2006 First Quarter Results

Profit & Loss Account

(Million Euros)	Mar 06	Mar 05	%
REVENUES	**273.5**	**262.2**	**4.3%**
EXPENSES (ex - Operating leases)	**(191.8)**	**(179.7)**	**6.8%**
EBITDAR	**81.6**	**82.5**	**-1.0%**
Rental expenses	(12.1)	(11.7)	3.5%
EBITDA	**69.5**	**70.8**	**-1.8%**
Depreciation and amortisation	(26.4)	(27.4)	-3.6%
EBIT	**43.2**	**43.4**	**-0.6%**
Total financial profit/(loss)	**(18.8)**	**(27.2)**	**-30.9%**
Profit/(loss) from equity investments	(0.2)	1.0	-114.8%
Continuing EBT	**24.2**	**17.2**	**40.2%**
Discontinuing Operations	0.0	0.0	
Profit before taxes and minorities	24.2	17.2	40.2%
Net Profit	**21.8**	**15.5**	**40.2%**
Net Profit attributable	**22.3**	**14.6**	**52.6%**

(*) Pro-forma

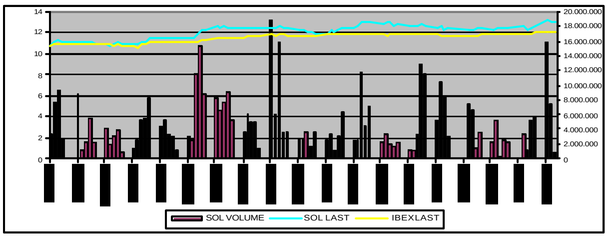
Operational Ratios

	Mar 06	Mar 05	%
RevPAR	46.9	44.8	4.6%
EBITDAR MARGIN	29.9%	31.5%	-161 bp
EBITDA MARGIN	25.4%	27.0%	-158 bp
EBITDA MARGIN (ex-asset rotation)	22.0%	19.6%	241 bp
EBT MARGIN	8.8%	6.6%	226 bp
NET PROFIT MARGIN	8.2%	5.6%	258 bp

Financial Ratios

	Mar 06	Mar 05	%
EBITDA / NET INTEREST	1.0x	0.9x	6.4%
EBIT / NET INTEREST	0.6x	0.5x	7.7%

Stock Performance



Average Daily Volume 2006 (€)	5.005.595
2006 High, May 10th	13.4
2006 Low, January 17th	10.74
Historical High, Jun 9th 2000	14.28
Market cap May 10th 06 (€ 13.24)	2.446.444.528

Highlights

Revenues, EBITDA and Net Profit attributable changed by +4.3%, -1.8% and 52.6% respectively

This items increased by 10%, 23% and 220% when excluding asset rotation. Evolution in 1Q06 is largely explained by: a) the upward trend in the hotel business, specially in Spanish cities and the Americas, where RevPAR has increased by 8.3% and 10.7% respectively, b) the performance of the Sol Meliá Vacation Club, where EBITDA has increased by 33%, c) the results of the asset rotation strategy which have had a positive net impact of 2.5 million at the EBITDA (cash flow) level in Q1, along with d) the reduction of the net financial expenses by 23%.

Outlook 2006: Positive in all divisions

In the **European Resort** business, the Company has positive expectations for the year in light of the strong occupancy levels during the Easter holidays and short breaks, as well as the level of demand from Germany, the UK and Spain for the summer season 2006. 1Q06 figures for the Division (RevPAR –9.0%) are negatively affected by the timing of the Easter holidays (RevPAR up to April'06: +1%). Regarding the **European City Division**, the recovery of average room rates in Spanish cities witnessed in Q1 (+5%) is likely to continue throughout and thus benefit the Company's margins. In the **Americas**, Sol Meliá confirms the expected positive underlying performance and is optimistic regarding the evolution of European feeder markets for the forthcoming quarters. The **management business** is also expected to bring good news due to the upward trend in European cities, Asia, LatAm and the Caribbean. In the asset management business, **asset rotation** is likely to evolve to meet Company objectives for the year of 100 mn Euros of disposals, while the expansion of the **SMVC** is expected Meliá to lead to double-digit growth for the Vacation Club business

