

Sustainability report 2012



Beach House | Mallorca, Spain

MELIÁ HOTELS
INTERNATIONAL

HOTELS & RESORTS
REAL ESTATE
CLUB MELIÁ

MELIAHOTELSINTERNATIONAL.COM

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INDEPENDENT ASSURANCE REPORT ON THE SUSTAINABILITY REPORT

2012

A free translation from the original in Spanish. In the event of a discrepancy, the Spanish language version prevails.

To the Management Committee of Meliá Hotels International S.A.:

Scope of our work

We have been engaged by Meliá Hotels International S.A. and its subsidiary companies (hereafter Meliá Hotels International) to review whether the contents of its Sustainability Report 2012, for the year ended 31st December 2012, are in line with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) version 3.1 (G3.1) and the validation of the performance indicators proposed in the Guidelines.

The Management of Meliá Hotels International is responsible for the preparation of the Sustainability Report 2012, the information included therein and the design, implementation and maintenance of the management and internal control systems from which the information has been obtained. Our responsibility is to issue an independent report based on the procedures applied in our review.

We have undertaken our work in accordance with Standard ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information (Limited Assurance Engagements) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the Guidelines on reviews for Corporate Responsibility Reports issued by the Spanish Institute of Chartered Accountants (Instituto de Censores Jurados de Cuentas de España).

Our review has consisted in posing questions to Management and various units of Meliá Hotels International that participated in the preparation of the Sustainability Report 2012, as well as the application of certain analytical procedures and sample-based testing, which, in general, are described below:

- Interviews with the personnel of Meliá Hotels International in order to ascertain the management approaches applied to obtain the necessary information for the external review.
- Analysis of the processes used in compiling and validating the indicators presented in the Sustainability Report 2012.
- Revision of activities related to identifying and considering stakeholders during the year, as well as the coverage, relevance and integrity of the information included in the Sustainability Report 2012, based on Meliá Hotels International understanding of its stakeholder's requirements.
- Analysis of whether the contents of the Sustainability Report 2012 are in line with the GRI-G3.1.

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T: +34 934 854 300 F: +34 934 854 333, www.pwc.es

14 Madrid, 23/07/2013, 16:15 hora LECT. por PwC, según el protocolo de auditoría de GRI-G3.1 (PwC-Mel-2013)



- Review of the information related to the management approaches applied to each group of indicators.
- Verification, through sample-based testing reviews, of the quantitative and qualitative information regarding the key indicators set down in the Sustainability Report 2012 and whether they have been properly compiled on the basis of the data provided by Meliá Hotels International's information sources.

The scope of a review is significantly less than that of a reasonable assurance report. Accordingly, the degree of assurance furnished is also lower.

The present report cannot be understood, in any circumstances, to be an audit report.

Independence

We have carried out our work in accordance with the independence rules set out in the Code of Ethics of the International Federation of Accountants (IFAC). The work has been carried out by a team of sustainability specialists with extensive experience in the review of this kind of reports.

Conclusion

The table of GRI indicators provides a detail of the performance indicators reviewed and the scope limitations of the review, as well as identifies those indicators that do not cover all the aspects recommended by GRI. On the basis of the results of our review, nothing has come to our attention that causes us to believe that the Sustainability Report 2012 of Meliá Hotels International contains significant mistakes or has not been prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines GRI, version 3.1 (G3.1).

PricewaterhouseCoopers Auditores S.L.

A handwritten signature in blue ink, appearing to read 'M. Linares', with a long horizontal line extending from the end of the signature.

M. Linares Castilla
Director
Barcelona, 31st May 2013



Statement GRI Application Level Check

GRI hereby states that **Meliá Hotels International** has presented its report "Sustainability Report 2012" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 17 May 2013

A handwritten signature in blue ink, appearing to read "Nelmar Arbex", is written over a faint, large watermark of the GRI logo in the background.

Nelmar Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because Meliá Hotels International has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

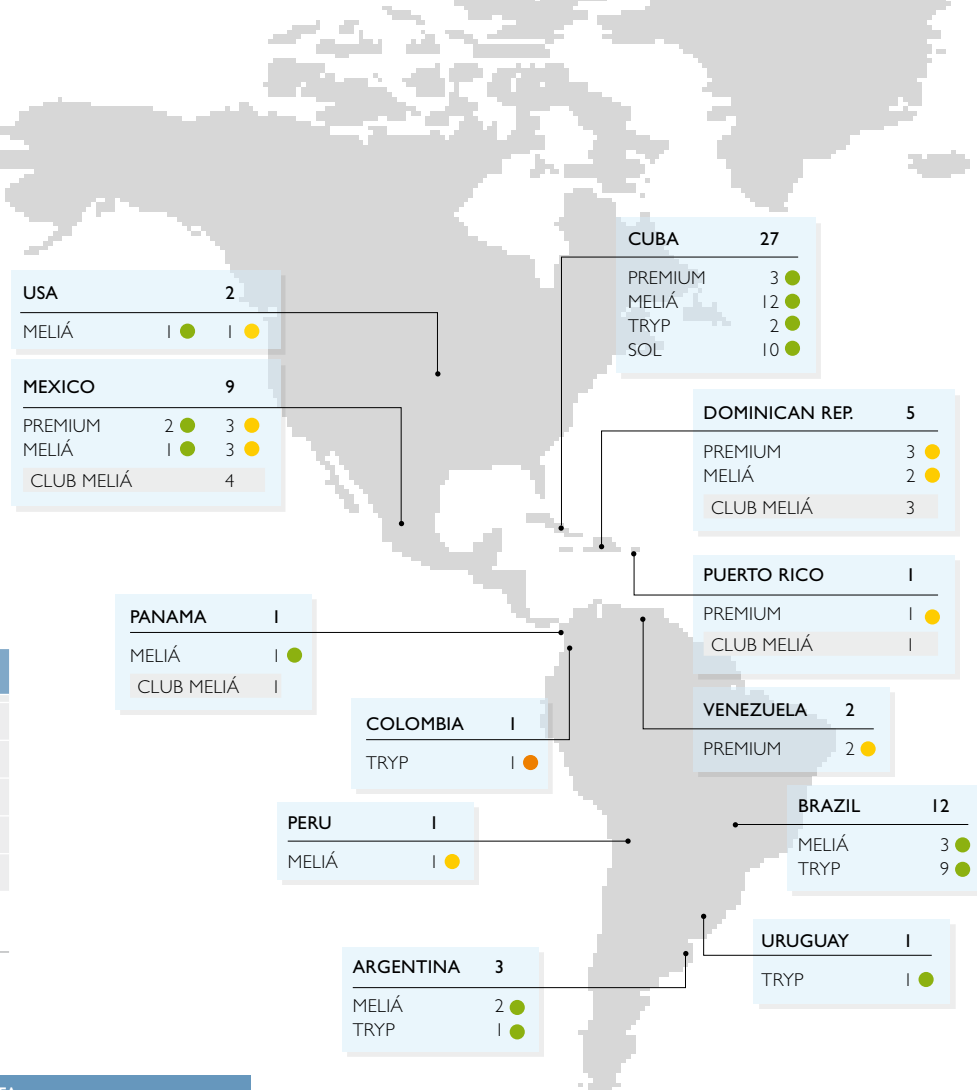
The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 9 May 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

COMPANY PROFILE

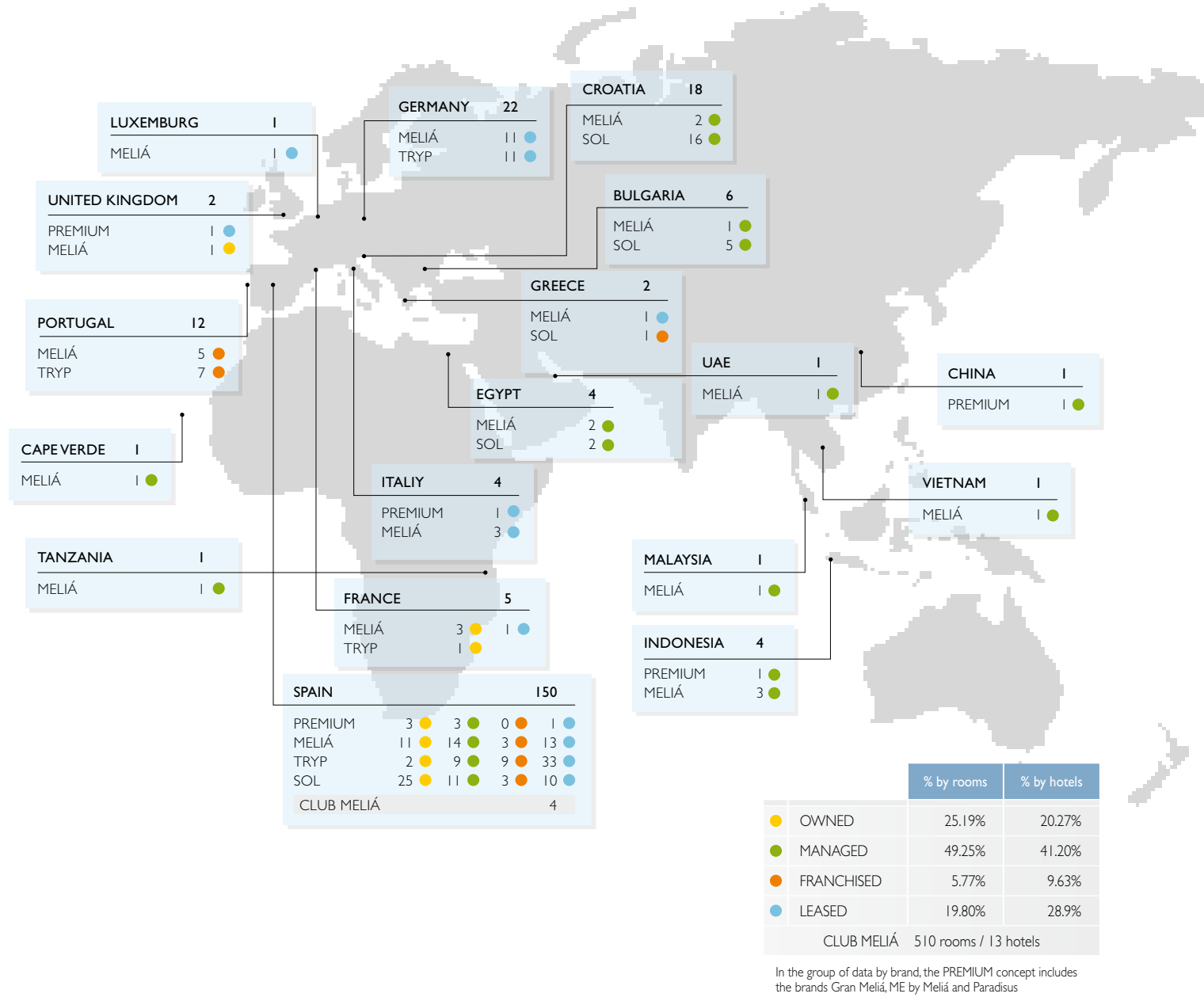
		% by rooms	% by hotels
OWNED		25.19%	20.27%
MANAGED		49.25%	41.20%
FRANCHISED		5.77%	9.63%
LEASED		19.80%	28.9%
CLUB MELIÁ 510 rooms / 13 hotels			

In the group of data by brand, the PREMIUM concept includes the brands Gran Meliá, ME by Meliá and Paradus



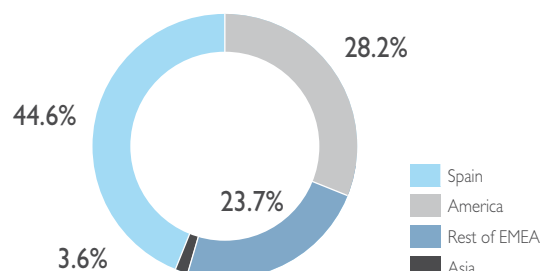
BASIC BUSINESS DATA			
	2012	2011	2010
RESULTS (in millions of euros)			
Revenues	1,362	1,335	1,250
EBITDAR	353	345	327
EBITDA	249	245	235
Net profit	42	41	52
Controlling company profit	37	40	50.1
Hotels			
Hotels	301	304	310
Rooms	77,196	77,631	78,598
Club Meliá (rooms)	510	571	489
Stays (millions)	27.5	27.1	25.9
BRAND DIVERSIFICATION (by room numbers)			
Premium	11.7%	12%	11%
Meliá	37.4%	36.50%	36%
TRYP by Wyndham	17.1%	18%	19%
Sol	33.8%	33%	34%
Sin marca	-	0.50%	-
CATEGORY DIVERSIFICATION (room numbers)			
3 star	15.30%	15%	16%
4 star	48%	47%	47%
5 star and 5 star deluxe	31.20%	32%	31%
3 and 4 keys	5.49%	6%	6%
CITY / RESORT DIVERSIFICATION			
City	40%	40%	41%
Resort	60%	60%	59%
NUMBER OF EMPLOYEES			
Hotels and Corporate offices	37,471	35,946	34,352
Club Meliá	550	676	1,376

