MELIÃ HOTELS INTERNATIONAL

# THIRD QUARTER RESULTS

# *2016*

MELIÁ 60 YEARS OF HOSPITALITY

GRAN MELIÁ HOTELS & RESORTS · ME BY MELIÃ · PARADISUS BY MELIÃ · MELIÃ HOTELS & RESORTS · INNSIDE BY MELIÃ · TRYP BY WYNDHAM · Sol hotels&resorts · CLUB MELIÃ

| *(Million Euros)* | sept-16 | sept-15 | |
|---|---|---|---|
| **REVENUES** | **1.388,4** | **1.352,6** | **3%** |
| EBITDAR | 366,8 | 367,5 | 0% |
| **EBITDA** | **238,3** | **257,5** | **-7%** |
| EBIT | 153,5 | 149,2 | 3% |
| TOTAL FINANCIAL PROFIT (LOSS) | 27,5 | 48,3 | 43% |
| EARNINGS BEFORE TAXES | 130,5 | 98,1 | 33% |
| **NET PROFIT** | **97,9** | **59,0** | **66%** |
| NET PROFIT ATTRIBUTABLE | 92,2 | 52,9 | 74% |
| **EPS** | **0,40** | **0,27** | **51%** |
| REVPAR Owned & Leased | 82,5 | 75,1 | 10% |
| **REVPAR Owned Leased & Managed** | 71,8 | 62,4 | 15% |
| EBITDAR MARGIN (ex - capital gains) | 26,3% | 25,0% | 132 bp |
| EBITDA MARGIN (ex - capital gains) | 17,0% | 16,5% | 50 bp |

+6,6% Revenues ex asset rotation

+9,8% EBITDA ex asset rotation

## Business performance

- EBITDA ex-capital gains grew almost 10% vs LY. Even more noteworthy was Net Profit Attrib., which improved by more than €50 Mn (+130%) when excluding asset rotation and Puerto Rico impairment in 2015.
- Behind this performance are the results of an good summer season in Spain in which Meliá took advantage of its leadership in the resort industry, reflected in the 29% RevPAR growth in owned and leased resorts or the very positive 40% growth when also including managed hotels.
- The Company is especially proud of the positive evolution of certain flagship properties (some of them within the Calviá Beach) which are gradually achieving new highs, such as the Meliá Antillas Calviá Beach, ME Ibiza and the Sol House Ibiza Mixed by Ibiza Rocks. In the Canary Islands resorts continue to perform above budget, highlighting the Gran Meliá Palacio de Isora, which has even further enhanced its positioning as a core Company asset.
- In 3Q, Meliá also leveraged its expertise in "bleisure" destinations, reflected in the positive figures for Spanish urban destinations with noteworthy growth of 11%.
- In terms of margins, highlights include the 132 basis point improvement in EBITDAR Margin.
- Melia.com remains as a key factor in Meliá's yield management strategy, with an increase of more than 29% up to September.
- Meliá Hotels International has been recently recognized as one of the leading international companies in the fight against global warming, according to the international organization CDP, receiving the best rating over the whole hospitality sector in Spain.

## Debt Management

- Financially speaking, current debt levels and liquidity meet Meliá targets. The positive cash flow generation and the capital increase made in Q2'16 allowed net debt to fall to €529 mn, a €240 Mn decrease compared to Dec '15.
- Emphasis must be made of the important improvement in financial ratios, maintaining the 2016 commitment of a Net Debt/Ebitda (ex-capital gains) ratio of between 2.5-3x.
- The Company also made progress in control of its net interest expense, reflected in savings of more than €20 mn vs LY after achieving a 3.6% average interest rate level.

## Development strategy

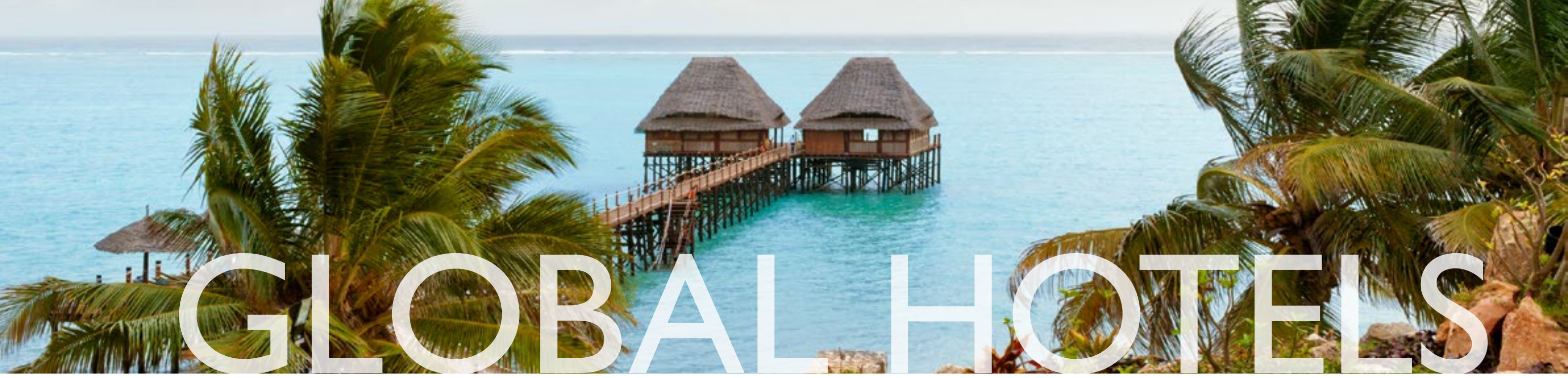
- In 3Q, Meliá continued to expand in the high growth markets, emphasizing the addition of the Meliá Ho Tram, the Company's fourth property in Vietnam. Furthermore, last week an announcement was also made of an agreement that will strengthen Meliá's presence in Cape Verde with the addition of a resort containing three 4-5 star all inclusive hotels on the island of Santiago, with a total of 600 rooms. Total signatures YTD reached 14 hotels, so the Company trust in the achievement of its initial expectations for the annum.
- Demonstrating Meliá's hospitality industry leadership and its strong reputation, the Company has also been chosen to manage the new "Palacio de Congresos" in Palma de Majorca (Balearic Islands, Spain) and the adjoining hotel, the recently named Meliá Palma Bay.

## Outlook 2016

- The positive trend in bookings to date points towards a very positive final quarter 2016 for the Canary Islands. Taking into account the importance of 3Q, the positive evolution of the hotel business in October, and current bookings for 4Q, Meliá maintains its guidance of mid-to-high single digit growth in RevPAR for the full year 2016, near 80% of which is explained by price increases.

# REPORT ON HOTELS OPERATION

*1*



# GLOBAL HOTELS

## FINANCIAL INDICATORS

| CONSOLIDATED FIGURES | 9M2016 €mn | 9M2015 €mn | % change |
|---|---|---|---|
| Total aggregated Revenues | 1.172,0 | 1.089,5 | 8% |
| Owned | 608,4 | 625,9 | |
| Leased | 563,5 | 463,7 | |
| *Of which Room Revenues* | 728,2 | 662,9 | 10% |
| Owned | 328,0 | 332,7 | |
| Leased | 400,1 | 330,3 | |

| MANAGEMENT MODEL | 9M2016 €mn | 9M2015 €mn | % change |
|---|---|---|---|
| Total Management Model Revenues | 212,7 | 182,4 | 17% |
| Third Parties Fees | 39,4 | 42,0 | |
| Owned & Leased Fees | 69,9 | 63,8 | |
| Other Revenues * | 103,4 | 76,7 | |

* Other Revenues in 9m2016 includes 42.8 mn euros Corporate Revenues not directly attributable to any specific Division. Idem in 9m2015 data by 36.7 mn euros

| OTHER HOTEL BUSINESS | 9M2016 €mn | 9M2015 €mn | % change |
|---|---|---|---|
| Revenues | 59,4 | 53,3 | 11% |

## MAIN STATISTICS

| | OWNED & LEASED | | | | | | OWNED, LEASED & MANAGED | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Occup. | | ARR | | RevPAR | | Occup. | | ARR | | RevPAR | |
| | % | Chg pts. | € | Chg % | € | Chg % | % | Chg pts. | € | Chg % | € | Chg % |
| TOTAL HOTELS | 73,1% | 1,1 | 112,8 | 8,1% | 82,5 | 9,9% | 69,5% | 1,9 | 103,3 | 12,0% | 71,8 | 15,1% |
| TOTAL HOTELS SAME STORE BASIS | 73,2% | 0,7 | 113,1 | 4,1% | 82,7 | 5,0% | 69,9% | 0,7 | 102,8 | 6,0% | 71,9 | 7,1% |
| AMERICA | 71,6% | -2,4 | 119,6 | 5,3% | 85,6 | 1,9% | 69,1% | -1,4 | 118,7 | 3,9% | 82,1 | 1,8% |
| EMEA | 72,0% | -1,1 | 152,9 | 6,0% | 110,0 | 4,5% | 70,0% | 2,3 | 152,6 | 10,6% | 106,8 | 14,3% |
| SPAIN | 69,5% | 1,0 | 88,8 | 9,9% | 61,7 | 11,5% | 67,4% | 1,6 | 89,5 | 8,4% | 60,3 | 10,9% |
| MEDITERRANEAN | 80,5% | 7,3 | 88,0 | 17,7% | 70,8 | 29,4% | 78,0% | 10,0 | 85,8 | 24,5% | 66,9 | 42,7% |
| CUBA | - | - | - | - | - | - | 67,4% | -5,0 | 97,3 | 18,1% | 65,6 | 9,9% |
| BRASIL | - | - | - | - | - | - | 53,0% | -2,2 | 77,4 | -15,4% | 41,0 | -18,7% |
| ASIA | - | - | - | - | - | - | 62,1% | 3,3 | 76,0 | -4,1% | 47,2 | 1,3% |

* Available Rooms 9M2016: 8,830.6k (vs 8,833.2k in 9M2015) in O&L // 17,202.1k (versus 18,480.4 in 2015) in O,L&M

