1**	**0.0**	**93.1**
D&A	58.7	0.1	0.5	4.0	63.3	0.0	63.3
EBIT	38.1	(0.6)	2.5	(10.2)	29.8	0.0	29.8

3M 2018	Total Hotels	Real Estate	Club Meliá	Overheads	Total Aggregated	Eliminations On Consolidation	Total Consolidated
Revenues	**432.9**	**1.8**	**21.0**	**18.2**	**474.0**	**(72.8)**	**401.1**
Expenses	325.8	1.6	18.5	27.0	372.9	(72.8)	300.1
EBITDAR	107.1	0.2	2.5	(8.8)	101.0	0.0	101.0
Rentals	3.6	0.0	0.0	0.0	3.6	(0.0)	3.6
EBITDA	**103.5**	**0.2**	**2.5**	**(8.8)**	**97.5**	**0.0**	**97.5**
D&A	54.0	0.1	0.6	3.4	58.2	0.0	58.2
EBIT	49.5	0.1	1.9	(12.2)	39.3	(0.0)	39.3


Meliá Ho Tram | 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	72.0%	-9.3	159.2	4.4%	114.6	-7.5%	66.8%	-14.6	156.9	3.5%	104.8	-15.0%
ME by Melia	72.5%	4.3	245.0	5.4%	177.7	12.0%	64.0%	5.6	244.3	3.4%	156.5	13.3%
Gran Meliá	46.0%	-4.6	198.3	12.3%	91.2	2.0%	47.0%	-3.6	171.2	8.6%	80.4	0.8%
Meliá	67.3%	-0.8	120.7	0.2%	81.2	-1.0%	63.7%	-1.8	104.9	-0.3%	66.8	-3.0%
Innside	63.0%	0.1	117.4	0.2%	73.9	0.3%	59.5%	1.0	107.0	-1.8%	63.7	0.0%
Tryp by Wyndham	65.3%	-1.1	81.1	4.3%	53.0	2.7%	60.1%	-1.1	75.2	1.5%	45.2	-0.4%
Sol	74.0%	-2.5	59.5	-4.7%	44.1	-7.8%	68.6%	-4.2	68.7	-2.3%	47.3	-10.7%
TOTAL	65.2%	-2.6	117.5	1.3%	76.6	-2.5%	62.9%	-3.1	104.5	0.8%	65.7	-4.0%

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	66.0%	-5.5	136.6	6.1%	90.2	-2.1%	63.3%	-4.7	110.0	1.6%	69.6	-5.4%
Dominican Republic	67.9%	-12.1	147.5	10.5%	100.1	-6.3%	67.9%	-12.1	147.5	10.5%	100.1	-6.3%
Mexico	76.1%	-4.0	129.6	-3.6%	98.6	-8.4%	74.5%	-4.1	138.4	-2.3%	103.0	-7.5%
USA	75.9%	2.2	125.3	-2.2%	95.1	0.7%	75.9%	2.2	125.3	-2.2%	95.1	0.7%
Venezuela	14.7%	-24.3	143.9	111.4%	21.1	-20.4%	14.7%	-24.3	143.9	111.4%	21.1	-20.4%
Cuba	-	-	-	-	-	-	64.8%	-5.5	96.7	-2.9%	62.6	-10.6%
Brazil	-	-	-	-	-	-	51.2%	3.6	78.8	-2.6%	40.4	4.8%
ASIA	-	-	-	-	-	-	58.0%	3.5	71.5	1.4%	41.5	8.0%
Indonesia	-	-	-	-	-	-	53.1%	1.7	64.4	8.8%	34.2	12.4%
China	-	-	-	-	-	-	59.0%	5.7	64.3	-2.7%	38.0	7.7%
Vietnam	-	-	-	-	-	-	71.2%	9.9	90.7	-7.1%	64.6	8.0%
EUROPE	65.0%	-1.6	111.5	-0.1%	72.5	-2.5%	63.2%	-3.0	104.6	0.4%	66.2	-4.1%
Austria	65.7%	5.0	131.7	6.5%	86.6	15.3%	65.7%	5.0	131.7	6.5%	86.6	15.3%
Germany	66.0%	-0.4	110.8	4.2%	73.2	3.5%	66.0%	-0.4	110.8	4.2%	73.2	3.5%
France	67.2%	-8.4	166.2	1.3%	111.7	-10.0%	67.2%	-8.4	166.2	1.3%	111.7	-10.0%
United Kingdom	67.6%	1.3	164.1	7.6%	110.9	9.7%	68.0%	1.7	160.1	5.0%	108.9	7.7%
Italy	64.6%	-1.9	176.0	0.0%	113.6	-2.8%	63.5%	-2.2	175.8	-0.2%	111.6	-3.6%
Spain	64.3%	-2.0	100.7	-2.9%	64.7	-5.8%	61.6%	-2.8	95.3	-2.3%	58.7	-6.6%
Resorts	68.9%	-3.8	97.2	-8.9%	67.0	-13.7%	63.8%	-6.1	90.1	-5.0%	57.4	-13.4%
Urban	61.7%	-0.6	102.8	1.2%	63.4	0.2%	61.2%	-0.4	100.0	1.5%	61.2	0.9%
TOTAL	65.2%	-2.6	117.5	1.3%	76.6	-2.5%	62.9%	-3.1	104.5	0.8%	65.7	-4.0%