CURRENT POSITIONING OF MELIÁ HOTELS INTERNATIONAL	
Year Company founded:	1956
Year of IPO:	2 July 1996
Initial share price (after split):	€5.41
Ticker Symbol:	MEL.MC / MEL SM
Market where traded:	Continuous Market (Spain)
Listed on the Madrid Stock Market	
Number of shares:	184,776,777
Share price at 31/12/2012:	€5,775
Growth in value from issue to 31/12/2011:	6.75%
Growth in value from 31/12/2011 to 31/12/2012:	48.27%
Moody's rating cancelled on 27 August 2008	



	DIVERSIFICATION BY REGION											
	CITY						RESORT					
	%			ROOMS			%			ROOMS		
	2012	2011	2010	2012	2011	2010	2012	2011	2010	2012	2011	2010
Spain	19.47%	19.80%	20.57%	15,030	15,371	16,164	25.15%	24.62%	25.16%	19,414	19,114	19,779
America	8.68%	8.94%	8.90%	6,701	6,941	6,994	19.50%	19.90%	19.03%	15,054	15,450	14,954
Rest of EMEA	9.14%	8.87%	9.26%	7,055	6,882	7,275	14.51%	14.56%	13.80%	11,198	11,303	10,849
Asia	2.75%	2.51%	2.49%	2,122	1,948	1,961	0.81%	0.80%	0.79%	622	622	622
TOTAL	40.04%	40.12%	41.21%	30,908	31,142	32,394	59.96%	59.88%	58.79%	46,288	46,489	46,204

	DIVERSIFICATION BY REGION					
	TOTAL					
	%			ROOMS		
	2012	2011	2010	2012	2011	2010
Spain	44.62%	44.42%	45.73%	34,444	34,485	35,943
America	28.18%	28.84%	27.92%	21,755	22,391	21,948
Rest of EMEA	23.65%	23.42%	23.06%	18,253	18,185	18,124
Asia	3.55%	3.31%	3.29%	2,744	2,570	2,583
TOTAL	100.00%	100%	100%	77,196	77,631	78,598



MESSAGE FROM THE PRESIDENT



Dear Friends,

Once again this year, I am honoured to present this Sustainability Report, which provides a detailed insight into our Company's responsible behaviour towards all our stakeholders.

I am delighted to discover that, although 2012 could be defined as the height of the current crisis, Meliá Hotels International has remained true to its social, environmental and cultural commitments to the regions it operates in, shaping its strategy in order to reaffirm its position in those markets suffering the effects of the economic crisis, whilst at the same time maintaining the pace of its unstoppable international growth and continuing to generate value for our stakeholders that guarantees a sustainable outlook for the future.

2012 brought with it serious complications for Spain, in sharp contrast to the dynamic nature of our Company in other markets such as Latin America, the Caribbean, European cities, Asia or the Middle East. Without losing our firm grip on our financial balance, and in accordance with our Risk Map, we reacted to the situation by applying a two-speed strategy that consisted of imposing rapid growth rates and maximising revenue and margins in those markets, whilst stepping up our Contingency Plan for Spain and other countries such as Portugal or Greece.

In addition to cushioning the impact of the crisis in Spain, this dual strategy also enabled us to take advantage of booming financial markets such as Latin America, where hotel stays increased by almost 50%, or the evolution in consumption levels in the USA or Canada, as shown by the 21% rise in RevPAR (average revenue per room) at our Caribbean hotels. This also enabled our hotels to take advantage of the healthy growth rate in the business segment in European cities, or the boom in Chinese tourism to South-East Asian destinations such as Indonesia or Malaysia.

84% of our Company's operating results came from outside Spain, as part of our determined internationalisation strategy, 2012 saw the addition of a further 15 hotels, including 11 outside Spain.

Globally, employee numbers rose by 3.8%, and currently stand at 38,021. However, in addition to growth in this area, we are also aware that our presence in other countries and cultures brings with it new challenges in terms of sustainability. Our commitment for the coming years is therefore based on qualitative progress that will enable us to further improve our position as a responsible company in the principal destinations and markets we operate in. Particular mention should be made of the fact that 2012 saw the launch of our Responsible Purchasing pilot scheme in Mexico and the Dominican Republic that will be significantly developed in all other hotels over the next year.

In addition to our strategic focus, attention must also be paid to the evolution of our structure and organisation in order to maximise efficiency, communication and consensus between the functional and operating areas, placing our customers at the core of our organisation and sharpening up our decision-making processes. 2012 saw that start of work in this area under a new organisational model known as 'Competing by Design', which will be consolidated during 2013, making us better, more efficient and competitive.

Within the terms of this business context I am particularly proud to present our achievements regarding our commitment to responsibility, ethics and sustainability:

One of our major successes in social terms is the progress made by both our employees and customers around the world in the area of child protection and the prevention of child sexual exploitation: in just over a year and a half, our strategic alliance with UNICEF has exceeded the fund raising target set for the entire three-year period established by this agreement. We are also delighted to report major progress in terms of disability integration, targeting several work lines – namely physical accessibility in hotels, level AA accessibility for our new Corporate Website, as well as labour integration and vocational training for the disabled. This has been made possible to a large extent by our close collaboration since 2011

with the ONCE Foundation, a European leader in this field. Although this progress is currently centred in Spain, we have begun to extend these measures to the principal European countries we operate in.

2012 also saw the approval and internal publication of our first Code of Ethics, together with the Complaints Channel, which lends meaning and substance to the Company's values in specific areas, and is also one of the major public undertakings, made before our stakeholders.

In terms of environmental issues, in 2012 our efforts centred on moving ahead in the assessment and reduction of the Company's carbon footprint, as we announced last year. Since our initial involvement back in 2011 in the Carbon Disclosure Project Iberia, our Company's transparency rating has risen from 74 to 85 points, maintaining our level C performance classification. Through SAVE, our Energy Efficiency Programme, we have managed to cut CO2 emissions per room by 4.3% and water consumption by 6.4%. As part of our ongoing efforts for improvement and development, we have also recently received the EarthCheck seal for all our hotels in the Dominican Republic.

As for responsible investment, Meliá has once again been included on the FTSE4Good Ibex. Since 2008, the Company has featured on this index which is published each six months, targeting those investors interested in incorporating sustainability criteria into their investment decisions.

Last but not least, I would like to stress the fact that this report also reflects the major progress made in the area of people management, undoubtedly our most important stakeholder group. Particularly worthy of mention is the level of commitment (85.3%) and sense of pride in belonging (89.2%) revealed by our Commitment and Culture survey, mirroring the sense of involvement shown by our

human capital. In addition, for the first time ever we have carried out a global Performance Review, and have applied our values in defining our Leadership Model, designed to shape and guide the behaviour of our managers around the world.

You will also see that this Sustainability Report has once again been awarded an A+ Global Reporting Initiative Grade. In addition to increasing the number of reporting indicators, the structure of this year's report has also been modified slightly: on the one hand, we have started to move towards an Integrated Report, introducing several of the key related elements, whilst at the same time attempting to incorporate key information into the text of each chapter, opting to include all the data tables and time series in an appendix attached at the end of the document.

I would like to end by highlighting Meliá's determination to continue with its commitments to corporate social responsibility and in this sense, the publication of such a valuable management tool as the Sustainability Report is once again this year a cause of great satisfaction for everyone at the Company. We are confident that all our external stakeholders will find it useful as a means of getting to know us better through a true and faithful report of our responsible behaviour.

BUSINESS SUMMARY

SECTOR OUTLOOK

World Tourism Industry Growth in 2013

In 2012, the positive evolution of the world economy, together with an improvement in financial conditions, created a favourable climate for a 4% rise in the number of international tourist arrivals, which for the first time ever stood at over 1,000 million. Emerging economies ranked top of the arrivals list (+4.1%), regions in which most of Meliá Hotels International's growth is situated, followed by a healthy +3.6% rise in the case of advanced economies.

The start of 2013 saw a more favourable global situation, boosted by emerging markets and the USA, combined with a slight trend towards the stabilisation of financial conditions in the euro zone, pointing to continued positive growth for the tourism industry in 2013, albeit with variations between markets and regions. Indeed, the World Tourism Organisation forecasts that international tourist arrivals will increase by between 3% and 4%, led by destinations such as Asia, Africa and the Americas.

Spain is a clear example of this irregular evolution. 2012 was a particularly tough year for the tourism industry – especially in those cities with a low leisure-holiday travel component. The outlook for 2013 is again complex for domestic tourism, which will fail to grow, although holiday destinations are set to experience slight growth, thanks to the replacement of the domestic market for other, less price-sensitive outbound markets.

This is due to the fact that despite labour reforms and the reduction in the current account deficit – with the corresponding impact on the perception of the country – GDP and unemployment forecasts remain negative for Spain throughout 2013. As for other outbound markets, emerging markets such as China and Russia experienced a two point growth. Likewise, more traditional outbound markets such as Germany, the USA and UK, showed a solid evolution. Forecasts indicate

that like other destinations on the euro zone periphery, the arrival in Spain of foreign tourists from international outbound markets will once again partially compensate (in the holiday sector) for the fall in domestic tourism activity, affected by the economic situation, the drop in air traffic and the increase in VAT.

Latin America at the forefront of growth

In the case of **Latin America and the Caribbean**, the strength of outbound markets such as Brazil, Argentina, Colombia and Chile (which together account for a 47% rise in stays in the region) and consumer evolution in Canada and the USA account for much of the Company's 21% increase in RevPAR (in dollars). The Company also highlights a series of other elements, listed below:

- a. Sales efforts regarding the business groups in our Caribbean resorts (registering a 20% increase in 2012 that is expected to rise to 35% in 2013).
- b. The US e-commerce strategy which has led to a significant rise in sales via melia.com.
- c. The opening of two all-inclusive Paradisus complexes (906 rooms) in Playa del Carmen (Mexico), which are already consolidated as outstanding examples of the Paradisus brand's position on the market and proof of the way in which the Company's strategy for the Premium segment contributes to improved margins and profitability rates.

This trend has continued during the first few months of 2013, with booking requests showing a sharp rise, especially in the group segment.

In **Europe** (+4.8% RevPAR in the EMEA Division), the upward trend of 2012 is attributable to the strength of the principal German cities, the switch in target market of our hotels towards more corporate and international segments, especially in Paris, and a number of events such as the

Olympic Games in London. The macroeconomic situation of early 2013 in the euro zone and the UK led us to adopt a more cautious approach, and consequently our strategy is based on extending and developing customer base accounts in London, Paris and the major cities in Germany.

Factors such as the opening of the ME London (157 rooms) or the steady consolidation of the Gran Meliá Roma (116 rooms) are expected to have a positive impact on the international evolution of our Premium brands, consolidate our group base, attract new outbound markets and consolidate the support provided by strategic partners.

Spain, a destination of contrasts

As for Spanish holiday hotels, the upward trend registered in 2012 (+2.8% RevPAR) is due mainly to their increasingly visible profile on alternative European markets, namely Russia and other Eastern European countries and the e-commerce strategy, which has positioned melia.com in one of the key accounts for a considerable number of our hotels. Another factor for consideration is the fact that Spain is one of the world's favourite holiday destinations: 55.7 million international tourists visited the country, a 2.7% rise over the previous year's figure.

The urban segment was most affected by the downturn in domestic demand, especially in smaller cities and lower category hotels. The Company has set up a Contingency Plan designed to cut costs and maximise synergies, whilst ensuring that quality standards are maintained (following an increase of 0.6 basic points in 2012). This trend did not affect Bilbao or Barcelona, especially in the case of upscale and premium hotels, where exposure to the international market stands at over 62%. Overall, and taking into consideration the upscale and premium brands, the decrease in RevPAR in Spanish cities was a mere 0.2%.

The Company's first quarter results were extremely positive, mainly thanks to the resorts in Mexico and the Dominican Republic. Looking

ahead to the summer 2013 season, the pace of bookings and the sensations obtained from our presence at the major international travel trade fairs and showrooms (FITUR, ITB and MITT) point to a satisfactory summer season for the Company, with considerable growth in Eastern Europe and a promising upward trend in Central Europe. Overall, it is expected that the deceleration forecast for the domestic market will be offset by international traveller numbers.