## FUTURE DEVELOPMENT

| | Current Portfolio | | | | Pipeline | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 9M2016 | | 2015YE | | 2016 | | 2017 | | 2018 | | Onwards | | TOTAL | |
| | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms |
| GLOBAL HOTELS | 308 | 78.954 | 314 | 83.252 | 5 | 1.671 | 17 | 3.321 | 24 | 7.457 | 16 | 4.064 | 62 | 16.513 |
| Management | 106 | 33.512 | 127 | 42.496 | 3 | 1.031 | 15 | 2.941 | 22 | 7.023 | 14 | 3.489 | 54 | 14.484 |
| Franchised | 48 | 9.523 | 36 | 5.659 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Owned | 47 | 14.242 | 48 | 14.713 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Leased | 107 | 21.677 | 103 | 20.384 | 2 | 640 | 2 | 380 | 2 | 434 | 2 | 575 | 8 | 2.029 |


## FINANCIAL INDICATORS

| CONSOLIDATED FIGURES | 9M2016 €mn | 9M2015 €mn | % change |
|---|---|---|---|
| Total aggregated Revenues | 347,0 | 336,6 | 3% |
| Owned | 327,9 | 329,9 | |
| Leased | 19,1 | 6,7 | |
| *Of which Room Revenues* | 149,8 | 141,4 | 6% |
| Owned | 133,3 | 135,3 | |
| Leased | 16,5 | 6,1 | |

| MANAGEMENT MODEL | 9M2016 €mn | 9M2015 €mn | % change |
|---|---|---|---|
| Total Management Model Revenues | 44,1 | 39,0 | 13% |
| Third Parties Fees | 3,0 | 2,5 | |
| Owned & Leased Fees | 22,7 | 21,1 | |
| Other Revenues | 18,3 | 15,3 | |

## MAIN STATISTICS

| | OWNED & LEASED | | | | | | OWNED, LEASED & MANAGED | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Occup. | | ARR | | RevPAR | | Occup. | | ARR | | RevPAR | |
| | % | Chg pts. | € | Chg % | € | Chg % | % | Chg pts. | € | Chg % | € | Chg % |
| TOTAL AMERICA | 71,6% | -2,4 | 119,6 | 5,3% | 85,6 | 1,9% | 69,1% | -1,4 | 118,7 | 3,9% | 82,1 | 1,8% |
| TOTAL AMERICA SAME STORE BASIS | 70,7% | -3,3 | 120,9 | 2,4% | 85,5 | -2,1% | 69,2% | -1,0 | 119,9 | 1,9% | 83,0 | 0,4% |
| Main Countries: | | | | | | | | | | | | |
| México | 80,8% | 2,0 | 116,5 | -0,5% | 94,1 | 2,1% | 77,5% | 4,8 | 122,5 | 4,1% | 95,0 | 10,9% |
| Dominican Republic | 76,4% | -1,9 | 114,9 | 2,1% | 87,9 | -0,3% | 76,4% | -1,9 | 114,9 | 2,1% | 87,9 | -0,3% |
| Venezuela | 40,3% | -9,9 | 103,6 | 58,9% | 41,8 | 27,5% | 40,3% | -9,9 | 103,6 | 58,9% | 41,8 | 27,5% |
| U.S.A. | 76,5% | 0,1 | 168,6 | 35,7% | 128,9 | 35,9% | 72,1% | -4,2 | 168,7 | 35,8% | 121,6 | 28,3% |

* Available Rooms 9M2016: 1,748.7k (vs 1,683.0k in 9M2015) in O&L // 2,287.6k (versus 2,183.8 in 2015) in O,L&M

## CHANGES IN PORTFOLIO

**Openings between 01/01/2016 – 30/09/2016**

| *Hotel* | *Country / City* | *Contract* | *# Rooms* |
|---|---|---|---|
| Meliá Braco Village | Jamaica | Management | 226 |
| Innside New York NoMad | Manhattan, U.S.A. | Lease | 312 |
| ME Miami | Miami, U.S.A | Management | 130 |

**Disaffiliations between 01/01/2016 – 30/09/2016**

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## FUTURE DEVELOPMENT

| | Current Portfolio | | | | Pipeline | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 9M2016 | | 2015YE | | 2016 | | 2017 | | 2018 | | Onwards | | TOTAL | |
| | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms |
| TOTAL AMERICA | 28 | 9.110 | 25 | 8.477 | 1 | 146 | 3 | 598 | 6 | 1.404 | 0 | 0 | 10 | 2.148 |
| Management | 10 | 2.479 | 8 | 2.144 | 1 | 146 | 3 | 598 | 6 | 1.404 | 0 | 0 | 10 | 2.148 |
| Franchised | 2 | 214 | 2 | 214 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Owned | 14 | 5.869 | 14 | 5.883 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Leased | 2 | 548 | 1 | 236 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

# *9 months 2016 Results*

As advanced in the previous Release, during the third quarter the Company has observed a better performance from the hotels and resorts in the Americas, allowing overall results to invert the previous trend and move into positive territory.

The main reasons behind this performance are:

a) the contribution of the new openings, the ME Miami and especially the Innside New York NoMad. In the latter the opening process continues to be highly satisfactory, achieving excellent occupancy levels (above 85%) and positive price positioning, making it a great foundation as Meliá seeks to continue to grow in the North American market in 2016.

b) together with an improved performance from Mexico and, to a lesser extent, the Dominican Republic. Especially noteworthy were the results obtained in both countries given the lower contribution of the business groups segment and the slowdown in some Latin American feeder markets. A specific highlight in Mexico was the contribution of the ME Cabo where the re-launch after refurbishment is generating very positive figures, making the hotel a key operational asset for the Americas region. Also of note is the performance of the Paradisus Cancun, one of the stronger players in the Americas, and the contribution of the Playa del Carmen resorts that both continue to improve profitability. On the negative side, the region has been impacted by the refurbishment of the ME Cancun since the month of August, once refurbished, this will be one of the best hotels in America.

# *Outlook*

Regarding the outlook for Q4 in the Americas and the Caribbean, the Company feels confident it will achieve acceptable occupancy levels. In spite of the booking pace being lower than at the same time last year, the Company is confident there will be a change in the trend in the short term, with the main challenge becoming maximizing yield.
Regarding the forecast performance of the Meliá Braco Village (Jamaica), we should add that after a late opening and delay in completing the hotel, the outlook after the end of the low season from November onwards is very positive.

# *Portfolio and pipeline*

In the last quarter the region has added a new hotel, the ME Miami (Management, 130 rooms). As far as the pipeline is concerned, at 30 September 2016 new openings for 2016 include the Meliá Cartagena (Cartagena de Indias, Colombia) in a strategic location in the Caribbean and one of the preferred destinations in the country for vacations and also business meetings.
The opening of the Meliá Costa Hollywood (U.S.A), previously scheduled for 2016, has been delayed to 2017.

Meliá Costa Hollywood | USA


## FINANCIAL INDICATORS

| CONSOLIDATED FIGURES | 9M2016 €mn | 9M2015 €mn | % change |
|---|---|---|---|
| Total aggregated Revenues | 401,2 | 383,0 | 5% |
| Owned | 157,7 | 160,3 | |
| Leased | 243,4 | 222,7 | |
| *Of which Room Revenues* | 280,4 | 267,9 | 5% |
| Owned | 111,6 | 111,7 | |
| Leased | 168,8 | 156,2 | |

| MANAGEMENT MODEL | 9M2016 €mn | 9M2015 €mn | % change |
|---|---|---|---|
| Total Management Model Revenues | 42,0 | 35,8 | 17% |
| Third Parties Fees | 1,0 | 2,1 | |
| Owned & Leased Fees | 22,1 | 21,0 | |
| Other Revenues | 18,9 | 12,6 | |

## MAIN STATISTICS

| | OWNED & LEASED | | | | | | OWNED, LEASED & MANAGED | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Occup. | | ARR | | RevPAR | | Occup. | | ARR | | RevPAR | |
| | % | Chg pts. | € | Chg % | € | Chg % | % | Chg pts. | € | Chg % | € | Chg % |
| TOTAL EMEA | 72,0% | -1,1 | 152,9 | 6,0% | 110,0 | 4,5% | 70,0% | 2,3 | 152,6 | 10,6% | 106,8 | 14,3% |
| TOTAL EMEA SAME STORE BASIS | 72,9% | -0,9 | 152,3 | 4,2% | 110,9 | 3,0% | 72,6% | -0,6 | 152,9 | 4,2% | 111,0 | 3,3% |
| Main Countries: | | | | | | | | | | | | |
| Spain | 73,7% | -0,9 | 204,7 | 13,6% | 150,9 | 12,2% | 72,9% | -0,5 | 206,2 | 13,1% | 150,3 | 12,4% |
| United Kingdom | 74,4% | -3,1 | 168,1 | -12,2% | 125,0 | -15,7% | 74,4% | -3,1 | 168,1 | -12,2% | 125,0 | -15,7% |
| Italy | 63,6% | -6,2 | 217,7 | 34,4% | 138,4 | 22,5% | 63,0% | -6,5 | 220,0 | 33,7% | 138,6 | 21,1% |
| Germany | 71,2% | 0,1 | 107,0 | 8,2% | 76,2 | 8,4% | 71,2% | 0,1 | 107,0 | 8,2% | 76,2 | 8,4% |
| France | 67,8% | -9,5 | 172,0 | -4,0% | 116,6 | -15,8% | 67,8% | -9,5 | 172,0 | -4,0% | 116,6 | -15,8% |

* Available Rooms 9M2016: 2,549.1k (vs 2,543.9k in 9M2015) in O&L // 2,833.3k (versus 3,096.4 in 2015) in O,L&M

## CHANGES IN PORTFOLIO

| *Hotel* | *Country / City* | *Contract* | *Rooms* |
|---|---|---|---|
| **Openings between 01/01/2016 – 30/03/2016** | | | |
| Sol House Taghazout Bay Surf | Morocco | Management | 87 |
| Innside Aachen | Germany | Lease | 158 |
| Innside Leizig | Germany | Lease | 177 |
| **Disaffiliations between 01/01/2016 – 30/03/2016** | | | |
| Melia Sharm | Egypt | Management | 468 |
| Sol Taba | Egypt | Management | 440 |
| Sol Dahab | Egypt | Management | 218 |
| Innside Berlin | Germany | Lease | 133 |

## FUTURE DEVELOPMENT

| | Current Portfolio | | | | Pipeline | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 9M2016 | | 2015YE | | 2016 | | 2017 | | 2018 | | Onwards | | TOTAL | |
| | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms |
| TOTAL EMEA | 72 | 12.396 | 73 | 13.231 | 1 | 168 | 8 | 1.406 | 5 | 1.165 | 7 | 1.649 | 21 | 4.388 |
| Management | 7 | 980 | 9 | 2.015 | 0 | 0 | 6 | 1.026 | 4 | 999 | 5 | 1.074 | 15 | 3.099 |
| Franchised | 12 | 1.561 | 12 | 1.561 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Owned | 13 | 3.047 | 13 | 3.049 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Leased | 40 | 6.808 | 39 | 6.606 | 1 | 168 | 2 | 380 | 1 | 166 | 2 | 575 | 6 | 1.289 |

Within the positive results in the EMEA region, the most important highlights are:

UNITED KINGDOM

Most significant during the period was the considerable decline in the Leisure segment, resulting in a gap which could not be offset despite the strong performance of the groups and Corporate Business segments. The struggle with the currency effect, the incorporation of the Innside Manchester (with lower rates) and the spill-over effects of the terrorist attacks in Paris and Brussels stand out among the reasons for this weak performance.