MAIN STATISTICS BY DIVISION AND EXCHANGE RATES

FINANCIAL INDICATORS SUMMARY Q1 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	131.2	-5.2%	54.3	-3.7%	50.5	-1.7%	49.6	0.8%	39.4	-1.7%	2.0	10.8%	8.9	-5.9%	6.1	51.4%
EMEA	81.4	4.1%	57.7	4.1%	15.2	-0.7%	14.6	-0.8%	(1.0)	-161.4%	0.2	0.0%	4.5	0.5%	0.1	-90.6%
Spain	122.7	-5.2%	84.2	-5.1%	18.4	-12.2%	16.9	-17.2%	(13.8)	62.5%	4.7	-3.5%	7.0	-18.0%	(0.0)	-
Cuba	-	-	-	-	-	-	-	-	-	-	5.3	-16.5%	0.0	-	0.0	-
Asia	-	-	-	-	-	-	-	-	-	-	1.1	-4.3%	0.0	-	0.2	-51.9%
TOTAL	335.3	-3.1%	196.2	-2.2%	84.1	-4.0%	81.1	-3.9%	24.6	-25.8%	13.3	-7.1%	20.3	-3.5%	6.5	-6.3%

3M 2019 EXCHANGE RATES

	3M 2019	3M 2018	3M 2019 VS 3M 2018
1 foreign currency = X €	Average Rate	Average Rate	% Change
Sterling (GBP)	1.1470	1.1321	+1.3%
American Dollar	0.8809	0.8137	+8.3%

Gan Meliá Arusha | 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 Q1 2019 P&L statement.

	March 2019 After IFRS 16	IFRS 16	March 2019 Before IFRS 16
EBITDAR	**96.1**	**0.6**	**96.7**
Rental expenses	(3.1)	(32.3)	(35.3)
EBITDA	**93.1**	**(31.7)**	**61.4**
Depreciation and amortization	(30.2)	0.0	(30.2)
Depreciation and amortization (ROU)	(33.1)	33.1	0.0
EBIT (OPERATING PROFIT)	**29.8**	**(31.7)**	**31.2**
Financial Expense	(7.6)	0.0	(7.6)
Rental Financial Expense	(9.5)	9.5	0.0
Other Financial Results	3.9	0.0	3.9
Exchange Rate Differences	(3.4)	0.0	(3.4)
Total financial profit/(loss)	**(16.7)**	**9.5**	**(7.1)**
Profit / (loss) from Associates and JV	-0.7	0.0	-0.7
Profit before taxes and minorities	**12.5**	**(22.1)**	**23.4**
Taxes	(2.9)	(2.6)	(5.5)
Group net profit/(loss)	**9.5**	**(24.7)**	**17.9**
Minorities	-2.0	0.0	-2.0
Profit/(loss) of the Parent Company	**11.5**	**(24.7)**	**19.9**

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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.