During early 2013 the Company continued to note a lack of demand from companies, especially in secondary cities, although forecasts for Barcelona remain positive. The Company's strategy therefore remains firmly focused on targeting the international business travel sector and boosting its leisure component, mainly at weekends. Optimising our e-commerce strategy and reinforcing our loyalty programmes will once again play a key role in achieving these objectives.

In the light of the above, Meliá will be consolidating and strengthening its dual-speed strategy (intensifying foreign growth and margins, whilst applying contingency plans in Spain). The Company estimates a RevPAR growth for 2013 of an average single digit, attributable essentially to price considerations.

International expansion

Since the 1985 opening of its first international hotel, the Meliá Bali, the Company has enjoyed steady growth, although in the last few years the rate of international expansion has intensified. Thanks to the consolidated position of its brands, its management know-how and strong corporate values – in particular a vocation for service, excellence or innovation, Meliá Hotels International continues to consolidate its position as an outstanding hotel management option in international markets (either by variable lease or management agreements).

Indeed, 2012 saw the addition of a new hotel to the Company's portfolio every three weeks, a growth

rate that is expected to continue throughout 2013. The Company's portfolio currently includes 45 hotels with 13,725 rooms - signed and pending opening – that will become operational over the next few years.

As for the Expansion Map, emerging markets and Latin America and the Caribbean in particular remain a clear priority. Meliá has also stepped up expansion in the Asia-Pacific region, doubling its signed portfolio in just two years, thanks to new hotels in China, Indonesia and Vietnam. In this sense, the agreement recently signed with Greenland, one of China's biggest real estate groups, together with the previously announced alliance with tourism group Jinglang, will also further contribute to Meliá's growth and consolidation in the region.

Moreover, Meliá will continue to further consolidate its presence in the major European capitals, focusing particularly on the UK, Germany, France and Italy. In this sense, short-term actions will include new hotels in Vienna, France (Meliá La Défense), and new Ininside establishments in Germany and the UK. Recent openings in Italy (Gran Meliá Roma) and London (ME London) have placed us at the forefront of the European luxury hotel sector, and represent a crucial leap forward in terms of the positioning of our premium brands.

In Spain, the Company remains committed to its selective growth strategy, centring its attention on innovative products designed to maintain demand levels and contribute growth to the Company's hotel portfolio. Examples include the Sol Wave House (194 rooms), the Beach House (100 rooms) or the new Sol Katmandú Park and Resort (422 rooms), all contemporary and innovative products included in the Calviá Beach Resort project that aims to revitalise a tourist resort situated in Magaluf in the south-west of Mallorca, and where the Company has 3,500 rooms. The two new Ininside hotels in Madrid mark the launch of the Ininside brand in Spain, a business travel concept which offers the Company vast potential for growth.

Debt reduction

Meliá Hotels International has continued to comply fully with its quarterly financial covenants and in financial terms, its objectives for 2013 are as follows:

1. Debt restructuring: The Company's objective is to extend part of the debt that matures in 2013 and 2014 from 5 to 7 years (€377M and €447M respectively, excluding policies), mainly in order to obtain capital market funding. Taking advantage of the positive situation of the bonds market in order to obtain more favourable maturity dates and to focus on growth, in 2013 the Company launched a successful bonds issue to a value of 200 million.

2. Gradual balance sheet deleveraging: As for its gradual debt reduction target, the Company intends to channel its free cash flow and asset sales – with a minimum undertaking of €100M per year – into steadily reducing its debt during the 2013-2014 period.

OUR BUSINESS MODEL

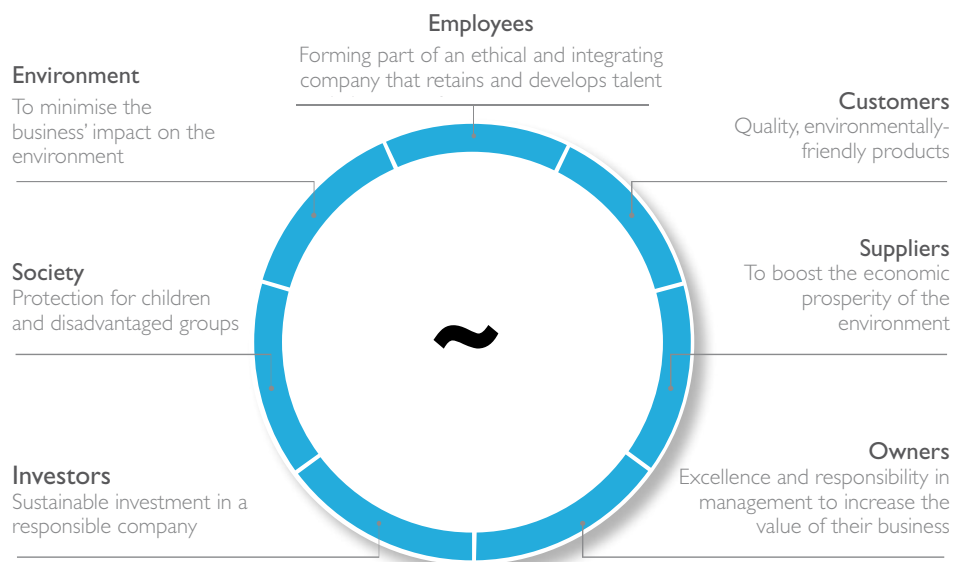
VALUE PROPOSAL

Meliá Hotels International offers global accommodation experiences and services based on criteria of excellence, responsibility and sustainability. As a family business, our aim is to contribute to making the world a better place.

In terms of integrating sustainability into the chain of value, the Company's sustainability strategy lies at

the core of its business, running transversally throughout the chain of value in order to satisfy its stakeholders' expectations.

Integrating sustainability frequently implies considering new ways of cooperating with suppliers and owners, as well as dealing with customers, collaborators and society in general.



MANAGEMENT STRUCTURE

The Company's founder, Gabriel Escarrer Juliá, continues to hold the post of President. Gabriel Escarrer Jaume is the Vice President and Chief Executive Officer.

Presidents (EVPs), with responsibility for the following areas: Hotels, Real Estate, Club Meliá, Finance & Administration, Legal & Compliance and Human Resources.

The Senior Executive Team (SET) is made up of the Chief Executive Officer and the Executive Vice

Presidencia



Gabriel Escarrer Juliá
Founder and President



Gabriel Escarrer Jaume
Vice President and Chief Executive Officer

Senior Executive Team



André Gerondeau
EVP Hotels



Mark Hoddinott
EVP Real State



Onofre Servera
EVP Club Meliá



Pilar Dols
EVP Finance & Administration



Juan Ignacio Pardo
EVP Legal & Compliance



Gabriel Cánaves
EVP Human Resources

LA13-5-6 > Board of Directors

The senior governing body of Meliá Hotels International is the Board of Directors. It currently has twelve members: 2 Executive, 6 Independent and 4 Proprietary.

The category of each of the Board Members of Meliá Hotels International corresponds to the definitions established in section 3 of the Unified Code of Good Governance of Listed Companies.

For more information on the board's composition see section B.I of the Financial Report.

NAME OF DIRECTOR OR COMPANY	REPRESENTATIVE	POSITION
GABRIEL ESCARRER JULIÁ		President
GABRIEL ESCARRER JAUME		Vice President; Chief Executive Officer
ALFREDO PASTOR BODMER		
AMPARO MORALEDA MARTÍNEZ		
BANCO SABADELL, S.A.	ENRIC ROVIRA MASACHS	
FERNANDO D'ORNELLAS SILVA		
FRANCISCO JAVIER CAMPO GARCIA		
HOTELES MALLORQUINES CONSOLIDADOS, S.A.	M ^a ANTONIA ESCARRER JAUME	
JUAN ARENA DE LA MORA		
JUAN VIVES CERDA		
SEBASTIAN ESCARRER JAUME		
LUIS M ^a DIAZ DE BUSTAMANTE Y TERMINEL		Secretary

Executive Director	
Independent Director	
Proprietary Director	

BUSINESS MODEL

Hotel Business

At Meliá Hotels International we provide global accommodation services and experiences under the following brands: Gran Meliá, ME by Meliá, Paradisus Resorts, Meliá, Inside by Meliá, TRYP by Wyndham and Sol.

Our seven brands cover the midscale, upscale and premium brands and target both leisure and business customers. Meliá Hotels International is one of the world's largest holiday hotel companies as well as the Spanish leader in its sector.

The Meliá Hotels International business model is based on operating, managing and franchising hotels that generate revenue in a number of ways, depending on the operating system of each establishment.

-
- **Ownership:** In this case ownership and management of the hotel business lies with Meliá Hotels International.
-
- **Management:** Meliá Hotels International advises on the running of the hotel business, acting by delegation of the hotel proprietor, who retains ownership and responsibility for said business.
-
- **Lease:** Meliá Hotels International is the lessee of the business or hotel, and also owner of the business carried out therein.
-
- **Franchise:** In this case, Meliá Hotels International temporarily grants permission for one of its brands and the know-how associated thereto to be used by a third party, owner of the hotel business, to operate on its behalf under the franchised brand and in accordance with the activity parameters recommended by Meliá Hotels International.
-

In the hotel business, income is obtained from the operation of the Group's own and leased hotels and revenue generated by operations at the managed and franchised hotels.

Real Estate Business

The Real Estate area has a two-fold objective, namely maximum profitability of the Company's real estate assets and their efficient use in order to extend the range of services offered to customers.

It foment the sustainable profitability of the Group's assets, guarantees the quality of the real estate portfolio, optimises the life cycle of its assets, draws up mid and long term investment plans, promotes and maintains relations with real estate partners and investors and commercialises and manages residential developments, shopping malls and golf courses. In order to take full advantage of all its hotels' sports and catering facilities, the Company has set up a number of strategic alliances with experts in each area.

Holiday Club Business

Club Meliá is Meliá Hotels International's holiday club, the only one of its kind in the Spanish hotel industry. It was formed in 2004 with the objective of completing the Company's range of holiday products.

The club guarantees all members one week's holiday a year for a 50 year period. Members acquire a holiday currency known as Options which can be exchanged for a holiday period at a wide selection of the Company's hotels or a network of 4,000 affiliated complexes.

Club Meliá currently has more than 27,000 members around the world. Holiday club income is obtained from the sale of shared use rights for specific units in holiday complexes for a specified period of time.

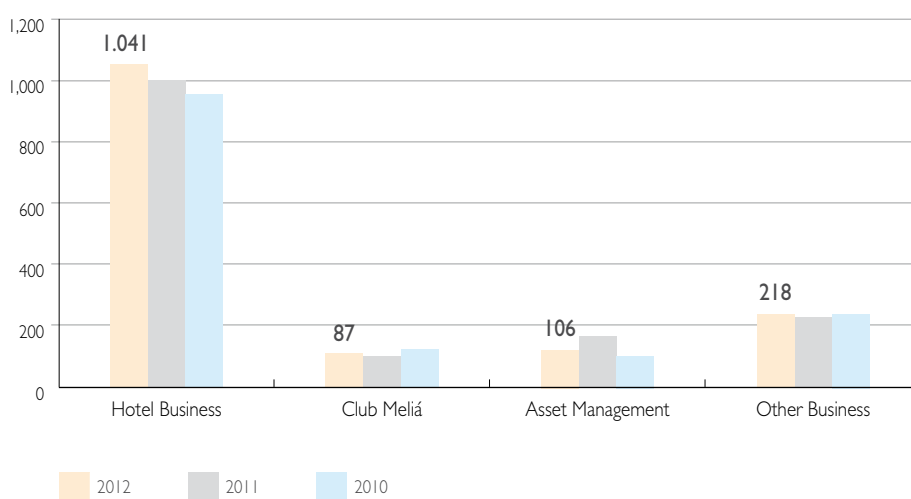
Other Businesses

This includes revenue generated by activities related to leisure, rest and relaxation or recreation, as well as the management of other activities such as casinos.