FRANCE

We are about to end the rolling 12 months after the November 2015 attacks in Paris, and unfortunately Q3 has not seen any significant improvement. France closed Q3 with a 19% fall in RevPar versus last year, mostly affecting volume but also ADR (-13% and -7%). Once again, the city centre Hotels are affected most due to a larger dependence on leisure markets. Also the Meliá Paris La Defense, with a more balanced customer segmentation, suffered in Q3.

GERMANY

Given that 2016 will be a very strong year for trade fairs in Germany, Meliá's efforts have focused on maximising growth and taking the maximum advantage of the market situation. Even though the summertime in Q3 is the period that is traditionally least influenced by trade fairs, the Company was able to grow RevPAR by a +6.2% versus 2015, 100% of it coming via improved ARR.

Of note is the strong performance of destinations such as Wolfsburg, Bremen, Dusseldorf Hafen or Oberhausen, in addition to the extraordinary performance of the Innside Aachen and Innside Leipzig after their opening.

ITALY

Milan continues to struggle in comparison with last year. Q3 was the strongest period for EXPO 2015, and the decreases caused by the "year after" effect are being felt hard in the city.

For this reason, the Meliá hotels in Milan saw a -7% RevPAR decrease.

This setback did not extend to other key Italian destinations, with a strong performance in the Gran Meliá Rome with 10% ARR growth in Q3 and a positive performance in Genova, Capri and Meliá Il Campione.

SPAIN

Q3 has been an excellent year for Spanish hotels, and those hotels included in the EMEA region were not an exception.

While city hotels registered positive figures, the largest growth came from resort hotels thanks to healthy price improvements. Gran Meliá Palacio de Isora generated €1.2 million more revenues than in Q3 2015, accompanied by extraordinary performances from the Gran Meliá Don Pepe, Meliá Sancti Petri, the recently rebranded Gran Meliá De Mar or the ME Ibiza.

Me Ibiza has completed, once again, an extraordinary summer season, increasing its volume by 9%, maintaining a fantastic price positioning over 500 €, amongst the most exclusive luxury Hotels in the islands. Also, the Hotel keeps on achieving important milestones for the Company. Last year it was chosen the first member of Leading Hotels of the World in Ibiza, and this year the Hotel has been selected as first MHI Hotel in joining the prestigious Virtuoso travel network.

Within the city hotels portfolio, it is important to highlight the opening of Gran Melia Palacio de los Duques in Madrid. This property has arrived to lead the luxury market in the capital of Spain. With only a few months of operations, the Hotel has closed the Q3 with an extraordinary ADR of 264 €, higher than its Compset average (ARI: 1.01), composed by the most exclusive Hotels in Madrid. The hotel have made a huge impact on the city, and it is already a member of LHW and a new flagship of the Gran Meliá brand. Also emphasized the performance of the Gran Meliá Victoria which thanks to a 16% RevPAR increase and a very important effort focus to strengthen margins, tripled its EBITDA for the period.

## *Outlook*

Going forward, the most noteworthy aspects are the following:

In the U.K. the holding of the Rugby Worldcap between mid-September to 31st October last year, will be a challenge to maintain the level of prices in 4Q, more even taking into consideration the weak current situation.

In France, Company forecasts for Q4 expects the first growth period of the year compared to 2015 (+4% RevPAR estimated), still struggling with ADR but significantly improving volume. Forecasts for 2017 are a little more optimistic, with the expectation that 2017 will be a year of recovery depending on the political and social situation in the country.

The news from Germany is also positive given that Company expectations for Q4 are even stronger, forecasting RevPAR growth of a mid-to-high single digit. Once again, the new hotel openings make a real difference, recalling that last 4th October the Company opened its third hotel in Frankfurt (Innside Frankfurt Ostend) seeking to maximizing revenue in both key and secondary destinations (Vienna, Wolfsburg, Berlin, Luxembourg or Dusseldorf).

Q4 is also looking very good for Premium Spain, with mid to high growth expected compared to Q4 2015, with the highlights once again including the expected contribution of some of Meliá's top hotels: Gran Meliá Palacio de Isora and ME Ibiza. In the latter, the hotel will host exclusively an important car launch, that will represent a golden closure for another fantastic season, delaying its closing by a few weeks. Emphasis should also be made of the good prospects for the Gran Meliá Palacio de los Duques after its total renovation.

To conclude the analysis, the situation in Italy is mixed, although it remains the same as in previous quarters. The Company is expecting positive results in all of the destinations except for Milan, that will once again be impacted by strong comparables given that October 2015 was a historical month for Milan in general and also specifically for the Meliá Milan.

## *Portfolio and pipeline*

As far as movements in the portfolio go, in the third quarter 2016 the Company opened one hotel in Germany, the Innside Leipzig (Lease. 177 rooms), while the EMEA pipeline (21 hotels) at 30/09 includes an additional Innside hotel in Germany in 2016, the Innside Ostend Frankfurt. The Innside Ostend Frankfurt opened last October 2016, becoming the Company's fourth hotel in Frankfurt, one of the most interesting destinations in Germany for Meliá given that it is an important business and transport hub that hosts many important trade fairs and congresses.

With these 2 new Innside by Meliá hotels, Meliá Hotels International further emphasises its commitment to Germany, the Company's second-largest European market, where it now operates 26 hotels, 13 of them under the Innside brand. The Meliá pipeline includes 14 new Innside hotels to open across the world by 2019. The most recent additions are located in Manhattan, Aachen, Leipzig and Frankfurt.

INNSIDE Aachen | Germany

# MEDITERRANEAN

## FINANCIAL INDICATORS

| CONSOLIDATED FIGURES | 9M2016 €mn | 9M2015 €mn | % change |
|---|---|---|---|
| Total aggregated Revenues | 208,3 | 177,5 | 17% |
| Owned | 66,3 | 81,6 | |
| Leased | 142,0 | 95,9 | |
| *Of which Room Revenues* | 142,6 | 115,5 | 23% |
| Owned | 43,9 | 50,4 | |
| Leased | 98,8 | 65,1 | |

| MANAGEMENT MODEL | 9M2016 €mn | 9M2015 €mn | % change |
|---|---|---|---|
| Total Management Model Revenues | 32,1 | 25,8 | 24% |
| Third Parties Fees | 9,3 | 12,5 | |
| Owned & Leased Fees | 11,9 | 10,4 | |
| Other Revenues | 10,9 | 2,9 | |

## MAIN STATISTICS

| | OWNED & LEASED | | | | | | OWNED, LEASED & MANAGED | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Occup. | | ARR | | RevPAR | | Occup. | | ARR | | RevPAR | |
| | % | Chg pts. | € | Chg % | € | Chg % | % | Chg pts. | € | Chg % | € | Chg % |
| TOTAL MEDITERRANEAN | 80,5% | 7,3 | 88,0 | 17,7% | 70,8 | 29,4% | 78,0% | 10,0 | 85,8 | 24,5% | 66,9 | 42,7% |
| TOTAL MEDITERRANEAN SAME STORE BASIS | 80,3% | 6,2 | 82,1 | 9,7% | 65,9 | 18,9% | 78,0% | 8,2 | 79,5 | 10,9% | 62,0 | 23,9% |
| Main Countries: | | | | | | | | | | | | |
| Spain | 80,5% | 7,3 | 88,0 | 17,7% | 70,8 | 29,4% | 80,0% | 4,3 | 87,3 | 16,5% | 69,8 | 23,0% |
| Cape Verde | - | - | - | - | - | - | 60,3% | 26,4 | 68,4 | 5,5% | 41,2 | 87,8% |

* Available Rooms 9M2016: 2,013.6k (vs 2,109.3k in 9M2015) in O&L // 3,858.1k (versus 5,064.5 in 2015) in O,L&M

## CHANGES IN PORTFOLIO

**Openings between 01/01/2016 – 30/09/2016**

| *Hotel* | *Country / City* | *Contract* | *# Rooms* |
|---|---|---|---|
| Sol Costa Atlantis | Canary Islands, Spain | Lease | 289 |

**Disaffiliations between 01/01/2016 – 30/09/2016**

| | | | |
|---|---|---|---|
| Sol Finida | Croatia | Management | 290 |
| Sol Park Umag | Croatia | Management | 2500 |
| Sol Savudrija Apart. | Croatia | Management | 627 |
| Sol Kanegra FKK Umag | Croatia | Management | 426 |
| Sol Stella Maris Umag | Croatia | Management | 575 |
| Umag & Residence | Croatia | Management | 28 |

## FUTURE DEVELOPMENT

| | Current Portfolio | | | | Pipeline | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 9M2016 | | 2015YE | | 2016 | | 2017 | | 2018 | | Onwards | | TOTAL | |
| | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms |
| TOTAL MEDITERRANEAN | 74 | 23.529 | 81 | 27.871 | 1 | 601 | 0 | 0 | 2 | 1.097 | 0 | 0 | 3 | 1.698 |
| Management | 21 | 7.682 | 41 | 16.076 | 1 | 601 | 0 | 0 | 2 | 1.097 | 0 | 0 | 3 | 1.698 |
| Franchised | 19 | 5.805 | 7 | 2.008 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Owned | 11 | 2.873 | 12 | 3.323 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Leased | 23 | 7.169 | 21 | 6.464 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

## *9 months 2016 Results*

In terms of business performance, the general trend was for all destinations to report results that were better than the previous year, having generated significant rate increases.
Analysing the monthly sales data pointed to an impressive July followed by a positive August slightly above the previous year (taking into consideration strong comparable figures in 2015) and a very positive month of September with particularly strong occupancy levels.

