MELIÁ HOTELS INTERNATIONAL, S.A., in compliance with article 82 of the Spanish Law on the Securities Market, notifies the Spanish Securities and Exchange Commission of the following:

RELEVANT FACT

The Board of Directors of **MELIÁ HOTELS INTERNATIONAL, S.A.** (the "**Company**" or the "**Issuer**") on 20 of March 2013, upon the powers delegated by the sixth agreement of the General Shareholders' Meeting on 1 of June 2011, approved to issue notes convertible and/or exchangeable into newly issued shares and/or existing shares of the Company (the "**Notes**") for a nominal amount of TWO HUNDRED MILLION EUROS (200,000,000€) with a maturity of five (5) years, with the total exclusion of the pre-emption rights of the shareholders of the Company (the "**Issue**").

Therefore, the Company has instructed BofA Merrill Lynch, BNP Paribas and UBS Limited, as Bookrunners and Underwriters for the Issue (the "**Underwriters**") to conduct an accelerated bookbuilding process, with the aim of identifying national and/or international qualified investors interested in the subscription of the Notes.

On the day of today the Company has entered into a subscription and underwriting agreement with the Underwriters (the "**Subscription Agreement**"), subject to English law.

The Board of Directors has established the main characteristics of the Issue, with certain terms and conditions of such Notes remaining outstanding and pending final agreement andauthorised the Managing Director of the Company to determine the final terms and conditions of the Issue (the "**Terms and Conditions**") on behalf of the Company upon such delegated powers, once the accelerated bookbuilding process is concluded, expected to be conducted today, after the issuance of this Relevant Fact.

The main Terms and Conditions of the Issue are as follows:

(a) The amount of the Issue is TWO HUNDRED MILLION EUROS (200,000,000€).

(b) The Issue is managed and underwritten by BofA Merrill Lynch, BNP Paribas and UBS Limited.

(c) The Issue shall be directed to qualified Spanish and/or foreign investors, in compliance with article 39 of Royal Decree 1310/2005, of 4 of November, European Union Law and the equivalent law of other jurisdictions.

(d) The Notes shall be issued at par, shall be registered and shall have a nominal unit amount of ONE HUNDRED THOUSAND EUROS (100,000€).

(e) The Notes shall earn an annual fixed interest, quarterly payable, that shall be finally determined once the bookbuilding process conducted by the Underwriters has concluded and which shall not be higher than 4.50%.

It is expected that the interest may be between 3.75% and the 4.50%.

(f) The redemption price of the Notes shall be the 100% of their nominal amount.

(g) The Notes shall be convertible and/or exchangeable into (i) ordinary existing shares and/or newly issued shares of the Company, (ii) cash, or (iii) a combination of cash and/or existing ordinary shares and/or newly issued shares of the Company, at the choice of the Issuer.

(h) The conversion price shall be fixed by the Managing Director, in accordance with the criteria established by the General Shareholders' Meeting of 1 of June 2011, in compliance with:

(i) The amount resulting from the average of the quotation prices of the Company, weighted by its trading volume in the relevant Stock Exchange during the period comprised between the present announcement ("*launching*") and the moment when the Conversion Price ("*pricing*") shall be fixed today; and

(ii) Conversion premium to be also determined, which shall not be lower than 30% of such price.

It is expected that the conversion premium may be between 30% and 35%.

(i) In any case, from the date falling 3 years and 15 days from the Closing Date, the Company shall have the right to redeem all the Notes that are still in circulation, if the price of the shares of the Company is greater than 130% or more than the conversion price, , as determined in the Terms and Conditions. Furthermore, the Company shall have the right to redeem all the Notes still in circulation, at any moment, if more than 90% of the Notes have been converted or exchanged and/or acquired and cancelled and/or redeemed.

(j) The Company will be universally liable (*responsabilidad patrimonial universal*) for the Issue.

(k) The Company shall request admission to trading of the Notes to a securities market, whether official or not, regulated or not, national or foreign, including a multilateral trading system, being the initial options the admission to the Euro MTF of the Luxembourg Stock Exchange or to the Open Market (Freiverkehr) of the Frankfurt Stock Exchange.

(l) The Company shall accept a lock-up undertaking of 90 days as from the signing of the Subscription Agreement, pursuant to which it will undertake not to issue, offer or sell shares or other securities convertible or exchangeable into shares, subject to certain exceptions.

(m) The Company has agreed to provide liquidity to the holders of the Notes through a stock borrow facility of Company's shares which will be representative of, approximately, 4.33% of its share capital. This stock borrow is made through the Underwriters.

(n) The Terms and Conditions will be finalised by the Managing Director of the Company once the accelerated bookbuilding process is concluded by the Underwriters (expected today).

(o) The subscription and disbursement of the Notes shall take place at the date of closing, initially expected for the 4 April 2013 (the "**Closing Date**"), as long as the conditions of the Subscription Agreement are complied with.

It is noted that the Terms and Conditions of the Notes and the Subscription Agreement are subject to English law. However, the capacity of the Company with respect to the Issue, the relevant corporate agreements, the appointment of the Commissioner and the constitution of the Syndicate of Noteholders shall be governed by Spanish law.

Finally, the Company expects that the present Issue shall not affect the conversion price of the Senior Unsecured Convertible Notes of a total amount of 200,000,000€ at 5.00 per cent, issued in 2009 and maturing in December 2014. In accordance with the terms and conditions of said issue, the Company has requested an independent financial advisor to issue a report on the potential impact of the present Issue on the above mentioned conversion price.

In Palma de Mallorca, 21 of March 2013

Gabriel Escarrer Jaume
Managing Director of Meliá Hotels International, S.A.

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