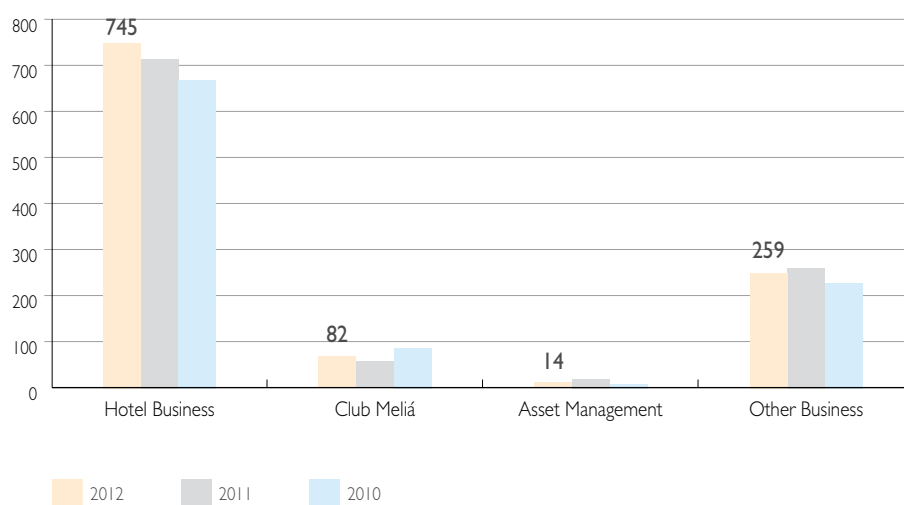
A detailed breakdown of the 2012 profit and loss statement can be seen in Table [→ !\[\]\(c8d96c8885d3000a912c2582004aed63_img.jpg\) RNI AP-PENDIX F.](#)

For further details of the business results, please refer to the chapter on Economic Value.

Income by business segment (€M)



Expenditure by business segment (€M)



OUR BRANDS

Designed to satisfy the needs of every guest on every occasion. From exclusive luxury to family holidays, or the functionality and state-of-the-art technology of the most sophisticated convention hotels.







Our seven brands have their own corporate Culture of Service, guaranteeing guests quality, experience and total satisfaction thanks to personalised service programmes and Guest Experience Management.

PUNTA CANA, DOMINICAN REPUBLIC

In order to commemorate World Recycling Day, which took place on 17th May, the Sustainable Tourism and Activities departments at the Hotel Paradisus Palma Real Resort organised a workshop where guests could make photo frames from recycled materials. The workshop was run by women from the Haití Chiquito community, for whom these products are a means of supporting their families. This activity gave them the opportunity not only to teach others their craft, but also to sell their products.



Premium Brands

		
		
<p>Traditional luxury with an avant-garde touch. Gran Meliá has created a series of top class hotels and resorts guaranteed to delight even the most seasoned of travellers</p>	<p>ME by Meliá are impeccable establishments, meticulously designed in order to satisfy the demands of today's most demanding guests. Customers for whom travel has developed from more than just a journey to become an extension of their lifestyle. People with a love for life who see travel, their careers and professional commitments as forming part of a whole</p>	<p>Experiences in the world's most luxurious all inclusive resorts, offering guests signature cuisine created by famous chefs with an international reputation, the stunning YHI Spas and unique, personalised service that will fully satisfy our guests' every wish during their holiday.</p>
<p>6 countries 11 hotels 3,695 rooms</p>	<p>3 countries 5 hotels 1,197 rooms</p>	<p>3 countries 9 hotels 4,114 rooms</p>
<p>Competitive Set</p> <ul style="list-style-type: none"> • The Luxury Collection (Starwood Hotels and Resorts) • Sofitel Luxury Hotels (Accor Hotels and Resorts) • JW MARRIOTT Hotels & Resorts (Marriott Hotels and Resorts) • Intercontinental Hotels & Resorts (IHG Hotels and Resorts) 	<p>Competitive Set</p> <ul style="list-style-type: none"> • W (Starwood Hotels and Resorts) • Morgans • Edition (Marriott Hotels and Resorts) 	<p>Competitive Set</p> <ul style="list-style-type: none"> • Sandals (Sandals Resorts International) • Secrets (AMResorts) • Westin (Starwood Hotels and Resorts)
<p>Service Culture Red Glove Service www.gran-melia.com</p>	<p>Service Culture Everything is possible www.me-by-melia.com</p>	<p>Service Culture Pure Freedom www.paradisus.com</p>

Uppscale Brands

MELIÀ
HOTELS & RESORTS



More than 90 hotels and resorts in prime leisure and business locations around the world. Hotels that stand out for their superb settings and perfect mix of design and functionality in leading tourism and business destinations.

25 countries
98 hotels
27,596 rooms

Competitive Set

- Hilton (Hilton Hotels & Resorts)
- Marriot (Marriott Hotels and Resorts)
- Hyatt (Hyatt Hotels)
- Sheraton (Starwood Hotels and Resorts)
- NH Hotels

Service Culture

Passion for Service
www.melia-hotels.com

INSIDE
BY MELIÀ



Inside Hotels are four and five star establishments located in Germany's major cities, and there are plans to expand the brand to Spain. Hotels with their own unique personality, eye-catching architecture characterised by spectacular avant-garde designs guaranteeing guests a truly unforgettable experience.

1 country
9 hotels
1,275 rooms

Competitive Set

- AC Hotels by Marriott
- Aloft (Starwood Hotels and Resorts)
- Indigo (InterContinental Hotels Group PLC)
- Radisson Blue (Radisson Blu Hotels & Resorts)
- 25 Hours (Design Hotels)
- Novotel (Accor Hotels)
- Holiday Inn (InterContinental Hotels Group PLC)
- Motel One (Motel One Group)

Service Culture

The Inside Touch
www.inside.com

Midscale Brands



When you stay at a TRYP, the city is at your feet. Barcelona, Berlin, Buenos Aires, Frankfurt, Lisbon, Madrid, Paris, São Paulo... more than 90 hotels situated around the world. Enjoy city life to the full!

9 countries
86 hotels
13,234 rooms

Competitive Set

- NH Hotels
- AC by Marriott
- Barceló Hotels & Resorts
- Novotel (Accor Hotels)
- Hilton Garden Inns (Hilton Hotels & Resorts)
- Courtyard by Marriott

Service Culture

Own the City
www.tryphotels.com



Holiday hotels that guarantee fun and leisure in leading tourism destinations such as the Mediterranean, Caribbean or the Canary Islands

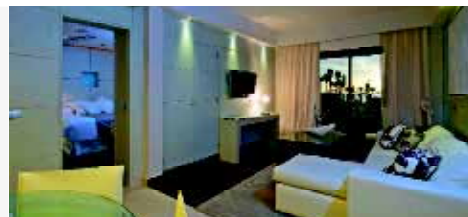
6 countries
81 hotels
25,726 rooms

Competitive Set

- Iberostar Hotels & Resorts
- Riu Hotels & Resorts
- H10 Hotels
- Barceló Hotels & Resorts
- Fiesta Hotels & Resorts

Service Culture

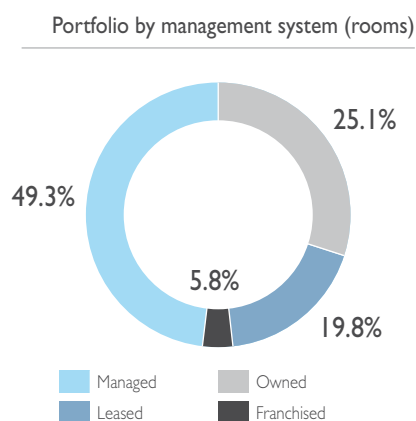
Vive el Servicio
www.sol-hotels.com



Club Meliá is a club designed to provide its members with a wide range of exotic and spectacular destinations for their holidays, year after year. Members can enjoy first class service with accommodation options offering everything you need for a family holiday

5 countries
13 hotels
510 rooms

HOTEL MANAGEMENT



One of the key areas of action included in the Company's Strategic Plan 2012-2014 is the shift from a propriety company with hotels under management agreements to an asset ownership and management company.

At 31st December 2012, 41.20% (124 hotels) in the Company's hotel portfolio and 49.25% (38,016

rooms) of its room portfolio were operated under this system.

Revenue in this business segment is generated by management fees. Table → [RN4 in APPENDIX F](#) provides a breakdown of revenue by region for 2012 and 2011.

ASSET MANAGEMENT

Following an intense final quarter in terms of asset rotation, EBITDA capital gains for 2012 totalled €77.2 M, compared with €127.8 M in 2011.

Below are details of the principal asset rotation operations for financial years 2012, 2011 and 2010 and their impact on EBITDA:

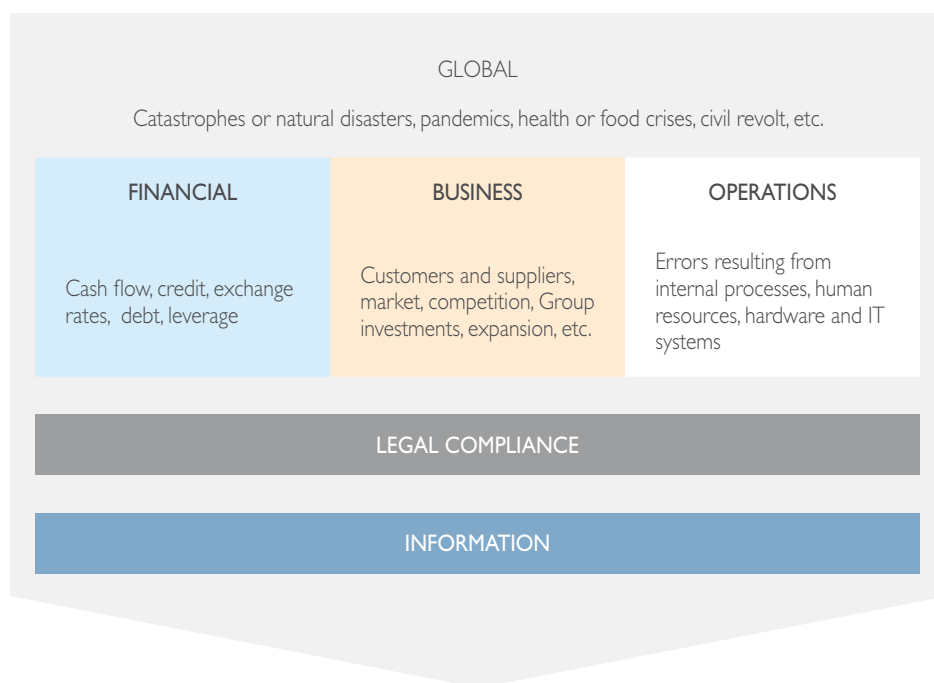
Furthermore, certain Company assets registered an increase in value to an impact of €15 M in 2012, compared with an appreciation of €5.2 M in 2011.

	ROOMS			PRICE (M€)			CAPITAL GAIN (M€)		
	2012	2011	2010	2012	2011	2010	2012	2011	2010
TRYP Blanche Fontaine	66			12.8			8.7		
ME Cancun	417			61.2			27.8		
TRYP Bellver	384			30.0			18.6		
Sol Magalluf park	422			20.1			11.7		
Sol S'Argamassa	215			18.0			10.5		
Meliá Lebreros		437			49.3			16.8	
Meliá Milan		288			34.4			47.7	
Meliá Atlanterra		285			20.4			8.2	
Sol Antillas Barbados		757			55.0			19.4	
Sol Galúa		177			12.0			4.8	
Sol Tenerife		522			49.0			18.3	
TRYP de Saxe		51			14.0			8.2	
ME London		157			22.2			0.7	
Terrenos Cozumel					6.2			3.7	
Sol Pelícanos Ocas			794			73.8			54.2
TRYP by Wyndham Gallos			119			10.1			5.5
TOTAL	1,504	2,674	913	142.1	262.5	83.9	77.3	127.8	59.7

Note: In 2010 the capital gains from the sale of Tryp were not included in the Leisure Real Estate Division, but in Other Businesses and Corporate, representing 33.5 million Euros at the EBITDA level.

RISK MANAGEMENT

Meliá Hotels International operates in a number of countries with varying socio-economic environments and regulatory frameworks. The risk structure facing the Group can be classified as shown below:



1. **Global risks.** Resulting from events that are beyond the performance scope of economic agents
2. **Financial risks.** Relating to financial variables and resulting from the difficulty the Company may have in meeting its commitments or liquefying assets
3. **Business risks.** Resulting from the evolution of intrinsic business variables, such as demand, competitors and markets, strategic uncertainties or major changes
4. **Operational risks.** Relating to the errors resulting from internal processes, human resources, hardware and IT systems
5. **Compliance risks.** Resulting from changes in regulations defined by different regulators and/or non-compliance with applicable legislation or internal policies and norms

In addition to the Group's various policies and internal regulations, the Company also has a **Code of Ethics** approved by the Board of Directors in March 2012 (see section 1.7)
6. **Information risks.** Related to events caused by the inappropriate use, generation and communication of information

RISK MANAGEMENT MODEL

The Risk Management model is based on Enterprise Risk Management (ERM) COSO II methodology, allowing for the drawing up of the Group's Risk Map, following the consolidation of the various Individual Risk Maps corresponding to the various departments and business areas. This model is therefore applicable to and covers the entire organisation.