The evolution by area in terms of revenue and considering the owned, leased and managed hotels was led by Tenerife with around a 65% increase in revenue, Balearic Islands and Las Palmas (Canary islands) with more than a 25% increase, and mainland Spain with a 15% increase overall. Outside Spain, also of note was the contribution of Cape Verde, where the Company more than doubled its results with 20 million euros of additional contribution.
Within the evolution of hotels in the Balearic Islands, special emphasis should be made of the successful positioning of the Meliá Antillas Calviá Beach, which performed excellently after re-launch, especially regarding its rate positioning. The redevelopment of the hotel continues to help improve its image and product quality, customer segmentation and the sustainability of the destination, as well as helping attract some of the most famous international leisure brands.
Regarding Sol Katmandú Hotels & Resort up to September, its RevPAR improved near 25%, 100% explained by prices allowing the hotel to double its EBITDA. It should be highlighted that last week the Company get two awards at the European Hospitality Awards, one of them thanks to the Sol Katmandu hotel that has been recognized as "Best Innovation in Service".

The performance of the Sol House Mixed by Ibiza Rocks hotels in Majorca and especially in Ibiza were noteworthy, with both hotels being extremely well received.
Finally, emphasis should be made of the very positive performance of hotels operated under the Sol Beach House brand, a new concept designed especially for adults, in Spain: Cala Blanca, Ibiza and Menorca.
In market terms, very positive performances were seen both in the United Kingdom and Germany, and also from the Spanish domestic market.
Going forward the aim of the Company is to continue with its successful strategy focus to the repositioning of mature destinations, as it has been the case in the Balearic Islands, by extrapolating its expertise and knowhow to another touristic spots such as Torremolinos (Málaga, Spain). These investments not only aim to improve and upgrade the physical condition of hotels, they have also been used to differentiate the hotels to enhance their competitiveness and attract a greater diversity of traveller profiles, thus also enhancing the social and economic profitability of the tourism model.

## *Outlook*

The most outstanding aspects of the outlook are: a) the very positive evolution of resorts overall in October, in some cases able to extend the summer season; and b) very positive prospects in the Canary Islands for the winter season, in line with the performance seen throughout the year and both from the German and British markets.
Regarding 2017, although it is still early days, the Company maintains a positive stance on improved results above the previous year, with the main trend being a slight decrease in occupancy but with higher prices. The renovation and repositioning programme for Mediterranean assets, mainly under the Sol brand umbrella, is expected once again to be one of the main drivers behind improved profitability. Going into the summer season 2017, the refurbishment of some other strategic assets is also expected.
Additionally, a factor that will undoubtedly lead to price increases in 2017 will be a Company sales strategy focused on dynamic rates within the tour operator segment, favouring yield management and revenue maximization.
As far as Brexit is concerned, in 2017 the possible impact is still unpredictable and will largely depend on how the pound performs against the euro and US dollar. The Company will monitor the situation in order to implement an action plan, if necessary.

## *Potfolio and pipeline*

There were no changes in the Mediterranean portfolio in the 3Q 2016.
The current Mediterranean pipeline includes 3 hotels under management, all of which are located in Cape Verde. It should also be remembered that the Meliá Llana (601 rooms) is expected to open during the last quarter of 2016 becoming the third hotel in operations in the country.


## FINANCIAL INDICATORS

| CONSOLIDATED FIGURES | 9M2016 €mn | 9M2015 €mn | % change |
|---|---|---|---|
| Total aggregated Revenues | 215,5 | 192,3 | 12% |
| Owned | 56,5 | 54,0 | |
| Leased | 159,0 | 138,3 | |
| *Of which Room Revenues* | 155,4 | 138,2 | 12% |
| Owned | 39,4 | 35,3 | |
| Leased | 116,0 | 102,9 | |

| MANAGEMENT MODEL | 9M2016 €mn | 9M2015 €mn | % change |
|---|---|---|---|
| Total Management Model Revenues | 26,6 | 23,4 | 13% |
| Third Parties Fees | 4,1 | 5,4 | |
| Owned & Leased Fees | 13,3 | 11,2 | |
| Other Revenues | 9,1 | 6,8 | |

## MAIN STATISTICS

| | OWNED & LEASED | | | | | | OWNED, LEASED & MANAGED | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Occup. | | ARR | | RevPAR | | Occup. | | ARR | | RevPAR | |
| | % | Chg pts. | € | Chg % | € | Chg % | % | Chg pts. | € | Chg % | € | Chg % |
| TOTAL SPAIN | 69,5% | 1,0 | 88,8 | 9,9% | 61,7 | 11,5% | 67,4% | 1,6 | 89,5 | 8,4% | 60,3 | 10,9% |
| TOTAL SPAIN SAME STORE BASIS | 69,2% | 0,9 | 86,0 | 8,3% | 59,5 | 9,7% | 67,1% | 1,8 | 85,5 | 8,5% | 57,3 | 11,5% |
| **Main Countries:** | | | | | | | | | | | | |
| Spain | 69,5% | 1,0 | 88,8 | 9,9% | 61,7 | 11,5% | 67,4% | 1,6 | 89,5 | 8,4% | 60,3 | 10,9% |

* Available Rooms 9M2016: 2,519.2k (vs 2,497.0k in 9M2015) in O&L // 3,408.2k (versus 3,508.4 in 2015) in O,L&M

## CHANGES IN PORTFOLIO

**Openings between 01/01/2016 – 30/09/2016**

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

**Disaffiliations between 01/01/2016 – 30/09/2016**

| | | | |
|---|---|---|---|
| Innside Madrid Suecia | Madrid, Spain | Management | 127 |
| Tryp Salamanca centro | Salamanca, Spain | Management | 63 |
| Tryp Náyade | Segovia, Spain | Franchise | 125 |
| Tryp Ceuta | Ceuta | Management | 120 |

## FUTURE DEVELOPMENT

| | Current Portfolio | | | | Pipeline | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 9M2016 | | 2015YE | | 2016 | | 2017 | | 2018 | | Onwards | | TOTAL | |
| | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms |
| TOTAL SPAIN | 78 | 14.681 | 82 | 15.069 | 0 | 0 | 0 | 0 | 1 | 268 | 0 | 0 | 1 | 268 |
| Management | 13 | 3.325 | 16 | 3.657 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Franchised | 14 | 1.751 | 15 | 1.876 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Owned | 9 | 2.453 | 9 | 2.458 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Leased | 42 | 7.152 | 42 | 7.078 | 0 | 0 | 0 | 0 | 1 | 268 | 0 | 0 | 1 | 268 |

The Spain region's positive results continue to improve during the course of the year, in particular due to the performance of the hotels in the eastern part of the country (Catalonia, Valencia and the Balearic Islands). Results improved considerably, largely as a result of the Company's leadership in the "Bleisure" segment, where its vast resort experience enables it to maximise revenues in urban destinations with a strong leisure component.

Some important messages about the performance of Spain, could be the following:
• According the "Spain travel industry report 2016", total sales from travel agents (with Spain as Origin for all Meliá hotels in current portfolio) had a very positive performance growing up to September +17% versus last year.
• Also up to September, in the Meetings & Events segment, business that is confirmed to date (with Spain as Origin for all Meliá hotels in current portfolio) was already above 3% versus 2015 year figures.
Key highlights by region are as follows:

NORTHERN SPAIN
As was the case up to June, in 3Q there was a double-digit improvement in room revenue compared to the previous year. In Q3 2016, most destinations had events with a positive impact on demand, although the good weather conditions and a higher demand for tier-1 holiday-destinations were the key drivers. The lack of MICE (Meetings, Incentives, Congresses & Events) business in some cities was compensated by the positive contribution of individual travellers.
We would like to highlight the contribution of the following hotels: Meliá Bilbao, Meliá Zaragoza and Meliá María Pita (in A Coruña).

CENTRAL AREA - MADRID
The region saw a double-digit increase in room revenue compared to last year. The strongest improvements were recorded at the Tryp Gran Vía, Meliá Galgos and the hotels near Barajas airport. It should be noted that in the last quarter of last year there were significant events in the city, except in the second half of September in which some sports events and one significant Congress took place.

EASTERN SPAIN
Up to September, the eastern region of Spain registered an increase in revenues of around €13 million, of which 40% was generated in the third quarter.

The analysis of Q3 reflects the positive results of the summer season, which has a high impact in the eastern region due to the hybrid nature (leisure / business) of many of its destinations, such as Alicante, Barcelona, Palma de Mallorca or Tarragona. In this sense, the role of melia.com was essential, leading the customer channel preference in the region.

SOUTHERN SPAIN
Up to September, hotels in southern Spain registered mid-to-high single-digit growth, after battling the effects of a bad ski season since the beginning of the year and a decrease in conference-related business in Seville compared to the previous year.

On a more positive note, the strong performance of hotels in Malaga should be emphasized, especially the Meliá Marbella Banús and Tryp Estepona Valle Romano, with Malaga becoming a hot-spot destination in summer 2016.

Despite the lack of conference-related business, in Seville the leisure travel segment reached a new peak in the summer season, with occupancy levels above expectations.

Generally speaking, the strong performance of the business travel segment contributed to the improvement of occupancy levels, while the strong performance of the individual travel segment allowed better rates, generating a positive balance between both.

## *Outlook*

For the last quarter of the year it seems there may be a slight slowdown.
In Madrid, October will be impacted by difficult comparables due to the strong conference-related business in 2015, such as the 2015 CPHI Congress (Pharma). The gap caused by the lack of this Congress will be partially compensated by business linked to other significant trade fairs such as the IFA (International Fiscal Association), the Fruit Attraction or Mateltec (Electronics).
November is normally a poor contributor, representing the beginning of the low season, while in December, despite it being early days, the Company expects satisfactory results in the "Puente de la Constitución" and Christmas national holiday breaks.
The situation looks better over the next 3 months in Barcelona and Palma de Mallorca, where the hosting of some congresses and events in October help make year-end figures look satisfactory and well above last year.
To end the outlook, despite the ski season starting in December, the general trend for the whole ski resort industry points towards a poor performance, given the reduced on-the-books business linked to caution about making reservations in advance given the poor snowfall last year in Sierra Nevada.

## *Potfolio and pipeline*

There were no movements in the portfolio in the 3Q 2016.