Asset Management Division: further rotation

During the quarter the Company has formalized the disposal of the Sol Vista Sol aparthotel (176 rooms) in Mallorca for 12.5 mn Euros at a 17.9x EBITDA multiple while generating 7.1 mn Euros of profit. Additionally, Sol Meliá has agreed a 10-year management contract with the purchasers. Also within the asset rotation strategy, Sol Meliá has signed a 50/50 JV with ***Grupo Nyesa*** to develop a resort in Tenerife. Sol Meliá will contribute a plot of land valued at 22.5 mn Euros which generates 4.9 mn Euros of profit

Refinancing and debt reduction pay-off

Sol Meliá's policy of debt reduction over the past two years, including a 113 million Euro reduction in 2005, and the refinancing of the 340 mn Euros of the EMTN bond issue (6.25% coupon) at more favourable financial conditions has led the net financial expense of the Company to decrease from 14.3 to 11.0 mn Euros, a 23% reduction. At the total financial result level the Company reports a 31% reduction.

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1. Letter from the E. V. P. Communications

Dear friend,

Sol Meliá is pleased to announce the results for the first quarter of 2006 compared to 2005. Our expectations stated in previous reports have been materialised in these satisfactory results, driven by the strong performance of all our divisions. This is reflected in a notable improvement in operational figures excluding asset rotation, i.e. +10% in Revenues (261.4 mn), +23% in EBITDA (57.5 mn.), +220% in Net Income (11.5 mn).

The **European City Division** has benefited from the continued recovery in Spanish cities already seen throughout 2005. Demand has largely absorbed the supply increase of the last couple of years, leading to an increase in RevPAR of more than 8% due to increases in both prices and occupancies. The timing of the Easter holidays has positively affected the comparison for the quarter, however the month of April has even accelerated the performance of the division as reflected in the +15% RevPAR increase in the Spanish cities. Outside of Spain, the most significant results have been in Milan, London and Paris, with +23%, +7% and +5% RevPAR increases respectively. The outlook for this division continues to be positive within a framework of positive macroeconomic indicators in Europe, and particularly in Spain.

The **European Resort Division** in turn has been negatively affected by the timing of the Easter Holidays, concealing a positive underlying hotel performance, with the exception of for sluggish results in the Canary Islands. Indeed, the Cumulative RevPAR up to April, which again excludes the timing impact, is +1.0% (-9.0 % in 1Q06). The progression of the average room rate (ARR) in the division is helped by an increase in direct sales through solmelia.com as well as other channels owned and operated by the company.

Bookings made to date in feeder markets such as Germany, Benelux and, to a lesser extent, the UK, point towards a good summer season this year. Hence, this strength in demand will derived in not only better occupancy rates but also a lack of offers on contracted prices, which together with stronger sales in our owned distribution channels, particularly solmelia.com, is likely to improve our average prices.

The reopening of the Meliá Gorriones in Fuerteventura in December 2005 following a major refurbishment should also contribute positively. Spain is showing its strength as the second most popular tourist destination worldwide and the preferred holiday destination for Europeans due to its superior quality and infrastructure.

With regards to the **Americas Division**, RevPAR is increasing at a pace of 11%, with ARR increases of almost 13%. Projects in Puerto Rico and the Dominican Republic (particularly the Paradisus Palma Real) are behind these increases. Furthermore, the weakness of the dollar and the recovery or growth of South American nations favours Caribbean destinations in which Sol Meliá has a significant presence, together with an increase in the number of charter flights in 2006 to the same destinations. This is the case, for example, in Punta Cana (Dominican Republic), Los Cabos and Vallarta (Mexico), and Puerto Rico.

Outlook for the Americas remain healthy due to the increase in the willingness to take vacations of North Americans in an environment of positive macroeconomic indicators. After Hurricane Wilma in Cancun, the only hotel that has not yet reopened is the Meliá Turquesa, with opening scheduled early in the fourth quarter after a major refurbishment.