Furthermore, the Company also takes as a reference risks and their geographical location as classified by the FTSE4Good IBEX, on which it is listed. In accordance with the countries we operate in, the following are our potential areas of risk:

- **Corruption risks:** According to FTSE4Good criteria, Meliá Hotels International is considered to be at average risk as it complies with two of the three assessment criteria, namely a company operating in the travel and leisure sector and present in the following countries:

- | | |
|----------------------|----------------|
| • Argentina | • Mexico |
| • Brazil | • Panama |
| • Bulgaria | • Peru |
| • China | • Saudi Arabia |
| • Cuba | • Tanzania |
| • Dominican Republic | • Venezuela |
| • Egypt | • Vietnam |
| • Indonesia | |

- **Risks related to Human and Labour Rights:** According to FTSE4Good criteria, Meliá Hotels International is considered to be at average risk due to its presence in the following countries:

- China
- Cuba
- Egypt
- Saudi Arabia
- Vietnam

- **Environmental impact risks:** According to FTSE4Good criteria, Meliá Hotels International is considered to be at average risk in terms of environmental impact due to the eco-footprint of this economic sector.

November 2011 saw the approval of the Company's General Policy for Risk Control, Analysis and Management. The aim of this policy is to define the model and general framework of action for the control, analysis and assessment of the potential risks the Company faces.

The risk management model is based on a series of key principles and undertakings:

- a. To foment an appropriate internal environment and a culture of risk awareness.

- b. To align strategies to the risks detected.
- c. To guarantee a sufficient level of independence between the areas responsible for risk management and those responsible for their control and analysis.
- d. To identify and assess the range of risks affecting the Group, guaranteeing their ownership.
- e. To ensure the appropriate management of key risks.
- f. To improve the decisions adopted in response to the risks detected.
- g. To provide integrated responses to multiple risks.
- h. To provide ongoing and transparent information and communication flows regarding Group risks at all levels.
- i. To act at all times in accordance with the legislation in effect, the Group's internal regulations and Code of Ethics.

Risk Control and Analysis Regulations guarantee the correct and efficient operation of the Risk Control system by laying down rules, guidelines and criteria for the process of updating the Company's Risk Maps, thereby ensuring that they are at all times fully aligned with its strategies, leadership model, culture and values.

Protocol of Action for the Detection of Criminal Offenses

Following the modification of the Spanish Criminal Code, acknowledging the criminal liability of legal entities, Meliá Hotels International has set up an advisory project for the design and development of a Protocol of Action for the detection and prevention of criminal offenses.

The project was developed in two phases: an initial analysis of the internal structure in order to assess the Company's exposure to risk in terms of various criminal offenses, followed by an analysis to determine whether the control systems implemented are suitable and sufficient in mitigating risk; and a second phase, focused on those areas where insufficient control was detected, and which consisted of the creation of additional measures to increase control levels and which has led to the drawing up of a Plan of Action.

HR6-I y HR5-I >

One of the conclusions reached following the analysis phases was that none of the criminal offenses to which the Company is exposed can be classified as high risk. Regarding those where there is a moderate potential risk, measures have already been imposed in order to mitigate said risk to a reasonable extent.

At all events, Meliá Hotels International is gradually implementing the measures put forward in the

Plan of Action in order to minimise in all cases exposure to the risk of criminal offenses.

Meliá Hotels International's Audit and Compliance Commission has been regularly updated of the progress and results of this project.

I. STRATEGY AND SUSTAINABILITY

I.1 STRATEGIC PLAN 2012-2014

MELIÁ HOTELS INTERNATIONAL



THE PILLARS FOR STRATEGIC TRANSFORMATION

- The move from a propriety company with hotels under management agreements towards an asset ownership and management company
- The shift from cost-oriented strategies to a clear focus on the generation of revenue, coupled with efficient cost management
- To convert its portfolio from Asset Heavy to Asset Light
- To boost sales in its own channels, offering a more personalised product

Meliá Hotels International tackled the first year of its Strategic Plan 2012-2014 within a global economic context that displayed weaker signs of recovery than expected, a trend that is particularly in evidence in the economies of Southern Europe.

This overview clearly reveals the variation in evolution of the economic situation inside and outside Spain. In the light of this situation, Meliá Hotels International has come up with two differentiated lines of action within its Strategic Plan, as discussed earlier.

In this sense, throughout 2012 priority was given to initiatives that made the greatest contribution to achieving the key objective strategies against the background of the current situation.

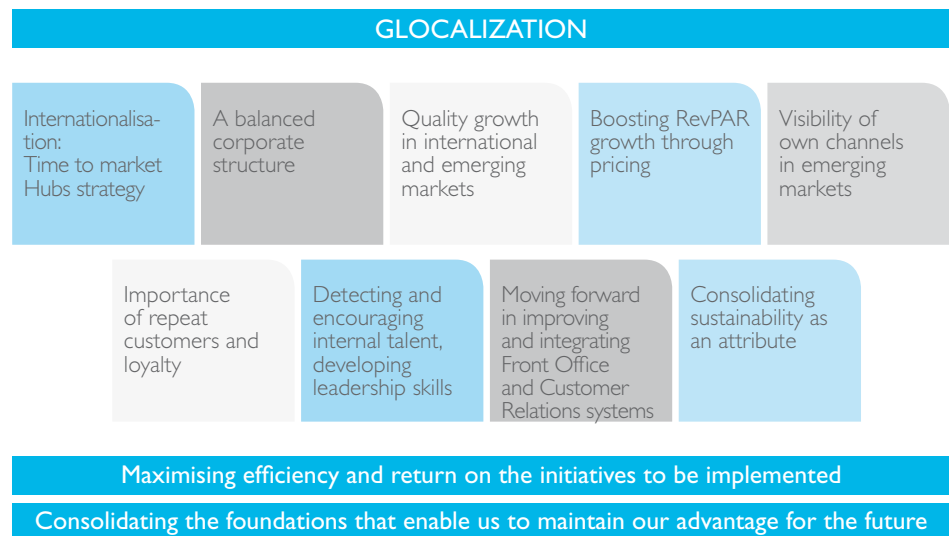
In addition, the initiatives have also taken into consideration the following criteria:

- Globalization
- Maximising efficiency and return
- Boosting competitive advantage

Despite the implementation of a two-speed strategy, the development and results of the five strategic lines and three strategic levers has been both balanced and satisfactory.

The major achievements and results of the first year of the strategic plan are given below:

Strategic Focus



STRATEGIC GUIDELINES

Management model

Following an in-depth internal analysis and a review of the best market practices, a number of initiatives have been implemented in order to strengthen Meliá Hotels International's value proposal as a hotel management company.

These initiatives include actions in various areas to cover the services and added value Meliá Hotels International offers owners. These actions require major efforts in terms of adapting its corporate culture.

It must be remembered that the Company's future business model will be centred on growth through low capital intensity formulas or joint ventures and strategic partners.

Meliá Hotels International's already boasts consolidated and widely-acknowledged experience in this management model, in countries such as Cuba and Brazil, as well as in Asia where the entire portfolio in these areas is managed under this system – a total of 46 hotels and 15,467 rooms.

Progress has also been made in the implementation of a new organisational model aimed at boosting customer and business proximity, a key competitive advantage for Meliá Hotels International that boosts both the Company's values and its leadership model, providing guaranteed efficiency and glocalization.

Several of the principal objectives are given below:

- To position corporate services closer to the hotels by decentralising operational functions and centralising strategic functions and policy definition.
- To expand the Company's process architecture, systems and human resources to its international operations, thereby smoothing the path for decentralisation whilst at the same time securing a global vision and control over the business.

In line with the Company's ambitious internationalisation plan, 2012 saw a review of the principal processes and tools that guarantee the acquisition of properties that provide maximum added value and contribute to the business. In this sense, website visibility of the Expansion Division has been improved, as have the marketing materials used by the Expansion team, and the internal mechanisms used for the entry of new additions have been strengthened.

Actions have also been put in place in order to achieve closer proximity and improved communication with owners. One such initiative is the creation of the Owners' Portal, which the owners of Meliá Hotels International brand hotels can access online. The aim is to provide them with full details about the Company and ongoing updates of all the latest news and initiatives.

Furthermore, work has continued on the brand strategy and standards with the creation of global functions that monitor their soundness and balance within an increasingly decentralised environment.

Mention must be made of the determined efforts to position the Inside brand as a major reference in the urban hotel industry in key cities around the world. The creation of Inside hotels in Madrid marks the start of the brand's operations in Spain, a business travel concept of major importance for the Company due to its tremendous growth potential.

Meliá Hotels International has achieved consolidated maturity in terms of the added value it offers the owners of the hotels it manages with regard to global sales leadership, the promotion of its own commercialisation channels and its loyalty programme. The principal achievements in these areas are discussed in the section on the strategic lines of action related to customers and income.

Expansion and Emerging Markets

In 2012 the Company continued with its ongoing internationalisation plan, based mainly on low capital intensity formulas, further strengthening its upscale and premium brands. A total of 6 new hotels opened in this period, adding a further 859 rooms. Particularly worthy of mention are the flagship hotels in key destinations such as Rome (Gran Meliá Roma), Dubai (Meliá Dubai) and London (ME London), adding to the Company's portfolio.

A major milestone in this sense was the addition of the ME London, a 157 room lifestyle hotel designed by Foster & Partners boasting a wide range of restaurant services in collaboration with New York gastronomy group The ONE. This opening is a vital step forward in the Group's growth strategy targeting major European cities and offering quality and differentiated products, as well as a valuable new addition to London's luxury hotel sector.

Other key achievements include the opening of two resorts in Calviá (Balearic Islands): the Sol Wave House and the Beach House, an innovative proposal based on the rehabilitation of a mature tourism destination.

In 2012 the Company added a new hotel to its portfolio every three weeks.

By December 2012, Meliá's expansion portfolio included 42 hotels and a total of 12,470 rooms, 91% of which are top category, and all operated on low capital intensity formulas (variable leases and management). 90% of these hotels are situated outside Spain, and 58% in emerging markets.

Meliá Hotels International will continue to reinforce its international growth plan, supported by the strength of its brands and a management model based on variable lease and management agreements.

Within this context, emerging markets and Latin America and the Caribbean will remain the Group's priorities.

Meliá has also stepped up its growth rate in the Asia-Pacific region, doubling its signed portfolio

in just two years, thanks to new hotels in China, Indonesia and Vietnam. In this sense, the agreement recently signed with Greenland, one of China's biggest real estate groups, together with the previously announced alliance with tourism group Jinglang, will also further contribute to Meliá's growth and consolidation in the region.

Moreover, Meliá will continue to further consolidate its presence in the major European capitals, focusing particularly on the UK, Germany, France and Italy.

In Spain, the Company remains committed to its selective growth strategy, centring attention on innovative products designed to maintain demand levels and contribute growth to the Company's hotel portfolio.

None of these achievements, which have added to the Meliá Hotels International portfolio, would have been possible without the Company's firm commitment to allocating increased resources to the expansion division, its global vision and determination to assigning resources to those areas showing opportunities for growth.

Culture of Revenue and Client 360°

The Strategic Plan 2012-2014 included two clearly differentiated lines of action. However, developments in 2012 and the Company's customer-oriented focus has led to the merging of these strategic areas into a single line known as Meliá Client that will group together all the strategies with an integral vision in order to maximise revenue and personalise the services offered to our customers.

In addition to focusing on its internationalisation strategy, the Company has also further reinforced its regionalisation strategy in Meliá's principal national and international destinations. The key reason is to provide the regions with the necessary management resources and sales forces, whilst at the same time strengthening our distribution strategy via direct channels and our proximity to our customers and business.

BARCELONA, SPAIN

Since 22nd June, the Meliá Barcelona has been collaborating on a weekly basis with the Emmaús social dining room situated in a parish close to the hotel. The hotel provides around 50 good quality meals, mainly for elderly persons or families in a position of extreme vulnerability.



An essential part of this strategy is the redistribution of the sales teams, focusing efforts on outbound markets, as well as developing and implementing new process and tools in order to consolidate the change in corporate culture, centred on providing added value and generating revenue.

In line with the introduction of the Company's new organisational model and in order to channel all Company efforts towards revenue generation, a series of major organisational changes have been carried out in the Sales and CRM & Loyalty departments.

In this sense, work has continued on shifting revenue generation from various geographical divisions to other areas of the Company (outbound strategy).