Regarding the development of the Division, last October the Company was chosen to manage the new "Palacio de Congresos" in Palma de Majorca (Balearic Islands, Spain) and the adjoining hotel, the recently named Meliá Palma Bay, demonstrating Meliá's hospitality industry leadership and its strong reputation.

It should be remembered that Meliá development strategy requires selective growth in Spain, always focusing on leveraging brand recognition or profitability.

Gran Meliá Palacio de los Duques | Madrid - Spain


## FINANCIAL INDICATORS

| CONSOLIDATED FIGURES | 9M2016 €mn | 9M2015 €mn | % change |
|---|---|---|---|
| Total consolidated Revenues | NA | NA | |
| Owned | | | |
| Leased | | | |
| *Of which Room Revenues* | NA | NA | |
| Owned | | | |
| Leased | | | |

| MANAGEMENT MODEL | 9M2016 €mn | 9M2015 €mn | % change |
|---|---|---|---|
| Total Management Model Revenues | 17,9 | 13,7 | 31% |
| Third Parties Fees | 17,8 | 13,7 | |
| Owned & Leased Fees | 0,0 | 0,0 | |
| Other Revenues | 0,1 | 0,0 | |

## MAIN STATISTICS

| | OWNED & LEASED | | | | | | OWNED, LEASED & MANAGED | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Occup. | | ARR | | RevPAR | | Occup. | | ARR | | RevPAR | |
| | % | Chg pts. | € | Chg % | € | Chg % | % | Chg pts. | € | Chg % | € | Chg % |
| TOTAL CUBA | - | - | - | - | - | - | 67,4% | -5,0 | 97,3 | 18,1% | 65,6 | 9,9% |
| TOTAL CUBA SAME STORE BASIS | - | - | - | - | - | - | 67,3% | -5,0 | 97,7 | 18,4% | 65,7 | 10,2% |

* Available Rooms 9M2016: 3,192.0k (vs 3,075.1k in 9M2015) in O,L&M

## CHANGES IN PORTFOLIO

Openings between 01/01/2016 – 30/09/2016

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

Disaffiliations between 01/01/2016 – 30/09/2016

-

## FUTURE DEVELOPMENT

| | Current Portfolio | | | | Pipeline | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 9M2016 | | 2015YE | | 2016 | | 2017 | | 2018 | | Onwards | | TOTAL | |
| | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms |
| TOTAL CUBA | 29 | 12.552 | 29 | 12.552 | 0 | 0 | 0 | 0 | 3 | 2.024 | 0 | 0 | 3 | 2.024 |
| Management | 29 | 12.552 | 29 | 12.552 | 0 | 0 | 0 | 0 | 3 | 2.024 | 0 | 0 | 3 | 2.024 |
| 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 |

## *9 months 2016 Results*

The revenue generated by the Company in its Cuba Division have continued to increase, reaching 17.9 million Euros, 31% higher than the previous year. RevPAR growth reached 9.9% thanks to excellent improvements in rates (+18.1% in euros), particularly in the four city hotels the Company operates in Santiago de Cuba and especially in Havana.

A significant milestone in the third quarter was the beginning of regular flights between the US and Cuba. On 31st August, the first direct flight connecting Fort Lauderdale (US) and the city of Santa Clara in Cuba was inaugurated by Jet Blue. The following week, American Airlines started regular operations connecting Miami with Varadero, Cienfuegos, Santa Clara, Camaguey and Holguin.

## *Outlook*

A trend similar to the previous months is expected for the fourth quarter.

Providing there is continuity in the normalization of relations between the US and Cuba, in the latter part of the year 34 daily direct flights will be operating between the countries (around 275 per week with around 40,000 seats), emphasizing the exponential growth in Havana, the destination for 20 daily flights. In addition to the aforementioned cities, direct air operations from the United States will be extended in the final quarter of the year to Santiago de Cuba, Cayo Coco, Cayo Largo and Manzanillo.

## *Potfolio and pipeline*

Plans have been to disaffiliate the Sol Pelicano hotel in Cayo Largo during the month of October.

Meliá Jardines del Rey | Cuba


## FINANCIAL INDICATORS

| CONSOLIDATED FIGURES | 9M2016 €mn | 9M2015 €mn | % change |
|---|---|---|---|
| Total consolidated Revenues | NA | NA | |
| Owned | | | |
| Leased | | | |
| *Of which Room Revenues* | NA | NA | |
| Owned | | | |
| Leased | | | |

| MANAGEMENT MODEL | 9M2016 €mn | 9M2015 €mn | % change |
|---|---|---|---|
| Total Management Model Revenues | 3,1 | 4,1 | -26% |
| Third Parties Fees | 1,7 | 3,3 | |
| Owned & Leased Fees | 0,0 | 0,0 | |
| Other Revenues | 1,3 | 0,8 | |

## MAIN STATISTICS

| | OWNED & LEASED | | | | | | OWNED, LEASED & MANAGED | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Occup. | | ARR | | RevPAR | | Occup. | | ARR | | RevPAR | |
| | % | Chg pts. | € | Chg % | € | Chg % | % | Chg pts. | € | Chg % | € | Chg % |
| TOTAL BRAZIL | - | - | - | - | - | - | 53,0% | -2,2 | 77,4 | -15,4% | 41,0 | -18,7% |
| TOTAL BRAZIL SAME STORE BASIS | - | - | - | - | - | - | 53,1% | -4,6 | 78,4 | -14,6% | 41,6 | -21,5% |

* Available Rooms 9M2016: 828.2k (vs 869.9k in 9M2015) in O,L&M

## CHANGES IN PORTFOLIO

**Openings between 01/01/2016 – 30/09/2016**

| *Hotel* | *Country / City* | *Contract* | *# Rooms* |
|---|---|---|---|
| Tryp by Wyndham Pernambuco | Brazil | Franchise | 192 |

**Disaffiliations between 01/01/2016 – 30/09/2016**

| | | | |
|---|---|---|---|
| Angra Marina & Convention Resort | Brazil | Management | 200 |

## FUTURE DEVELOPMENT

| | Current Portfolio | | | | Pipeline | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 9M2016 | | 2015YE | | 2016 | | 2017 | | 2018 | | Onwards | | TOTAL | |
| | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms |
| TOTAL BRAZIL | 14 | 3.208 | 14 | 3.216 | 1 | 472 | 0 | 0 | 1 | 234 | 1 | 280 | 3 | 986 |
| Management | 13 | 3.016 | 14 | 3.216 | 0 | 0 | 0 | 0 | 1 | 234 | 1 | 280 | 2 | 514 |
| Franchised | 1 | 192 | 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 | 1 | 472 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 472 |

## *9 months 2016 Results*

2016 is a particularly complicated year for the Brazil region due to the country's political and economic situation. The significant drop in demand has caused a price war in the industry, which for Meliá has led to a rate loss of over 15% compared to the previous year.

It is important to mention that the Meliá portfolio in Brazil is mainly urban, and any reduction in corporate travel spending has a significant impact on hotels. It is also important to add that the Company's key accounts include state-owned businesses, which have also seen a reduction in hotel stays following political situation. In addition, high levels of inflation and the associated increases in salary and energy costs have led to a reduced of profitability, even though margins are relatively high.

A slight recovery in prices in 3Q versus the previous quarters was mainly linked to the depreciation of the Euro against the Brazilian Real having a positive impact on average room rates.

## *Outlook*

Going in to the last quarter of 2016, the Company is not expecting any significant recovery.

Going into 2017, economic expectations are progressively improving and financial markets seem to have begun to trust stronger economic indicators. Some major companies which are key drivers for GDP growth and employment are gradually improving their business performance, leading Meliá to budget for 2017 some sign of recovery mainly through price improvements. The budget also takes into account that 3 hotels were refurbished and one was rebranded to a superior category in 2016. 2017 will also see the contribution of an additional hotel in Rio, while there are no plans for any other refurbishments that could affect hotel operations.

## *Potfolio and pipeline*

Last August the Company opened the Tryp Pernambuco (previously Meliá Barra) with 192 rooms under a franchise agreement.

The pipeline in Brazil includes 3 hotels, 1 of which, the Gran Meliá Nacional in Rio, is expected to open during the current fiscal year. This 413-room hotel is operated under a variable lease and the Company will leverage its expertise and know how in bleisure hotels and destinations.

Gran Meliá Rio de Janeiro | Brazil


## FINANCIAL INDICATORS

| CONSOLIDATED FIGURES | 9M2016 €mn | 9M2015 €mn | % change |
|---|---|---|---|
| Total consolidated Revenues | NA | NA | |
| Owned | | | |
| Leased | | | |
| *Of which Room Revenues* | NA | NA | |
| Owned | | | |
| Leased | | | |

| MANAGEMENT MODEL | 9M2016 €mn | 9M2015 €mn | % change |
|---|---|---|---|
| Total Management Model Revenues | 4,3 | 3,7 | 18% |
| Third Parties Fees | 2,3 | 2,3 | |
| Owned & Leased Fees | 0,0 | 0,0 | |
| Other Revenues | 2,0 | 1,4 | |

## MAIN STATISTICS

| | OWNED & LEASED | | | | | | OWNED, LEASED & MANAGED | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Occup. | | ARR | | RevPAR | | Occup. | | ARR | | RevPAR | |
| | % | Chg pts. | € | Chg % | € | Chg % | % | Chg pts. | € | Chg % | € | Chg % |
| TOTAL ASIA | - | - | - | - | - | - | 62,1% | 3,3 | 76,0 | -4,1% | 47,2 | 1,3% |
| TOTAL ASIA SAME STORE BASIS | - | - | - | - | - | - | 67,1% | 6,8 | 80,5 | -8,2% | 54,0 | 2,1% |
| Indonesia | - | - | - | - | - | - | 62,8% | 2,3 | 74,5 | -10,6% | 46,8 | -7,2% |
| China | - | - | - | - | - | - | 63,5% | 3,1 | 79,8 | -2,5% | 50,7 | 2,5% |

* Available Rooms 9M2016: 794.7k (vs 682.3k in 9M2015) in O,L&M

## CHANGES IN PORTFOLIO

Openings between 01/01/2016 – 30/09/2016

| *Hotel* | *Country / City* | *Contract* | *# Rooms* |
|---|---|---|---|
| Sol Kuta Bali | Bali, Indonesia | Management | 132 |
| Meliá Makassar | Indonesia | Management | 139 |
| Meliá Yangon | Myanmar | Management | 429 |