The Company would like to point out the favourable margin evolution, when excluding the asset rotation, from 19.6% to 22.0% explained by the streamlining activity at the cost structure carried throughout the past few years. It reflects the control measures which involved: strengthening of centralised purchasing power (specially in those perishable products) to which the SAP Materials Management program has significantly helped-, adaptation of F&B outlets to occupancy levels and brand standards including homologation of products and menu rotation. Third party services and fares have also been adapted according to occupancy needs (cleaning, laundering, entertainment, etc.) as well as the implementation of energy saving measures (SAVE program). On the Personnel Expenses side, the Company is achieving productivity increases through rationalization of personnel functions and working hours adapted to service needs. The upward trend in results emphasizes the operating leverage and its translation into better operating margins due to the mixed of owned, lease and managed properties of the Company.

With regards to the Asset Rotation strategy, in the first quarter Sol Meliá has formalized the sale of the Vista Sol Aparthotel at an EBITDA multiple of 17.9x, obtaining capital gains of 7.1 million euros. Sol Meliá will maintain the management contract. In addition, in February 2006 Sol Meliá and *Grupo Nyesa* has formed a 50%/50% JV for the development of a resort in Guía de Isora, Tenerife, Canary Islands. Sol Meliá is contributing the land at a price that generates capital gains of 4.9 million Euros (50% of the 9.8 mn of total profit).

Further divestments are envisioned for the rest of the year to get to estimated total asset sales of about 100 million Euros and capital gains of above 30 million Euros as part of our recurrent asset rotation strategy. In a context of contained capital expenditure, funds will be dedicated to reduce debt and to further strengthen our balance sheet. Lower debt, lower interest expense and strong operational performance, will ease credit measures throughout 2006.

The Sol Melia Vacation Club is evolving as expected, and the success of the launching of its operations in Spain will led us to reinforce this business in our domestic market. Up to March EBITDA has grown by 33% thanks also to the positive evolution of vacation club sales in Mexico, Dominican Republic and Puerto Rico.

At the financial level, on February 9th 2006 the Company refinanced the 340 million Euros maturity of the 5-year bond (6.25% fixed - coupon) issued within the framework of the EMTN programme. This refinancing was partly assured one year ago with a syndicate loan for 175 million Euros. This 5-year maturity loan holds an interest rate indexed to Euribor with a spread that varies between 0.6% and 1.0% depending on a financial ratios matrix. The remaining amount was largely paid with funds from operations. Sol Meliá thus reduced its average interest cost, representing 11 million Euros of savings on an annual basis at the financial result level. From a maturity schedule standpoint, the refinancing improves the mid-length of the debt from 6 to 8 years. No other major maturity will occur up until the end of 2008 with the 5 years maturity 150 million Euros exchangeable bond.

The first quarter results, reflect the upward trend of what we expect for the year-end in the hotel business. On top of that, as explained above, the Company expects an additional revenue stream derived from the asset management business, including Sol Meliá Vacation Club, as well as a significant improvement at the financial result level. We are glad that all of these positive news arrives in the year of the celebration of the 50th anniversary of the Company. Sol Meliá is pleased to have the opportunity to share this with guests, shareholders and bondholders.

Best regards,

Jaime Puig de la Bellacasa

E.V.P. of Communication & Institutional Relations

2. Information on Operations

2.1. Hotel Performance

RevPAR for owned and leased hotels has increased by 4.6% during the first quarter, largely explained by the recovery of Spanish cities and the strength of the Caribbean.

In the **European Resort Division,** RevPAR has decreased by 9% during Q1, largely explained by the timing of the Easter holidays which has negatively affected comparison of the Spanish resorts. The figures up to April which show that RevPAR has increased by 1% reflect a more accurate picture of the beginning of 2006.