The Company expects to be able to obtain maximum advantage from the creation of strategic initiatives aimed at boosting growth and margins in its business outside Spain:

- I. The introduction of the Revenue culture implies:
 - a. Redirecting the organisation towards a structure that is more clearly focused on generating revenue, accompanied by cost control
 - b. Maximising RevPAR through an increase in the average room rate in order to boost profitability
 - c. Reinforcing the fastest-growing segments and outbound markets
2. The promotion of customer loyalty through enhanced awareness, new proposals offering added value at melia.com and securing high levels of satisfaction.
 - a. Boosting and optimising the Company's own commercialisation channels
 - b. Developing a loyalty strategy based on customer awareness as the key lever to revenue generation
 - c. Turning the social networks into a channel for communication and specification

The Company has relaunched its **Meliá Rewards** loyalty programme, designed to improve customer confidence and satisfaction. 40% of the partners are international and the programme has become a major source of income for the Company: its 3 million members generate 50% of all sales at melia.com and revenue compared to non-member customers has increased by an average 12% by stay. The new programme aims to enhance the Company's international reputation by using the corporate brand name.

By optimising its e-commerce strategy, the Company registered promising figures in the evolution of sales made through its direct channels (melia.com and voice), which stood at €174 M, a 15.7% rise over the previous year. The evolution of the melia.com channel is of particular relevance, as sales totalled €152.5 M, an increase of 23.2%.

Progress in the awareness strategy and customer relations model made a significant contribution to the results obtained.

Thanks to its geographical diversification and increased leisure travel profile, together with the work carried out along these strategic lines, the Company recorded a significant increase in revenue per available room (RevPAR) in 2012.

Real Estate Strategy

The Company intends to consolidate its real estate owner function, creating and using value for the Group, with the following objectives:

1. To secure asset rotation and management based on sustainable profitability for assets and the contribution of brand equity for the hotel brand's own properties. This formula is designed to guarantee growth for both the Company and its shareholders.
2. To use the Group's own assets as a lever for the brand growth strategy and the development of standards.

HANOI, VIETNAM



In order to commemorate International Nelson Mandela Day on 18th July, the Meliá Hanoi joined forces with the South African Embassy in coordinating donations for the *Tuy Anm* Rehabilitation Centre situated in the Bavi district. This centre provides a home for over a hundred children aged between 6 and 18. All the residents suffer some type of illness or have been orphaned. The hotel donated 120 gifts as well as milk and biscuits, together with a large birthday cake to celebrate Nelson Mandela's 94th birthday.

3. To optimise value performance per m² of real estate
4. To boost the use of mixed models as a means of facilitating the Group's expansion

2012 saw the sale of a series of assets that allowed for the diversification of risk and the reduction of the Company's debt levels.

Another key development was the creation of a proactive real estate portfolio management model that takes into consideration the various sources of asset value generation and proposes the best possible development option, not merely through hotel operations, but also including other commercial uses, which in turn act as a complement to the hotel activity.

The Company aims to channel cash flow and asset sales into reducing its debt levels for the Strategic Plan period.

Another line of action in the Real Estate strategy is to promote the transformation of a number of holiday hotels located in mature environments through integrated projects and with the cooperation and support of public and government bodies. The Calviá Beach Resort tourism project clearly reflects a number of the Company's strategic premises, namely a commitment to innovation; tailoring the products to suit our customers' needs and requirements; and keeping one step ahead of future demand in order to remain at the forefront of the tourist industry, whilst remaining committed to sustainability, in the amplest sense of the term, as a key competitive advantage.

STRATEGIC LEVERS

Talent Management

Progress in this strategic lever was centred on identifying and encouraging internal talent and defining the Meliá leadership model, boosting its implementation and development, and analysing and integrating the change in corporate culture into the new Talent Management model as well as incorporating the Company's new values.

Actions included identifying those persons with a high degree of potential for their inclusion in Meliá Hotels International's 'Talent Pool'. This process of identifying key individuals extended to both the human capital employed in the business units included in the Group's portfolio, as well as those employees working in the corporate offices in the various geographical regions, thereby generating a Talent Pool that benefits from the Company's cultural diversity.

This group is made up of individuals that stand out for their potential and performance, positioning them as future candidates for key posts within the organisation. Career development plans and itineraries have been mapped out for this group.

Mention must also be made of the implementation of a key tool for integral talent management based on a performance appraisal model. The Performance Review has been implemented in all corporate departments around the world, and an initial phase has been set up in the business unit management divisions. Linked to this tool, the Company has also redefined the development model for corporate staff aimed at implementing our culture, values and leadership model.

The Talent Management lever has also played a key role in defining the Company's processes and adapting our organisational model in order to facilitate the implementation of our Strategic Plan, the Company's culture and values and its leadership model.

This project is designed to align functions and processes in order to provide an efficient and effective response to the demands arising from the Company's expansion and internationalisation strategies, facilitate the decentralisation of our business model and boost market awareness and proximity, strengthening our criteria of coherence and competitiveness, and guaranteeing fast and effective decision making.

A number of other projects and initiatives have also been carried out within the scope of this strategic lever; several of which are listed below:

- Meliá Hotels International's new skills dictionary
- Definition of a new development model for the management of junior executives in the business units
- Moving Up: a tool targeting the entire organisation for the communication and diffusion of vacancies
- The adaptation of the Commitment and Culture survey – Tienes la Palabra ('Over to You' in English) to the Company's new values, together with a series of tools designed to identify actions for improvement for each of the affected areas.
- Review of the Expat Policy

Technology

Technology and its application in business as a means of increasing profitability, customer knowledge, improvements to processes and boosting revenue and productivity through flexible and efficient processes is a demand that places considerable pressure on companies today.

This demand has led the Company to integrate a lever into its current Strategic Plan designed to secure business objectives and growth, based on adapting technology to current needs.

The priority for this strategic lever in 2012 was to move forward in improving and integrating Front Office and Customer Relations systems. With this objective in mind, a series of projects were set up:

1. Evolution of the PMS solution (Property Management Systems):
 - a. Centralised server virtualization and consolidation
 - b. Simplified deployment
 - c. Process standardisation
2. Customer relations and sales tools:
 - a. Commitment to a global CRM solution

3. Gradual move towards Cloud technology for certain IT solutions and systems

Sustainability Positioning

Sustainability plays an inherent part in Meliá Hotels International's present and future corporate positioning. It is therefore considered a cornerstone for the business model as it guarantees the sustainable generation of economic value. < EC2-I

The principal objectives of this lever are listed below:

- Progress in the public positioning of Meliá Hotels International as a sustainable company
- Alignment of the sustainability strategy with our stakeholders' expectations
- Minimisation of the environmental impact of our activity
- Introductions of sustainability assessment mechanisms

During 2012 the Company made considerable progress towards achieving these objectives by carrying out the following projects:

- Publication of the first Meliá Hotels International Code of Ethics (see section 1.6)
- Commitment to Childhood (see section 5.3)
- Measurement of the business units' eco-footprint (see section 3.4)
- Creation of the Sustainability Certification Policy (see section 3.3)
- Launch of the Responsible Buying pilot scheme (see section 8.2)
- Integration of disability (see section 4.8)
- Cooperation with academic institutions (see section 5.4)
- Institutional presence in various forums (see section 1.4)



THE EXPERT PANEL

What is it? The Expert Panel is a forum for dialogue and trust made up of different stakeholders and high-ranking representatives of the Company, where they can talk freely in the quest for common interests.

What is it for? The panel has a series of specific functions, including:

- Advising on the promotion, execution and development of relations and commitments to Meliá Hotels International's stakeholders.
- Assessing the Company's action plans in sustainable development and social responsibility.
- Facilitating interlocution, dialogue and communication between civil society and the Meliá Hotels International group.
- Sharing the panel's reflections or recommendations with the Administrative Council.
- Sharing opinions, assessing and helping Meliá Hotels International in the specific processes of corporate dilemmas brought to its attention.

THE REACH® MODEL: SYSTEMATIC WORK WITH STAKEHOLDERS:

Corporate Diplomacy involves representing our stakeholders before the Company, ensuring that their voice is heard, whilst at the same time guaranteeing that Meliá Hotels International is properly represented before its stakeholders.

To achieve these objectives, the Company has released its own dialogue model with its stakeholders: MELIÁ REACH®.

REACH® is an acronym which not only has connotations of closeness ('reaching' closer), but also harbours the concepts of 'Recognises', 'Acknowledges', 'Answers' and 'Changes'. These concepts, in this order, describe the phases in the dialogue process.

Meliá RECOGNIZES

The first phase defines the stakeholders, where they are and how we can reach them. Meliá Hotels International has a database with a qualified network of people representing its universe of stakeholders. Meliá Hotels International's seven stakeholders are: customers, employees, owners, investors, suppliers, society and the environment.

Meliá ACKNOWLEDGES

In this second phase, Meliá Hotels International prepares meeting points with its stakeholders. The main source of active listening is called the Meliá Hotels International **Panel of Experts on Sustainability**.

The results obtained from this active acknowledgement enable us to build the bridges required to allow Meliá Hotels International to be an open company, willing to integrate its stakeholders' expectations in its management.

Meliá ANSWERS

Meliá Hotels International is growing in its knowledge of its stakeholders' expectations, and in this way is able to build a specific value proposal for each one.

Meliá CHANGES

In this phase, the goal is to transform the proposals into actions, adapting the company's policies and activities to the stakeholders' expectations. The implementation of these proposals is the responsibility of the different management areas.

This change can at times generate closer relations which become a formal partnership or a joint venture in projects with organisations from civil society.

I.2 INNOVATION

Innovation: Because we evolve by staying ahead of ourselves in order to be better everyday

In order to secure sustainable growth and tackle new market challenges, Meliá Hotels International has focused on innovation as a lever for the transformation and evolution of its business model, generating new scenarios and opportunities, as well as a differentiated and competitive value proposal.

One of the most outstanding examples of this new approach is the Calviá Beach Resort, an ambitious joint public-private project in whereby Meliá Hotels International acts as the generator for change, providing a responsible management model committed to its environment.

Calviá Beach Resort: CSR-based innovation

The Calviá Beach Resort project, whose initial phase was launched in 2012, is a clear example of Meliá Hotels International's responsible and committed approach to its environment.

The project has successfully secured the involvement of public and private agents in transforming the Magaluf area into a socially, environmentally and economically sustainable destination. The participation of the Govern Balear (the islands' regional government), guaranteeing the necessary infrastructures and alliances with leading international brands such as Wave House and Nikki Beach for the creation of a leisure offer, have contributed to the success of this project, which was opened in record time thanks to the commitment shown by the various companies involved and the Public Administrations.

2013 saw the start of phase two of this project, whose success is based on the integration of Magaluf in its surroundings, the repositioning of the destination by improvements to both the offer and area, and enhancing its value and sustainability. Benefits for the local population and the sector include the repositioning of the area, the introduction of a new, more diversified and better quality offer targeting population segments with a high purchasing power, as well as a reduction in seasonality and an increase in the presence of other markets.

Awards

In 2012 the Company once again received various prizes, awarded to individual hotels, brands and the Company. Particularly worthy of mention is the Ulysses Lifetime Achievement Award granted to our President, Gabriel Escarrer Juliá, by the World Tourism Organisation, a similar distinction at the latest edition of the World Hospitality Awards, held in France, and the Placa al Mérito Turístico (in English 'Plaque for Tourism Merit') awarded to our Company by the Spanish Ministry of Industry, Energy and Tourism for the **Calviá Beach Resort** project and the collaboration between the public and private sectors in reconvertng a mature destination.

In the area of CSR, Meliá Hotels International's also received the prize for Contributions to Improving Corporate Development at the third edition of the **Sustainability Awards** organised by the **Official Spanish Chamber of Commerce in Brazil**, and the Meliá Bali was once again proclaimed Indonesia's Leading Green Hotel.

A full list of the awards obtained by the Company's hotels is available for consultation in the table included in Appendix F.7 → [Awards received by the Company and its hotels in 2012](#).

Innovation Model

As part of the Company's commitment to open innovation, 2012 saw the creation of the **Meliá Innovation Exchange-MiX**, a global project targeting the entire organisation and which includes a series of initiatives designed to lay the foundations for a culture of innovation based on collaboration and transversality, as well as the optimisation of knowledge and ideas:

- **Open Innovation Platform – Pilot scheme:** This open innovation pilot scheme was launched on 25th June, enabling us to pose a strategic challenge to the organisation on a global scale offering a two-fold benefit: the chance to receive proposals from all areas of the Company aimed at improving revenue and the global exchange of knowledge and best practices.