Disaffiliations between 01/01/2016 – 30/09/2016

-

## FUTURE DEVELOPMENT

| | Current Portfolio | | | | Pipeline | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 9M2016 | | 2015YE | | 2016 | | 2017 | | 2018 | | Onwards | | TOTAL | |
| | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms | Hotels | Rooms |
| TOTAL ASIA | 13 | 3.478 | 10 | 2.836 | 1 | 284 | 6 | 1.317 | 6 | 1.265 | 8 | 2.135 | 21 | 5.001 |
| Management | 13 | 3.478 | 10 | 2.836 | 1 | 284 | 6 | 1.317 | 6 | 1.265 | 8 | 2.135 | 21 | 5.001 |
| 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 |

The Asia Pacific region results have mainly been influenced by the opening of new hotels over the last 12 months (The Imperial Boat House, Meliá Danang, Kuta Beach House, Meliá Makassar and Meliá Yangon) and the remodelling of a large number of hotels, taking into consideration that the Company currently has 5 hotels under refurbishment in the region.
It is important to highlight the effort made in recent years to completely renovate the Meliá Hotels International hotels in Asia, which will hopefully lead to a quantitative and qualitative improvement in the results obtained in the region. In this regards, management fees in Asia grew by €0.5 million during the period, while RevPAR improved by 1.8%.
From a revenue segmentation perspective, the contribution from all business segments has been positive with the recent integration with Ctrip (Chinese OTA) being particularly relevant, allowing Ctrip to make booking directly within Meliá systems, thus generating a higher number of bookings, an important step forward in the regional sales strategy.
In an analysis by geographic area, we would highlight the following messages:

INDONESIA
Indonesia is the most relevant Asian destination for Meliá due to the number of rooms operated.
In general terms, the evolution of hotel performance has been very positive, except in the specific case of the Gran Meliá Jakarta where the Company faces several challenges and for which strategic guidelines have been defined to revert the situation mainly through cost control and the redefinition of sales and marketing tactics.
Regarding the evolution of the hotels in Bali, the results have been generally positive, although several properties have undergone remodelling which has affected their progress.
It is important to highlight the opening in 2016 of the Kuta Beach House and the recently opening of the Meliá Makassar.

CHINA
Despite the fact that the learning curve in China has been challenging due to cultural differences, operations in China are currently registering strong numbers which have been very well received by the hotel owners.
The company currently operates two hotels in the country, the Gran Meliá Xian and the Meliá Jinan, which have returned very positive results during the period. Also of note is the scheduled opening of the Innside Zhengzhou in early 2017.
Regarding the progress of the Gran Meliá Xian, the Company has leveraged its extensive experience and leaderships in "Bleisure" destinations, while the Meliá Jinan hotel is also reporting good results with the main challenge for the Company being to optimise the profit margin.

VIETNAM
Strategically speaking, Vietnam is one of the main focuses in Southeast Asia for Meliá Hotels International given its politically stability, strong economic growth and major increases in tourism arrivals. The Company expects to continue to analyse growth opportunities in the country in the short to medium term.
The progress made by the Meliá Hanoi Hotel over the first 9 months of the year has been particularly significant, while the ramp up of the Meliá Danang has also been successful, allowing the Company to reach an agreement with the owner for an extension to its capacity.

THAILAND
The Sol Imperial Boat House Beach Koh Samui Hotel has been operated since December 2015, and will start a remodelling process which will extend until the end of the next year with the aim of repositioning the hotel in the market within about one year. The opening of this hotel is part of a partnership agreement with the strategic partner TCC Land, which is also awaiting the sign off on two additional hotels, a ME Hotel in Bangkok and a Paradisus resort in Phuket. Both projects are already in progress in line with the scheduled planning.

MALAYSIA
The only hotel managed by Meliá in the country is currently undergoing remodelling that affects 50% of its rooms. At the

same time, the Malaysian government continues to work to improve the image of the destination following the airline accident that occurred a few years ago, generating a significant increase in demand, mainly from China.

## *Potfolio and pipeline*

In the third quarter the Asia Pacific region added 2 new hotels, the Meliá Yangon in Myanmar and the Meliá Makassar in Indonesia, thus strengthening Melia's positioning in the most relevant Asian destination for the Company Meliá due to the number of rooms it operates.

The opening of the Meliá Yangon is relevant both for the destination itself, given that it recently opened up to the tourist industry, and for Meliá Hotels International, which has been given the opportunity to become one of the first players in the hotel industry in the country, just as we have seen previously in Bali or the Dominican Republic, being able to demonstrate our extensive experience in the management of Bleisure destinations.

Regarding the pipeline, after the agreements reached throughout 2016, the total pipeline now stands at 21 hotels, of which one, the Sol Beach House Phu Quoc, is expected to open in 2016. This will be the Company's third hotel in Vietnam, a stable country with significant economic growth where the Company maintains an excellent outlook both for the hotels currently in business and for the pipeline.

Within the pipeline hotels, special mention should be made of the signature in September of an additional contract in Vietnam for the Meliá Ho Tram. This new agreement extends the Meliá footprint in Vietnam, underscored by the company's resort management leadership, to cater to the increasing demand for tourism and travel in the country.

The Boat House Beach Resort Koh Samui | Thailand

# OTHER NON HOTEL BUSINESS

## 2

## *Club Meliá*

During the period revenues at Club Meliá decreased by 13.8 million euros (-17%), mainly explained by the closure of operations in Spain and the lower volume of weeks sold. Prospect generation were below last year due to the change in the sales strategy focused on get lesser prospects but better qualified and with higher efficiencies.
On the positive side, increases in prices were mainly possible due to a sales mix more biased towards premium products, as well as the sale of biannual weeks in all sites and the impact of upgrade activity.
As we informed in the previous quarters, the Company is working in the redefinition of the Club Melia, so we expect that the new strategy will bear fruits up to 2017.

## *Real Estate*

In the third quarter the Company did not sell any assets.
Total Real Estate revenues in 9Months 2016 were thus 8.4 million euros versus 57.8 million euros in 9Months 2015.
Recall that in June 2015,the Company sold 6 resort hotels in to a new Joint Venture (80% Starwood Capital Group; 20% Meliá).This transaction generated 178.2 million euros (net cash of approximately €150 Mn) and capital gains at the EBITDA level of 40,1 million euros.
Going forward in 2016 and into 2017, the Company aims to make additional property sales from the limited number of non-core hotel assets remaining in the group's portfolio, taking advantage of real estate cycles or further reinforcing the Joint Venture model as a dynamic and essential part of Meliá strategy for the transformation of assets which require significant investment.This will strengthen the Company's role as a hotel management company and enhance the quality of the properties operated under its respective brands.

In this regards, the Company informs that on 4th November 2016 Meliá Hotels International sold the 246-room Sol Parque San Antonio resort, located in Puerto de la Cruz (Canary Islands, Spain). The transaction amounted to 8 million euros in cash and generated capital gains of approximately 4 million euros which will be included in fourth quarter 2016 results. Meliá Hotels International will not maintain the management of the hotel.


Meliá Lebreros | Sevilla - Spain

# INCOME STATEMENTS

*3*

## *Revenues*

Of note is a +2.6% increase in consolidated revenue in spite of the strong comparable caused by capital gains from asset rotation in the previous fiscal year that led to almost 50 million Euros less revenue in the Real Estate Division. Excluding this effect, revenue increased by 85.5 million Euros (+6.6%), almost entirely explained by the improvement in the hotel business with a RevPAR increase of 9.9%, more than 80% of which explained by price increases.

## *Operating Costs*

Total operating costs increased by +3.7% compared to the previous year.
The increase in Raw Materials, Personnel and Other Expenses were 4.4%, 4.7% and 2.7% respectively. Excluding mainly the perimeter changes, the variations were +1.2%, +2.5% and +2.0% respectively.

An increase in rental expenses of 18.6 million Euros can mainly be explained by the sale & lease backs signed last year (Sol Falcó & Calas de Mallorca) and new hotels incorporated that jointly contributed with 15 million Euros.

New contracts are the following: Meliá La Defense, Innside Manchester, Sol Costa Atlantis, Innside New York NoMad, Me Milan Il Duca, Innside Aachen and Innside Leipzig which all in 2015 and 2016.

As it was the case up to June 2016, it is also important to recall that improvements in operations have reduced the existing provision linked to onerous contracts by 2.8 million Euros (in comparison with a reduction of 0.5 million Euros the previous year).

## *EBITDA*

The Ebitda went down by -7.5% as compared to the previous year.
Excluding the capital gains for asset disposals, the EBITDA increased by +9.8%.

Amortization and Depreciations: This item improved by 23.4 million Euros (21.6%) as compared to the previous year is explained by the accounting of an impairment –In Puerto Rico's property- in 2015 (28.6 million Euros) as well as changes in the perimeter. Likewise, in June 2016, there was an extraordinary amortization of 4.5 million Euros in the Company "Inversiones Hoteleras La Jaquita" (owner of the hotel Gran Meliá Palacio de Isora), which corresponds to the amortization of hotel rooms that previously were used by the Club Meliá division and now have been returned to the hotel.

EBIT: 153.5 million Euros, +2.8% as compared to the previous year.
Excluding capital gains and the impairment, EBIT grew by +14.9%.

Result of the entities valued by the participation method: there was an increase of +7.4 million Euros due to: a) business improvements in the JV, especially trough Evertmel (Calviá Beach Project), b) partially compensated by the incorporation of the hotels included in the Starwood Joint Venture, and c) as well as the impact linked to the consolidation since May 2015 of the company "Inmotel Inversiones Italia" owner of the hotel Meliá Milano.