RevPAR in the **European City Division** has increased by 8.2% thanks to the evolution of Spanish cities where RevPAR grew by +8.3% which compares favourably with the 5.6% RevPAR increase reported by Deloitte&Touche for the whole market. By city, Madrid (+ 11%), Barcelona (+ 21%) and Seville (+14%) largely explain the increase thanks to the celebration of congresses, incentives and conventions in a environment of favourable macroeconomic conditions. The progressive absorption of the additional room supply that came into the Spanish market over the last couple of years has enabled the Company to report average room rate increases of +4.9%, plus a +3.2% increase in occupancies. Regarding operations outside Spain, the cities of Milan, London and Paris have been the best performers over the first quarter, with +23%, +7% and +5% RevPAR increases respectively. Following the closure of the quarter, the Division accelerated the improvement as seen in the 15% increase in April.

Regarding the **Americas Division**, 10.7% RevPAR growth is largely explained by the performance in the Dominican Republic and Puerto Rico, where resorts increased by +23% and +46% respectively. As advanced in the previous report, the increased willingness to take vacations of US citizens in an environment of positive macroeconomic indicators along with the weakness of the US dollar fuels the dollar-denominated regions in the Caribbean which are also perceived as natural holiday destinations by North Americans. This is reflected in the accumulated 14% RevPAR increase up to April.

Table 1: Hotel statistics 06 / 05 (RevPAR & A.R.R. in Euros)

OWNED & LEASED HOTELS Mar 06 / 05			***Occupancy***	***RevPAR***	***A.D.R.***
EUROPEAN RESORT		**2006**	58.5%	28.8	49.3
	% o/ 2005		**-7.4%**	**-9.0%**	**-1.8%**
		2005	63.1%	31.7	50.2
EUROPEAN CITY		**2006**	61.9%	52.4	84.6
	% o/ 2005		**3.6%**	**8.2%**	**4.5%**
		2005	59.7%	48.4	81.0
AMERICAS		**2006**	70.8%	63.08	89.1
	% o/ 2005		**-1.8%**	**10.7%**	**12.7%**
		2005	72.1%	57.0	79.1
TOTAL		**2006**	62.3%	46.88	75.2
	% o/ 2005		**-1.0%**	**4.6%**	**5.7%**
		2005	63.0%	44.8	71.2

Table 2 shows the breakdown of the components of growth in room revenues at the hotel level for owned and leased hotels taking into account the company as a whole.

Table 2: Breakdown of total room revenues owned/leased hotels 06 / 05

% Increase Mar 06	EUROPEAN RESORT	EUROPEAN CITY	AMERICAS	TOTAL
RevPAR	-9.0%	8.2%	10.7%	4.6%
Available Rooms	-3.2%	-3.9%	-9.1%	-4.2%
Room Revenues	-12.0%	4.0%	0.7%	-0.2%

In the **European Resort Division,** the decrease in available rooms is explained by the decrease in the number of days hotels were open in some seasonal resorts due to the timing of the Easter holidays, and also to the disposal of the Meliá Torremolinos (283) in the Costa del Sol. This has an impact at the whole revenue breakdown level.

In the **European City Division,** the "outright sale" or "sale and management back" transactions carried out in 2005 (namely Tryp Alcano and Meliá Las Palmas) explain the decrease in available rooms. RevPAR growth of +8.2% offset this impact.

The decrease in available rooms in the **Americas** is explained by the closure of the resorts in the Cancun area due to Hurricane Wilma**.** However, at this stage, only one resort remains to be open: the Meliá Turquesa (450). Regarding the Revenues breakdown, please take note that the sharp increase in the "Other Revenues" item reflects the insurance payment due to the loss of profit coverage.