Pipeline Development

REGION	HOTELS	ROOMS
AMERICA	10	2,898
EMEA	13	2,583
PREMIUM EUROPE	1	253
MEDITERRANEAN	6	4,073
SPAIN	6	1,054
ASIA-PACIFIC	6	1,609
TOTAL	42	12,470

1.3 DEVELOPMENT

The expansion strategy aims to strengthen Meliá Hotels International's global leadership, prioritising growth in emerging markets, major European cities and Latin America, consolidating our position at the forefront of the holiday segment with a low capital intensity model based essentially on variable lease and management agreements.

At the end of 2012 Meliá Hotels International's expansion pipeline was made up of 42 hotels that will open in a number of regions between 2013 and 2015, as shown in the *Expansion Pipeline table*.

1.4 INSTITUTIONAL PRESENCE

< SO5-1, 2 y 3

Through its presence in different forums and events, Meliá Hotels International aims to strengthen its ties and relations with civil society, multilateral organisations, public administrations and prominent individuals, such as opinion leaders.

In 2012 the Company's institutional presence was centred in tourism-related bodies, as well as business, executive management, sustainability and social responsibility organisations, as well as academia, as shown on the institutional presence map.

Map of Meliá Hotels International's institutional presence in 2012 < SO5

	GLOBAL	NATIONAL	LOCAL
COMPANY	 	  	   
CSR	   	    	 
SECTOR	  	 	

In the light of the economic crisis currently affecting Spain, Meliá Hotels International has defined more restrictive association and presence actions for 2012 onwards, in keeping with the Company's strategy. The idea is to give priority to those organisations whose activity is centred on

the hotel and tourism industry, with a particular focus on international organisations.

The 2013 Presence Map reflects these changes and alignment with the Company's objectives.

1.5 PUBLIC COMMITMENTS

Meliá Hotels International has four working strands that represent the confluence of the external dimension of sustainability and social responsibility with the internal and more operative dimension.

All four are focused on constant improvements. These four public commitments are the following:

BIOSPHERE CERTIFICATION



In November 2009, the Institute of Responsible Tourism, endorsed by UNESCO, granted Meliá Hotels International certification as a Biosphere Hotel Company.

Status as a Biosphere Hotel Company is granted to companies that foster the social, cultural, economic and environmental development of the regions where they operate.

The process of earning Biosphere Certification is renewed annually and involves ongoing improvements to the processes and systems that support the inclusion of sustainability.

SUSTAINABILITY REPORT



The Sustainability Report is a tool for communication and dialogue with the Company's stakeholders. It pursues the goal of sharing non-financial information on the result of the past financial year in its economic, environmental and social dimensions in a truthful, comprehensive and transparent way.

The Sustainability Report is drawn up every year and serves as yet another tool for detecting and renewing commitments.

GLOBAL COMPACT

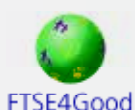


Meliá Hotels International subscribed to the principles of the Global Compact in late October 2008. The Global Compact is an international initiative proposed by the United Nations with the goal of fostering corporate citizenship.

Today it is represented in a total of 4,000 companies in 116 different countries. Adhesion to the Global Compact means a commitment to compliance and the diffusion of its ten principles.

Subscription to the Global Compact entails a process of biannual renewal which provides ongoing support in identifying opportunities for improvements in the procedures.

FTSE4GOOD IBEX



This index includes the average and highly capitalised stocks on the Spanish stock market that are currently included in the FTSE4Good Index.

The FTSE4Good Index has become a benchmark indicator known worldwide by investors who want to identify companies with responsible business practices. The launch of the FTSE4Good Index came in response to investors' rising interest in socially responsible investment in Spain.

The FTSE4Good Index is updated every half-year and provides ongoing support in identifying opportunities for improvements.

Meliá Hotels International has been listed on this index since 2008 and was the first hotel company to be included.

BALI, INDONESIA

On 18th July, and as part of its commitment to the promotion of traditional Bali Culture, the Meliá Bali organised the Mecaru Procession, held in the complex's temple, offering guests the chance to take part in an authentic Bali Hindu ceremony. The Mecaru ceremony is the first to be held on the complex in aid of a good cause. The principal procession was the Mecaru Resigana (held in the temple), whilst the Mecaru Lebur Sangsa procession took place in the area around the hotel. This traditional ceremony was celebrated to banish negative omens and bring good fortune to both the hotel's employees and guests.

1.6 MELIÁ HOTELS INTERNATIONAL CODE OF ETHICS

Origin and Publication

The diversity of cultures and settings in which Meliá Hotels International is present makes it necessary to establish some lines of action that ensure coherence with the principles and values of the Group, irrespective of the role and the environment of each person.

The Code of Ethics is born of the need to convey security in the sense that all decisions adopted within the Group, not just in terms of its employees but of all stakeholders as well, will be coherent with our principles and values.

Following the identification of the major stakeholders with whom the Company wishes to regulate its relations, a series of behaviour guidelines were drawn up.

The results of this initial exercise were put before a panel of three external academic experts specialised in business ethics. They were also put to the consideration of an internal group of Company employees and executives.

In March 2012 the Board of Directors approved the final version of the Code, which was followed

by the drawing up of a Communication and Awareness-Raising Plan. Approval for this plan was given early in December 2012 and on 14th December 2012 the Code of Ethics was made available internally to all employees.

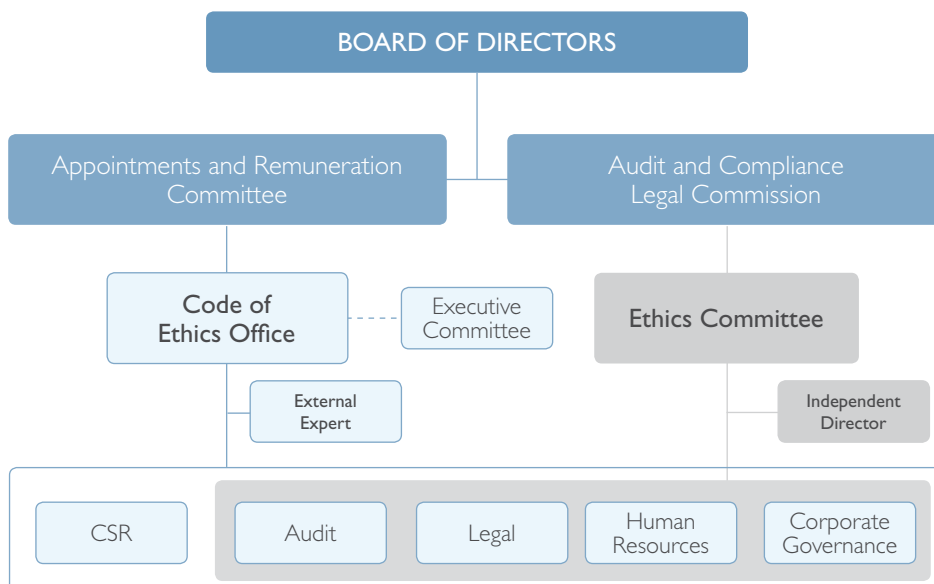
The publication of this Sustainability Report is the first step in securing external awareness of the Code of Ethics. It will be followed by a series of diffusion initiatives from both the headquarters in Spain and the regional offices, targeting the Company's major stakeholders.

Meliá Hotels International's first Code of Ethics is freely available for consultation on the corporate website.

www.meli-hotelsinternational.com/codigoetico

Objectives of the Code of Ethics

Meliá Hotels International's Code of Ethics is a series of principles and actions that regulate and add significance and substance to the Company's values, whilst at the same time providing guidelines on how they should be applied and prioritised. Its objective is to offer employees a sense of confidence and



protection as they go about their work and must not be seen as a sanctioning or a merely regulatory code. Instead, it is the cornerstone for the entire internal regulatory framework, laying down the foundations on which the policies, regulations and internal processes and procedures are built.

It is a firm public commitment undertaken by the Company before its stakeholders. The global crisis of recent years and the Company's current situation, shaped by its new values and determined efforts towards increased internationalisation, has made this the ideal time to adopt and launch the Code of Ethics.

Code of Ethics Management Bodies

There are two management bodies for the Code of Ethics: the **Complaints Channel**, whereby any action or performance contrary not just to the Code of Ethics but to any rule, process or internal procedure may be reported, and the **Code of Ethics Office**, before which any doubts or clarifications that may arise regarding the content of the Code and its application may be brought.

Code of Ethics Office

The **Code of Ethics Office** is the principal management body of the Code. Rather than a functional unit, it is a committee that coordinates all activities related to the Code of Ethics. Its principal function is to channel information and therefore it is made up of representatives from those departments with the greatest responsibility for monitoring, implementing and putting the Code into practice.

The main functions of this Office are as follows:

- To interpret and resolve any queries that arise
- To make any necessary changes or updates to the text of the Code of Ethics
- To raise awareness and provide training in its contents
- To provide support for the corporate departments and divisions in the various destinations
- To act as a permanent advisory body regarding the use of the various tools, awareness raising actions and the adjustment of new and existing processes

Ethics Committee

The **Ethics Committee** is an independent body of a disciplinary nature whose principal function is to manage the **Complaints Channel**. The Ethics Committee must guarantee the correct reception, management and coordination of the complaints and investigation procedure via the Complaints Channel, initiate any necessary investigations and propose any corresponding sanctions.

Its principal functions are as follows:

- To ensure the correct implementation and application of the Complaints Channel
- To guarantee confidentiality
- To define complaint response and processing periods
- To filter malicious and inappropriate uses
- To define the seriousness scales, subject classification and Audit Committee notifications
- To carry out monitoring activities

Complaints Channel

This channel is the principal communication tool for complaints regarding compliance with the Code of Ethics, business principles, legislation in effect, conflicts of interest and/or all other matters related to a possible breach of regulations, internal controls, financial statements and situations or events that may require the attention of Meliá Hotels International's Senior Management.

It was launched simultaneously with the Code of Ethics in order to enable all Company employees, including direct and indirect collaborators and regardless of the nature of their labour contract or the country they work in, to directly report any complaints they may have via this channel.

In order to guarantee the objectivity and privacy of these processes, the Complaints Channel application is managed by a third party and hosted on servers outside the Company. Complaints are sent directly to the President of the Audit and Compliance Commission.

2. CORPORATE GOVERNANCE VALUE

KEY FIGURES

50% independent directors

cf. 45% in 2011

€2.26 million total remuneration for directors

cf. €2.45 million in 2011

€2.41 million total remuneration for senior management

cf. €2.39 million in 2011

LAI3-5 y 6 > 2.1 BOARD OF DIRECTORS

The regulation of the corporate governance of Meliá Hotels International S.A. is contained in its bylaws, in the regulations of the Administrative Council and in the Internal Rules of Conduct on matters related to the stock market, which are available to shareholders and investors both at the Company's headquarters and on its website (www.meli-hotels-international.com) under the section on Corporate Governance.

2012 saw the resignation of Proprietary Director: CAM was replaced by Banco de Sabadell at the General Shareholders Meeting held on 13th June 2012. The General Shareholders Meeting also appointed two new Executive Directors: Fernando D'Ornellas Silva and Francisco Javier Campo García.

With these new appointments the Company has increased the ratio of Independent Directors on Meliá Hotels International's Board of Directors, which now stands at 50%.

Meliá Hotels International also has two Executive Committees that report directly to the Board: the Audit and Compliance Committee and the Appointments and Remuneration Committee, whose composition and functions are governed by the Board of Directors Regulations.

In accordance with the recommendations for good corporate governance, Meliá Hotels International restructured both committees in order to increase the presence of Independent Directors. The current composition of both committees is shown below:

Audit and Compliance Committee

NAME	POSITION
JUAN ARENA DE LA MORA	President
ALFREDO PASTOR BODMER	Member
AMPARO MORALEDA MARTÍNEZ	Member
JUAN VIVES CERDA	Member

Independent Director

Proprietary Director

Independent Director
Proprietary Director



BYLA, BULGARIA

The Sol Luna Bay Resort was the venue chosen for Meliá Hotels International's charity event, held on 11th and 12th August. Over a two-day period, guests at the hotel had the opportunity to take part in a charity draw offering a wide range of prizes, purchase a balloon containing a wish, try their hand at T-shirt painting, create clay figures or even paint the windows. All the money raised from this event was used to finance repair work on the local orphanage.