Result attributed to the Parent Company: +92.2 million Euros, +74% as compared to last year.

| | 3Q2016 | 3Q2015 | (Million Euros) | September 2016 | September 2015 | |
|---|---|---|---|---|---|---|
| | | | **Revenues Split:** | | | |
| | 563,5 | 507,2 | Total HOTELS | 1.444,1 | 1.325,3 | |
| | 83,4 | 72,5 | Management Model | 212,7 | 182,4 | |
| | 464,8 | 419,2 | Hotel Business Owned & Leased | 1.172,0 | 1.089,5 | |
| | 15,4 | 15,5 | Other Hotel Business | 59,4 | 53,3 | |
| | 1,4 | 2,4 | Real Estate Revenues | 8,4 | 57,8 | |
| | 22,2 | 27,2 | Club Meliá Revenues | 68,3 | 82,1 | |
| | 29,6 | 32,8 | Overheads | 87,7 | 90,8 | |
| | 616,8 | 569,6 | Total Revenues Aggregated | 1.608,6 | 1.556,0 | |
| | **-135,6** | **-126,2** | ***Eliminations on consolidation*** | **-220,3** | **-203,4** | |
| **8,0%** | **532,0** | **492,5** | **Total Consolidate Revenues** | **1.388,4** | **1.352,6** | **2,6%** |
| | -59,6 | -58,3 | Raw Materials | -172,1 | -164,9 | |
| | -134,9 | -126,8 | Personnel expenses | -369,0 | -352,6 | |
| | -176,3 | -166,6 | Other operating expenses | -480,4 | -467,6 | |
| **5,4%** | **-370,8** | **-351,7** | **Total Operating Expenses** | **-1.021,5** | **-985,1** | **3,7%** |
| **14,6%** | **161,3** | **140,7** | **EBITDAR** | **366,8** | **367,5** | **-0,2%** |
| | -59,7 | -49,0 | Rental expenses | -128,6 | -110,0 | |
| **10,7%** | **101,5** | **91,7** | **EBITDA** | **238,3** | **257,5** | **-7,5%** |
| | -27,1 | -24,9 | Depreciation and amortisation | -84,8 | -108,2 | |
| **11,3%** | **74,4** | **66,8** | **EBIT (OPERATING PROFIT)** | **153,5** | **149,2** | **2,8%** |
| | -9,8 | -16,4 | Financial Expense | -34,4 | -54,9 | |
| | 0,9 | 0,3 | Other Financial Results | 7,6 | 4,1 | |
| | -3,3 | -0,2 | Exchange Rate Differences | -0,7 | 2,5 | |
| **25,4%** | **-12,2** | **-16,3** | **Total financial profit/(loss)** | **-27,5** | **-48,3** | **43,1%** |
| | 8,6 | 2,0 | Profit / (loss) from Associates and JV | 4,5 | -2,9 | |
| **34,9%** | **70,8** | **52,5** | **Profit before taxes and minorities** | **130,5** | **98,1** | **33,1%** |
| | -17,8 | -14,3 | Taxes | -32,6 | -39,1 | |
| **38,9%** | **53,0** | **38,2** | **Group net profit/(loss)** | **97,9** | **59,0** | **66,0%** |
| | 6,1 | 5,6 | Minorities | 5,7 | 6,1 | |
| **44,4%** | **47,0** | **32,5** | **Profit/(loss) of the parent company** | **92,2** | **52,9** | **74,5%** |

**ME Miami** | USA

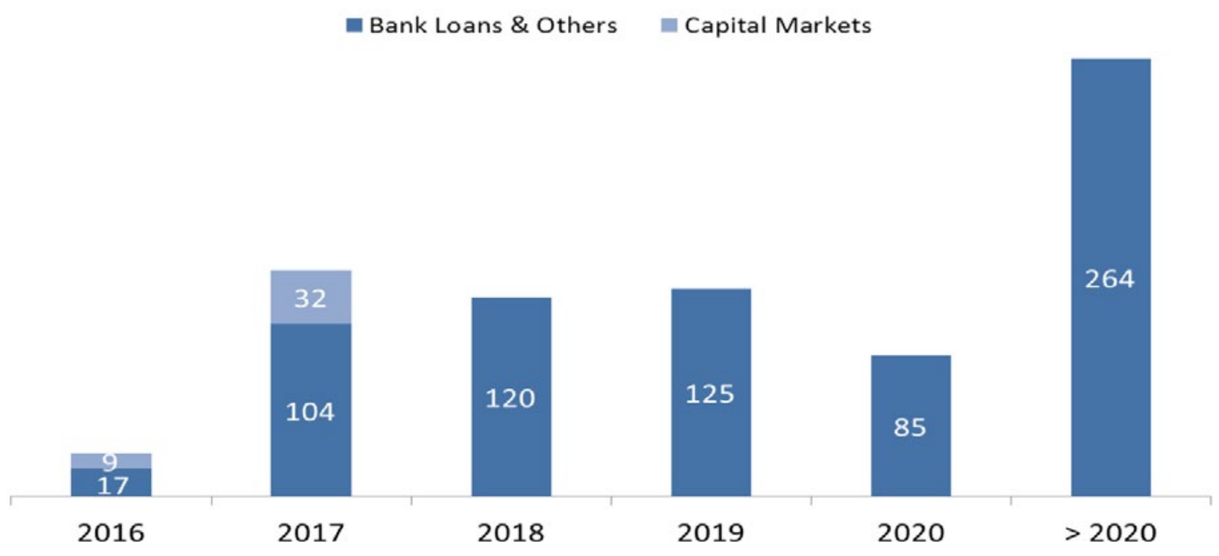
## *Financial Results*

Financial results have improved by 43.1% compared to the previous year (-20.8 million Euros) mainly due to:
a) a reduction in "bank financing" of 20.5 million Euros driven by a lower gross debt as well as a decrease in the average interest rate thanks to successful debt renegotiations and maturities with a higher interest (average rate 9m2016: 3.6% vs 4.4% in 9m2015)
b) a better result in "Other financial results" mainly due to the agreement between CIO Group and Meliá Hotels International linked to the contract termination of the Gran Hotel Bahia del Duque; partially offset by the accounting of interest from the tax audit reported in Year End 2015 results.
c) "Exchange Rate differences" of -3.2 million Euros due mainly to the appreciation of the US dollar against the Euro, and the depreciation of the Pound. Partially offset by the appreciation of the dollar against the Mexican Peso and the Brazilian Real against the Euro.

| 3Q2016 | 3Q2015 | (thousands euros) | sept-16 | sept-15 |
|---|---|---|---|---|
| (3.287) | (246) | Exchange differences | (696) | 2.501 |
| (9.756) | (16.393) | Borrowings | (34.382) | (54.858) |
| (1.284) | (7.373) | Interest Capital Markets | (9.977) | (22.465) |
| (8.473) | (9.020) | Interest bank loans and others | (24.405) | (32.393) |
| 878 | 324 | Other financial incomes | 7.617 | 4.082 |
| (12.165) | (16.316) | Net Financial Income | (27.460) | (48.275) |

## *Debt*

The Company's net debt has been reduced as of December 2015 by 240 million Euros, reaching an amount of 528.8 million Euros. This debt reduction is mainly attributed to the amortization of the convertible bond as well as the favourable evolution of the Cash Flow from Operations.
In the last quarter, a significant milestone regarding debt management and liquidity levels was the amortization of a 76 million Euros bond at 7.8% with maturity 2016 (August) -the debt at highest cost for the Company-.




Million Euros

# MELIÁ ON THE STOCK MARKET

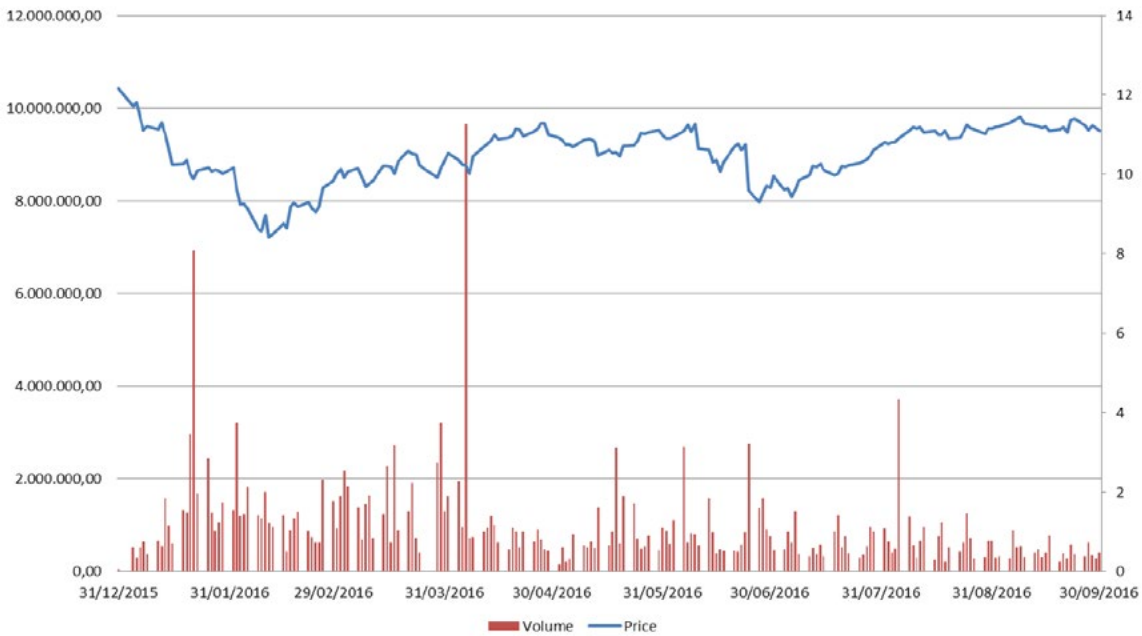
*4*

GRAN MELIÁ HOTELS & RESORTS ME BY MELIÃ PARADISUS BY MELIÃ MELIÃ HOTELS & RESORTS INNSIDE BY MELIÃ TRYP BY WYNDHAM Sol hotels&resorts CLUB MELIÃ

# *Stock Market*

The stock price decreased by -8.9% over the first nine months of 2016. The Ibex Medium Cap decreased by -8.0% and the Ibex 35 by -9.8%.

The Company recalls that on 8th August Meliá Hotels International was invited to return to the Ibex35 after an absence of 13 years thanks to three irrefutable factors: Meliá is in a growing industry (tourism & hospitality) that is considerably important for both the Spanish and global economies; the improvement in Company stock liquidity levels, partially due to the capital increase carried out in the second quarter; and finally, the strong potential of the Company and good prospects going forward.




| | 1Q2016 | 2Q2016 | 3Q2016 | 2016 |
|---|---|---|---|---|
| Average daily volume (thousands shares) | 1.382,1 | 1.013,7 | 607,8 | **993,2** |
| Meliá performance | -15% | -7% | 15% | **-9%** |
| Ibex Medium Cap performance | -9% | -8% | 8% | **-10%** |
| Ibex 35 performance | -9% | -6% | 8% | **-8%** |

| | 30/09/2016 | 2.015 |
|---|---|---|
| Number of shares | 229.700.000 | 199.053.048 |
| Average daily volume (thousands shares) | 993,22 | 980,10 |
| Maximum share price (euros) | 11,82 | 13,71 |
| Minimum share price (euros) | 8,42 | 8,73 |
| Last price | 11,10 | 12,18 |
| Market capitalisation (millions euros) | 2.549,67 | 2.424,47 |
| Dividend (euros) | 0,04 | 0,03 |

Source: Blomberg

NOTE: Meliá's shares are listed on the IBEX35 and FTSE4Good Ibex index.