Table 3: Hotel revenues split 06 / 05 for owned/leased hotels

Mar 06 / 05	E.RESORT			E.CITY			AMERICAS			TOTAL		
(Million Euro)	**06**	**%o/05**	**05**	**06**	**%o/05**	**05**	**06**	**%o/05**	**05**	**06**	**%o/05**	**05**
ROOMS	22.4	-12%	25.5	68.0	4%	65.4	26.9	1%	26.7	117.3	0%	117.5
F&B	13.3	-4%	13.9	23.0	2%	22.5	32.7	22%	26.8	69.1	9%	63.2
OTHER REVENUES	1.8	-5%	1.9	6.8	-2%	7.0	14.0	212%	4.5	22.7	70%	13.4
TOTAL REVENUES	37.5	-9%	41.3	97.9	3%	94.9	73.6	27%	58.0	209.0	8%	194.2

2.2 Asset Management Performance

The evolution of the Asset Management Division, which includes asset rotation activity as well as the Sol Meliá Vacation Club, is evolving satisfactorily towards achieving this year's goal of selling 100 million Euros on an annual basis in the medium term within the asset rotation business.

2.2.1 Asset Rotation

Sol Meliá has completed the sale of 35 million Euros worth of assets while generating 12.1 million of profit for the year-end.

Table 4: Asset Rotation

SELL SIDE

ASSET	ROOMS		PRICE		EV/EBITDA (x)		EBITDA Asset Rot.	
	06	**05**	**06**	**05**	**06**	**05**	**06**	**05**
Sol Vista Sol (Mallorca, Spain)	176		12.5		17.9		7.1	
"La Jaquita" plot of land (Tenerife, Spain)(*)			22.5		-		4.9	
Tryp Macarena (Seville)		329		42.0		19.4		24.2
TOTAL	**176**	**329**	**35.0**	**42.0**	**17.9**	**19.4**	**12.0**	**24.2**

(*) Price and profit generated in the "la Jaquita" plot of land goes up to 45 and 9.8 mn Euros respectively. The 4.9 mn represent 50% of the profit for Sol Meliá's consolidated p&l account since it was sold to a 50/50 JV with Grupo Nyesa

During the quarter, the Company has formalized the disposal of the Vista Sol resort (176) in Mallorca for 12.5 million Euros at an EBITDA multiple of 17.9x while generating 7 million Euros of profit. Sol Meliá has agreed a 10-year management contract with a basic fee of 4% on total revenues plus a 10% incentive fee on GOP.

Sol Meliá has also completed the disposal of a 78,000 square metre plot of land ("La Jaquita") plus the works carried out so far for a total price of 45 million Euros to a 50/50 joint venture with the Spanish construction company *Grupo Nyesa.* Sol Meliá advanced in previous reports that further projects were being studied with this partner which acquired the Tryp Macarena in Seville and the 50% stake of the Meliá Zaragoza in 2005. The Company does not rule out the incorporation of a further financial partner into the joint venture. The aim of this partnership in the future is to build a Hotel / Vacation Club development in Guia de Isora (Tenerife, Canary Islands).

2.2.2 Sol Meliá Vacation Club (SMVC)

Total sales have have gone up to 17.4 mn Euros while number of weeks sold and average price perunit have increase by 66% and 38% respectively. Total Sales includes not only the Vacation Club sales but also, amongst others, the revenues derived from the Interest Income, the Maintenance and Management fees as well as the Network fees. The increase is explained thanks to the good performance of the operations launched last year in Mexico, Dominican Republic, Puerto Rico and Central America, as well as the launch of vacation club business in Spain. In late 2005, the **Sol Meliá Vacation Club** launched operations in the Meliá Tamarindos (Gran Canaria) and the Gran Meliá Salinas (Lanzarote), both in the Canary Islands. Additional projects are likely to come on stream throughout 2006 in Spanish resort areas.

