

COMUNICACIÓN DE HECHO RELEVANTE

Sol Meliá se complace en anunciar la decisión de Standard & Poor's de mantener el rating de la Compañía en BBB+, la calificación más alta en la industria hotelera, tras el anuncio de la intención de realizar una Oferta Pública de Adquisición de las acciones de Meliá Inversiones Americanas N.V. así como de fusionar por absorción a Inmotel Inversiones S.A.

Se adjunta copia del comunicado original de S&P.

SOL MELIA
Palma de Mallorca, 25 de Noviembre de 1998

Standard & Poor's

Paris, November 25, 1998

PRESS RELEASE

S&P AFFIRMS SOL MELIA'S "BBB+" RATING - OUTLOOK STABLE

Standard & Poor's today affirmed its triple-"B"-plus long-term corporate credit rating on Sol Melia S.A.. The outlook is stable. The affirmation follows the announcement on Nov. 23, 1998 that Sol Melia will merge with MIA and Inmotel Inversiones, two property companies that belong to the same group and own about 30% of the hotels managed by Sol Melia.

The merger will provide the newly created group with economies of scale and enhanced financial flexibility, thanks to higher cash flow and a larger market capitalization. However, Sol Melia will now be exposed to ownership risk, whereas, previously, the rating was underpinned by the group's exclusive focus on management contracts. Such contracts have low operating costs and capital requirements, and are viewed favorably by Standard & Poor's from a business-risk perspective. They provide more recurrent revenues than ownership, which can be very profitable during peaks, but is more capital intensive and also much less recession-resistant. The new entity will also post pro-forma net debt, adjusted for leases, of about Spanish peseta (Ptas) 38 billion (\$280 million), whereas Sol Melia used to enjoy a debt-free balance sheet. Nevertheless, indebtedness will remain modest compared with equity of Ptas143 billion and funds from operations of Ptas24 billion (both figures pro forma).

The rating will continue to reflect Sol Melia's:

- Robust organic growth, which benefits from tourism's significant expansion in Spain, the world's second-largest tourist market;
- Brand diversity, with two main hotel chains including various types of accommodation);
- Strong reputation, particularly in Spanish-speaking countries; and
- Well-known expertise in hotel management and a track record of good and continuously improving operational performances.

The ratings will also continue to factor in the modest scale of the company's operations: with 250 hotels in 25 countries and 1997 revenues of about Ptas13 billion (but up to Ptas90 billion in 1998 after the merger), Sol Melia is a midsize hotel company ranking 12th worldwide. Moreover, ratings are constrained by the risk related to Sol Melia's concentration in Spain and by the family's majority control, which limits financial flexibility.

OUTLOOK:STABLE

Standard & Poor's believes that Sol Melia will maintain a high, predictable level of free cash flow, underpinned by solid positions in Spain's hotel market and an expansion strategy focused on management contracts.

For further information, please contact :

Nicolas Baudouin, Standard & Poor's Paris, Tel. : (33) 01 44 20 66 72

Agnes de Petigny, Standard & Poor's Paris, Tel. : (33) 01 44 20 66 70

CREDIT PROFILE

ISSUER CREDIT RATING

Sol Melia S.A.