## ADDITIONAL INFORMATION ABOUT MELIA HOTELS INTERNATIONAL CAPITAL INCREASE

In relation to the issue of Convertible/Exchangeable Notes of Meliá Hotels International, S.A., 2013, of €250,000,000, the Company recalls that last May 2016, 30.6 million newly-issued ordinary shares to attend the conversion of the convertible bond were admitted to trading to the Spanish Stock Exchanges.

# CONSOLIDATED FLOW THROUGH AND MARGINS EVOLUTION

## CONSOLIDATED P&L ACCOUNT

| | 9M2016 | 9M2015 |
|---|---|---|
| | €mn | €mn |
| Revenues | 1.388,4 | 1.352,6 |
| Operating expenses | -1.021,5 | -985,1 |
| **EBITDAR** | **366,8** | **367,5** |
| **EBITDAR Margin** | **26,4%** | **27,2%** |
| Rentals | -128,6 | -110,0 |
| **EBITDA** | **238,3** | **257,5** |
| **EBITDA Margin** | **17,2%** | **19,0%** |

P&L adjusted by:
a) ex-capital gains on asset rotation
(9M2016 2 mn Euros; 9M2015 42,3 mn Euros)
b) excluding the reversal of onerous lease contracts
(9M2016 2,8 mn Euros; 9M2015 0,5 mn Euros)

## CONSOLIDATED P&L ACCOUNT EXCLUDING CAPITAL GAINS AND THE REVERSAL OF ONEROUS CONTRACTS

| | 9M2016 | 9M2015 | Chg | Flow Through |
|---|---|---|---|---|
| | €mn | €mn | €mn | % |
| Revenues | 1.386,2 | 1.300,7 | 85,5 | |
| Operating expenses | -1.021,4 | -975,7 | -45,6 | |
| **EBITDAR** | **364,8** | **325,0** | **39,9** | **46,6%** |
| **EBITDAR Margin** | **26,3%** | **25,0%** | | |
| Rentals | -131,4 | -109,2 | -22,2 | |
| **EBITDA** | **233,4** | **215,8** | **17,7** | **20,7%** |
| **EBITDA Margin** | **16,8%** | **16,6%** | | |

P&L adjusted by:
a) ex-capital gains on asset rotation
b) excluding the reversal of onerous lease contracts
c) based on Same Store Sales (excluding openings, disaffiliations and majors refurgishments)
d) excluding Sol Caribe Tours business (T.O. based in LatAm with a high volume of revenues but margin 0)
e) excluding some expenses (eur 7,5 mn) at the Corporate level related with the Strategic Plan (mainly IT).

## ADJUSTED CONSOLIDATED P&L

| | 9M2016 | 9M2015 | Chg | Flow Through |
|---|---|---|---|---|
| | €mn | €mn | €mn | % |
| Revenues | 1.145,7 | 1.096,3 | 49,4 | |
| Operating expenses | -841,7 | -818,4 | -23,3 | |
| **EBITDAR** | **304,0** | **278,0** | **26,0** | **52,8%** |
| **EBITDAR Margin** | **26,5%** | **25,4%** | | |
| Rentals | -97,8 | -92,1 | -5,8 | |
| **EBITDA** | **206,2** | **185,9** | **20,3** | **41,1%** |
| **EBITDA Margin** | **18,0%** | **17,0%** | | |

**Meliá Lebreros** | Sevilla - Spain

# Annex

## MAIN STATISTICS BY BRAND

| | OWNED & LEASED | | | | | | OWNED, LEASED & MANAGED | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Occup. | | ARR | | RevPAR | | Occup. | | ARR | | RevPAR | |
| | % | Chg pts. | € | Chg % | € | Chg % | % | Chg pts. | € | Chg % | € | Chg % |
| Paradisus | 78,3% | 0,4 | 135,1 | 0,0% | 105,8 | 0,6% | 72,8% | 0,6 | 141,8 | 0,5% | 103,3 | 1,4% |
| Me by Melia | 67,0% | -1,6 | 265,9 | 4,2% | 178,1 | 1,9% | 64,5% | 3,4 | 222,3 | 9,5% | 143,4 | 15,5% |
| Gran Meliá | 61,2% | -5,6 | 195,9 | 17,3% | 119,9 | 7,5% | 59,8% | -4,1 | 175,0 | 13,1% | 104,7 | 5,7% |
| Meliá | 73,3% | -0,4 | 116,4 | 7,3% | 85,3 | 6,8% | 67,0% | -0,2 | 104,3 | 8,8% | 69,8 | 8,5% |
| Innside | 72,8% | 3,4 | 127,6 | 19,1% | 92,8 | 24,8% | 72,9% | 2,6 | 126,3 | 17,1% | 92,0 | 21,3% |
| Tryp by Wyndham | 71,4% | 1,3 | 78,9 | 12,1% | 56,3 | 14,2% | 68,2% | 1,5 | 76,3 | 10,2% | 52,0 | 12,7% |
| Sol | 79,5% | 8,9 | 81,1 | 12,6% | 64,5 | 26,7% | 78,0% | 6,6 | 76,9 | 13,9% | 59,9 | 24,5% |
| TOTAL | 73,1% | 1,1 | 112,8 | 8,1% | 82,5 | 9,9% | 69,5% | 1,9 | 103,3 | 12,0% | 71,8 | 15,1% |

## MAIN STATISTICS BY MAIN COUNTRIES

| | OWNED & LEASED | | | | | | OWNED, LEASED & MANAGED | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Occup. | | ARR | | RevPAR | | Occup. | | ARR | | RevPAR | |
| | % | Chg pts. | € | Chg % | € | Chg % | % | Chg pts. | € | Chg % | € | Chg % |
| AMERICA | 71,6% | -2,4 | 119,6 | 5,3% | 85,6 | 1,9% | 66,2% | -3,2 | 103,3 | 8,8% | 68,4 | 3,8% |
| Dominican Republic | 76,4% | -1,9 | 114,9 | 2,1% | 87,9 | -0,3% | 76,4% | -1,9 | 114,9 | 2,1% | 87,9 | -0,3% |
| México | 80,8% | 2,0 | 116,5 | -0,5% | 94,1 | 2,1% | 77,5% | 4,8 | 122,5 | 4,1% | 95,0 | 10,9% |
| Perú | 60,3% | -13,6 | 115,3 | 2,6% | 69,5 | -16,3% | 60,3% | -13,6 | 115,3 | 2,6% | 69,5 | -16,3% |
| Puerto Rico | 53,7% | -11,0 | 123,4 | -13,9% | 66,3 | -28,6% | 53,7% | -11,0 | 123,4 | -13,9% | 66,3 | -28,6% |
| EEUU | 76,5% | 0,1 | 168,6 | 35,7% | 128,9 | 35,9% | 72,1% | -4,2 | 168,7 | 35,8% | 121,6 | 28,3% |
| Venezuela | 40,3% | -9,9 | 103,6 | 58,9% | 41,8 | 27,5% | 40,3% | -9,9 | 103,6 | 58,9% | 41,8 | 27,5% |
| Cuba | - | - | - | - | - | - | 67,4% | -5,0 | 97,3 | 18,1% | 65,6 | 9,9% |
| Brasil | - | - | - | - | - | - | 53,0% | -2,2 | 77,4 | -15,4% | 41,0 | -18,7% |
| ASIA | - | - | - | - | - | - | 62,1% | 3,3 | 76,0 | -4,1% | 47,2 | 1,3% |
| Indonesia | - | - | - | - | - | - | 62,8% | 2,3 | 74,5 | -10,6% | 46,8 | -7,2% |
| China | - | - | - | - | - | - | 63,5% | 3,1 | 79,8 | -2,5% | 50,7 | 2,5% |
| EUROPE | 73,5% | 2,0 | 111,1 | 8,9% | 81,7 | 12,0% | 72,7% | 3,0 | 106,4 | 9,9% | 77,3 | 14,6% |
| Austria | 76,3% | 19,7 | 117,8 | -17,5% | 89,9 | 11,2% | 76,3% | 19,7 | 117,8 | -17,5% | 89,9 | 11,2% |
| Germany | 71,2% | 0,1 | 107,0 | 8,2% | 76,2 | 8,4% | 71,2% | 0,1 | 107,0 | 8,2% | 76,2 | 8,4% |
| France | 67,8% | -9,5 | 172,0 | -4,0% | 116,6 | -15,8% | 67,8% | -9,5 | 172,0 | -4,0% | 116,6 | -15,8% |
| United Kingdom | 74,4% | -3,1 | 168,1 | -12,2% | 125,0 | -15,7% | 74,4% | -3,1 | 168,1 | -12,2% | 125,0 | -15,7% |
| Italy | 63,6% | -6,2 | 217,7 | 34,4% | 138,4 | 22,5% | 63,0% | -6,5 | 220,0 | 33,7% | 138,6 | 21,1% |
| Spain | 74,3% | 3,1 | 103,5 | 12,4% | 76,9 | 17,3% | 73,7% | 2,8 | 99,5 | 11,3% | 73,3 | 15,7% |
| Resorts | 78,5% | 5,9 | 109,8 | 14,9% | 86,2 | 24,3% | 78,5% | 4,1 | 102,6 | 12,8% | 80,5 | 19,1% |
| Urban | 70,3% | 0,5 | 96,9 | 9,5% | 68,1 | 10,2% | 68,2% | 1,1 | 95,4 | 9,0% | 65,1 | 10,7% |
| TOTAL | 73,1% | 1,1 | 112,8 | 8,1% | 82,5 | 9,9% | 69,5% | 1,9 | 103,3 | 12,0% | 71,8 | 15,1% |

## 9M EXCHANGE RATES

| | 9M2015 | 9M2016 | 2016 vs. 2015 |
|---|---|---|---|
| 1EUR = X foreign currency | average rate | average rate | Change |
| Sterling (GBP) | 0,727 | 0,804 | -9,55% |
| American dollar (USD) | 1,115 | 1,117 | -0,18% |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