3. Income Statement

- **Revenues**

Total Revenues increased by 4.3% explained by the sharp increase in the hotel division which offsets the differential in asset rotation revenues. In 1Q06, Sol Meliá has generated 12 million Euros from the disposal of the Vista Sol hotel and a plot of land in the Canary Islands versus the 24.2 million generated last year following the transaction of the Tryp Macarena hotel. Management fees from third party hotels represent 12.7 million Euros, a 2% increase. The positive performance is primarily explained by the performance of third party hotels and resorts in the Americas Division (especially Mexico, Brazil and Costa Rica) and the Spanish cities, offsetting the negative impact of the Easter holidays in the European Resort Division (management fees increased by 6.4% up to April)

- **Operating Expenses**

Total Operating Expenses increases by 6.8% largely explained by the most recent Paradisus Palma Real in the Dominican Republic and the increase in the advisory, personnel training and marketing & sales expenses for the launching of the Sol Meliá Vacation Club in Europe, included in the "Other Expenses item". Excluding the hotel affiliation / disaffiliation impact in Sol Meliá's perimeter and the launching of the SMVC, Total Operating Expenses increases by 4.0%.

"Rental Expenses" increased by 3.5%, explained by the lease contract at the Tryp Macarena following its disposal.

- **Ordinary Profit / Net Profit**

The decrease in the Minorities item is related to the losses in the "Caribotels de Mexico , S.A." company (owner of the Melia Cozumel) derived from exchange rate differences as well as the JV in the Meliá Zaragoza which is incurring start-up expenses derived from works in the hotel.

Profit from equity investments decreases due to the pending recovery of the loss of profit insurance in the Paradisus Riviera Cancun.

SOL MELIÁ 50 YEARS
PASSION FOR SERVICE

Table 4 : Sol Meliá Consolidated Income Statement

Million Euros	**Mar - 06**	**Mar - 05**	
Hotel Revenues	209.0	194.2	
Real Estate Revenues	36.3	43.1	
Other revenues	28.1	24.9	
Total revenues	**273.5**	**262.2**	**4.3%**
Raw Materials	(33.7)	(34.3)	
Personnel expenses	(84.5)	(80.0)	
Other operating expenses	(73.6)	(65.3)	
Total operating expenses	**(191.8)**	**(179.7)**	**6.8%**
EBITDAR	**81.6**	**82.5**	**-1.0%**
Rental expenses	(12.1)	(11.7)	
EBITDA	**69.5**	**70.8**	**-1.8%**
Depreciation and amortisation	(26.4)	(27.4)	
EBIT	**43.2**	**43.4**	**-0.6%**
Net Interest Expense	(11.0)	(14.3)	
Exchange Rate Differences	(4.3)	(9.6)	
Other Interest Expense	(3.5)	(3.3)	
Total financial profit/(loss)	**(18.8)**	**(27.2)**	**-30.9%**
Profit/(loss) from equity investments	(0.2)	1.0	
Continuing Earnings Before Taxes	**24.2**	**17.2**	**40.2%**
Discontinuing Operations	**0.0**	**0.0**	
Profit before taxes and minorities	**24.2**	**17.2**	**40.2%**
Taxes	(2.4)	(1.7)	
Group net profit/(loss)	**21.8**	**15.5**	**40.2%**
Minorities (P)/L	0.6	(0.9)	
Profit/(loss) of the parent company	**22.3**	**14.6**	**52.6%**

4. Expansion

The table below shows a description of the progress made in the Sol Meliá hotel portfolio up to March 2006

Table 8. Expansion plan.

Owned & Leased	01/01/2006		ADDITIONS		LOSSES		CHANGES		31/03/06		SIGNED		TOTAL GROUP	
	H	R	H	R	H	R	H	R	H	R	H	R	H	R
EUROPEAN CITY	**91**	**14,912**	**0**	**0**	**0**	**0**	**0**	**0**	**91**	**14,912**	**3**	**666**	**94**	**15,578**
Owned Hotels	32	6,506							32	6,506	0	0	32	6,506
Leased hotels	59	8,406							59	8,406	3	666	62	9,072
EUROPEAN RESORT	**55**	**15,527**	**0**	**0**	**1**	**176**	**0**	**0**	**54**	**15,351**	**0**	**0**	**54**	**15,351**
Owned Hotels	40	12,674			1	176			39	12,498	0	0	39	12,498
Leased hotels	15	2,853							15	2,853	0	0	15	2,853
AMERICA	**16**	**5,976**	**0**	**0**	**0**	**0**	**0**	**0**	**16**	**5,976**	**0**	**0**	**16**	**5,976**
Owned Hotels	15	5,748							15	5,748	0	0	15	5,748
Leased hotels	1	228							1	228	0	0	1	228
OWNED HOTELS	87	24,928	0	0	1	176	0	0	86	24,752	0	0	86	24,752
LEASED HOTELS	75	11,487	0	0	0	0	0	0	75	11,487	3	666	78	12,153
TOTAL	**162**	**36,415**	**0**	**0**	**1**	**176**	**0**	**0**	**161**	**36,239**	**3**	**666**	**164**	**36,905**

Management & Franchise		01/01/2006		ADDITIONS		LOSSES		CHANGES		31/03/2006		SIGNED		TOTAL GROUP	
		H	R	H	R	H	R	H	R	H	R	H	R	H	R
EUR. CITY	**M**	21	3,884			1	90			20	3,794	0	0	20	3,794
	F	19	2,310							19	2,310	0	0	19	2,310
EUR. RESORT	**M**	39	12,638	1	150	1	278			39	12,510	2	705	41	13,215
	F	16	5,536	1	138					17	5,674	0	0	17	5,674
AMERICA	**M**	35	8,724							35	8,724	2	300	37	9,024
	F	6	781			5	731			1	50	2	600	3	650
ASIA-PACIFIC	**M**	7	2,518							7	2,518	2	1185	9	3,703
	F	0	0							0	0	0	0	0	0
CUBA	**M**	23	8,476							23	8,476	2	1284	25	9,760
SUBTOTAL	**M**	125	36,240	1	150	2	368	0	0	124	36,022	8	3,474	132	39,496
	F	41	8,627	1	138	5	731	0	0	37	8,034	2	600	39	8,634
TOTAL		**166**	**44,867**	**2**	**288**	**7**	**1,099**	**0**	**0**	**161**	**44,056**	**10**	**4,074**	**171**	**48,130**
TOTAL GROUP		**328**	**81,282**	**2**	**288**	**8**	**1,275**	**0**	**0**	**322**	**80,295**	**13**	**4,740**	**335**	**85,035**

M= Management; F= Franchise

So far in 2006, Sol Meliá has added the Meliá Golf Vichy Catalán in Gerona (Catalonia) with 136 double rooms, 8 duplex, four Junior Suites and a presidential suite to its portfolio under a management contract. In order to strengthen our commitment to our distinguished golfing guests and offer them the widest range of services, the Meliá Golf Vichy Catalan is the only resort situated in the heart of two golf courses that form part of the PGA circuit outside the UK. Sol Melia continues to believe in the strength in its golf activities as a complement of the hotel business and the real estate business.

Sol Meliá has incorporated the hotel Sol Lunamar (138 rooms) in Palma Nova, Majorca under a franchise agreement. This hotel enjoys a privileged location near the Mediterranean Sea and further contributes to the Company's portfolio supply in this popular tourism destination.

Also in 2006, the Company has dropped four hotels from its portfolio: the Sol Caribe Campo (230), the Caribe San Andrés (230), the Sol Arhuaco (58) and the Tryp Chicamocha (190 rooms), all of them under franchise contracts and all in Colombia.

Under management contract, the Company has dropped from its portfolio the Meliá Almerimar (278 rooms) in Almeria, and the Meliá Horus Salamanca (90 rooms), both in Spain.

Throughout the quarter the Company has also formalized the disposal of the Vista Sol aparthotel (176 rooms) in Mallorca for 12.5 mn Euros at a 17.9x EBITDA multiple while generating 7.1 million Euros of profit. Additionally, Sol Meliá has agreed a 10 years management contract with the purchasers.

Regarding, the future incorporations, within the next to years, the Company will add to its portfolio 3 hotels under lease contracts: the Meliá Berlin (364 rooms) in Germany, the Gran Meliá Roma (140 rooms) in Italy and the Meliá Luxemburgo (162 rooms) in Luxemburg.