Appointments and Remuneration Committee

NAME	POSITION
AMPARO MORALEDA MARTÍNEZ	President
FERNANDO D'ORNELLAS SILVA	Member
FRANCISCO JAVIER CAMPO GARCIA	Member
Hoteles Mallorquines Consolidados, S.A.	Member

2.2 TRANSPARENCY

Meliá Hotels International has implemented a self-appraisal process whereby the Board carries out an annual assessment of its own performance, as well as that of the Executive Committees. This process also includes an appraisal of the Vice-President and Chief Executive Officer.

Conflicts of Interest

With regard to possible conflicts of interest that may arise within the Board, article 28 of the Regulations of the Board of Directors defines a control mechanism which obliges directors to report any situation of direct or indirect conflict which may affect Company interests. Furthermore, article 15.2 of the same Regulations states that it is the responsibility of the Appointments and Remuneration Committee to report to the Board any such situation and propose the measures to be taken to avoid any such conflict.

Bonuses of Senior Executives

The short-term variable remuneration of Meliá Hotels International's senior executives is based on a performance-related system. This remuneration is obtained by aligning goals with the organisation's strategic objectives.

Long-term remuneration is divided into three major areas: Share Value Evolution, Financial Solvency and Business Indicators. In contrast, there is no link between the remuneration of the senior governing body and the organisation's performance, as the amounts received by the Board members correspond to expenses for attending Board or Executive Committee meetings.

Meliá Hotels International S.A. publishes an annual report detailing the Executive Directors' remuneration which is submitted to a consultative vote at the General Shareholders Meeting. The contents of this report are available for consultation on the Company's website.

2.3 INTERNAL POLICIES AND REGULATIONS

Meliá Hotels International has a series of compulsory internal policies and regulations designed to govern key aspects of certain processes or functions, and which form the basis for the implementation

of control mechanisms and systems. All these internal policies and regulations are available for consultation on the Group's intranet (Employees' Portal).

2.4 MANAGERIAL BEHAVIOUR

Meliá Hotels International has established a number of Managerial Behaviour policies that regulate the behaviour of its management staff and which, regardless of any applicable legislation, must be adhered to by all Group managers. These regulations govern matters such as conflicts of interest, the use of confidential and privileged information, equal opportunities and complaints, etc.

In addition, management staff and all those employees whose functions provide them with access to privileged or confidential information are required to sign the Internal Code of Conduct regarding all matters related to the securities market.

Meliá Hotels International has an internal manual for the Prevention of Money Laundering, designed

to safeguard the organisation from the possible use by third parties of Group means for the laundering of money obtained from activities such as drugs and arms trafficking, terrorism and organised crime.

This consists essentially of compulsory administrative checks and, where necessary, the provision of information in order to detect and/or impede such practices, in full compliance with the legislation in effect.

Although Meliá Hotels International does not have a specific anti-corruption training programme, the fight against corruption forms an essential part of the Company's values, which determine that management must always be guided by ethics. < SO3-I y 2

2.5 AUDIT

A total of 225 internal audits were carried out during the course of 2012, compared with 168 in 2011. In 2012, the Internal Audit Department did

not detect any fraudulent use of corporate assets or cash for the personal benefit of particular employees. < SO4-I y 2

2.6 REGULATORY COMPLIANCE

SO6 > In 2012 Meliá Hotels International made no financial contribution or payment in kind to any political party.

The Company limits its possible contributions to political parties solely to exceptional cases and in strict compliance with the laws in every country. These contributions must be duly reported to the Administrative Council and duly registered. Under no circumstances shall these contributions be used to pressure political party leaders to adopt decisions through which we can secure or maintain business.

With regard to Spain, the Company is aware that, pursuant to the provisions of applicable law,

if it were to make non-finalist contributions as referred to in Article 4 of Law 3/1987 of July 2 on the financing of political parties, it must obtain a receipt for the amount and also observe the terms and conditions provided for therein.

In 2012 Meliá Hotels International has not received any significant² sanctions due to monopolistic practices or breaches of free competition. However, the Company was sanctioned due to the lack of a replacement lifeguard at the pool of the Sol Antillas Barbados Hotel, whilst the principal lifeguard was at lunch. The sanction amounted to EUR 16,850. < SO7-I y 2 < SO8-I y 2

¹ Average period for 2012 over the reference average for the years 2007-2011, for the 180 hotels included in the SAVE project since 2007. The Company's eco-footprint was first calculated in 2011.

² Significant sanction: A sanction of more than 5,000 euros in amount, or that seriously affects the operations of a business unit, preventing it from operating normally.

3. ENVIRONMENTAL VALUE

3.1 VALUE PROPOSAL AND KEY FIGURES

‘Minimising the impact of our business on the environment’

30 hotels with environmental certification

cf. 27 in 2011

Reduction of 4.3% in kg CO2 per stay¹

cf. 5.9 in 2011

Reduction of 6.4% per m3 of water consumed per stay¹

cf. 9.8% in 2011

3.2 COMMITMENT TO THE ENVIRONMENT

Travel and tourism generate considerable pressure on the natural environment, not so much due to the danger of their impact, but rather the sheer size of the industry. We should view the tourism industry under the criterion of sustainability: respecting the environment and the local culture and helping to develop the local economies, which should have repercussions on social improvements. Clients are increasingly aware of their responsibility and of companies' responsibilities. We are living at a time when, for the same price, customers prefer to stay in a sustainable hotel. However, due to the evolution in the collective consciousness, it will not be long before this becomes an actual requirement.

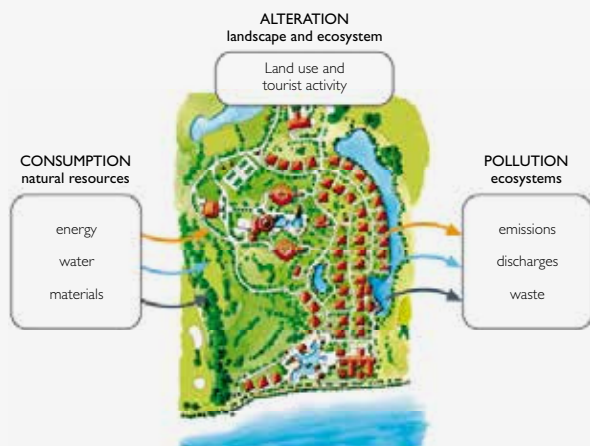
On the other hand, if the industry's top asset, the environment, is not cared for, tourism destinations

will be left without a product to sell. The *Climate Vulnerability Monitor* 2010 has calculated that more than two and a half million people live under the threat of desertification – a danger that is particularly important in the USA and Spain – and that this figure will multiply by four by the year 2030. Sustainable innovation and management will be the key to dealing with this environmental circumstance.

For this reason, Meliá Hotels International has taken on the commitment to contribute to preserving the environment and landscape, checking the impact of its activities and fostering awareness of sustainability among all its stakeholders.

¹ Average period for 2012 over the reference average for the years 2007-2011, for the 180 hotels included in the SAVE project since 2007. The Company's eco-footprint was first calculated in 2011.

3.3 ENVIRONMENTAL MANAGEMENT



Regarding the environment, how we act must be determined by the relevance of the environmental impacts that are typically associated with hotel activity, and which can be divided into four areas:

Energy and emissions

Mitigating the effects of climate change, mainly through energy savings and efficiency, and by controlling and reducing emissions of pollutants into the atmosphere.

Water

Reducing water consumption and controlling waste discharges.

Biodiversity

Protecting and conserving ecologically important habitats, and preserving their wealth in biodiversity.

Resource consumption and waste management

Minimising the environmental impact caused by the consumption of resources and the generation of waste.

HANDBOOK OF SUSTAINABLE DEVELOPMENT

This is a document that defines the basic guidelines for the Company's actions in sustainable development. The goal is for hotels to gradually adopt these guidelines within the means available to them, either individually or through initiatives spearheaded by the corporate headquarters.

The main principles of action include some whose compliance is regarded as a key priority within each area. Therefore, the hotels must focus on achieving these principles gradually, bearing in mind any possible technical, operative or economic conditions that may arise. These minimum compulsory criteria may vary as the action priorities determined by corporate headquarters change.

Environmental management forms an integral part of Meliá Hotels International strategy through its inclusion in the global sustainability policy, from which a number of activities and principles are drawn and included in the Company's Strategic Plan.

The strategic lever for Sustainability Positioning includes the Company's undertaking to do everything in its power to limit its contribution to climate change. The approaches and strategies adopted in this sense are described in this chapter.

The Central Offices define the outlines for environmental protection. These are then developed into a series of actions or projects that contribute to reducing the hotels' environmental impact and ensure the protection of their surroundings during day-to-day operations.

The different activities aim to respect the principle of 'think globally – act locally'. To achieve this, on the one hand we aim to preserve the natural environment in the destinations where the company operates, and on the other hand we attend to our activities on a global level, aiming to reduce the overall impact of our business on the planet.

There is also a forum for hotels to share their experiences and best practices. Communication between hotels and central offices is encouraged, as well as between the hotels themselves, in order to convert best practices into standard practices.

With regard to the initiatives to mitigate the impact of our activity and apply the principle of precaution, in 2012 a number of environmental criteria were included in the new pre-opening procedures which must be reviewed before any newly-built or newly-purchased hotel is opened. The criteria to be reviewed include:

- Availability of relevant corporate environmental information.
- Waste management.
- Control of liquid waste to drains or directly to the natural environment.
- Energy and water efficiency.
- Control of atmospheric emissions.
- Existence of native flora.

Sustainability Certification

Hotel environmental management systems can act as tools for constant improvement in day-to-day operations and their impact on the natural environment. Certification by independent third parties confers greater credibility and transparency on the activities carried out by the hotel.

In this context, in addition to the environmental impact, hotels with management systems which integrate other aspects of sustainable development also focus on the impact of the business on the socio-economic and cultural environment in the location.

EN26-1 >

A number of hotels operated by Meliá Hotels International hold ISO 14001 environmental management system certificates and the EMAS

European Regulation. However, priority is given to specific tourism industry certificates that cover the three areas listed above.

In this sense, a number of the Company's hotels are certified in accordance with **EarthCheck**, **Biosphere Hotel** and **Travelife** standards. By the close of 2012 a total of **30 hotels were in possession of sustainability certificates**, compared with 27 in 2011. The number of certificates stood at 34, a rise of 4 over the 2011 figure of 30, as shown in the table listing the **certified hotels**.

Quantitative information is not available on the degree to which the environmental impacts of products and services have been mitigated.

< EN26-2 y 3

CERTIFIED HOTELS		BIOSPHERE HOTEL	EARTH CHECK	TRAVELIFE	ISO 14001	EMAS
Paradisus Punta Cana*	(Punta Cana, Dominican Republic)		•			
Paradisus Palma Real*	(Punta Cana, Dominican Republic)		•			
Meliá Palas Atenea	(Mallorca, Spain)	•				
Meliá Bali	(Nusa Dua, Indonesia)		•			
Meliá Kuala Lumpur	(Kuala Lumpur, Malaysia)		•			
Meliá Benoa	(Bali, Indonesia)		•			
Meliá Purosani	(Java, Indonesia)		•			
Meliá Costa del Sol	(Málaga, Spain)				•	•
Meliá Sitges	(Barcelona, Spain)				•	•
Meliá Barcelona	(Barcelona, Spain)	•				
Meliá White House	(London, United Kingdom)	•				
Meliá Lima	(Lima, Peru)	•				
Meliá Mexico Reforma	(Mexico D.F., Mexico)	•				
Meliá Caribe Tropical *	(Punta Cana, Dominican Republic)		•			
Meliá Düsseldorf	(Düsseldorf, Germany)	•				
Meliá Luxemburgo	(Luxembourg, Luxembourg)	•				
Meliá Castilla	(Madrid, Spain)				•	
Meliá Hanoi	(Hanoi, Vietnam)		•			
Gran Meliá Palacio de Isora	(Tenerife, Spain)	•				
Gran Meliá Jakarta	(Jakarta, Indonesia)		•			
ME Madrid Reina Victoria	(Madrid, Spain)	•				
ME Barcelona	(Barcelona, Spain)	•				
TRYP Bellver	(Mallorca, Spain)				•	
TRYP Palma	(Mallorca, Spain)	•				
Sol Ibiza	(Ibiza, Spain)			•		
Sol Pinet Playa	(Ibiza, Spain)					•
Sol Milans Pingüinos	(Menorca, Spain)				•	
Sol Menorca	(Menorca, Spain)	•				
Sol Falcó	(Menorca, Spain)				•	
Sol Gavilanes	(Menorca, Spain)			•	•	•
		12	9	2	7	4

(*) Certificate obtained in February 2013

Currently in progress:

CERTIFIED HOTELS		BIOSPHERE HOTEL	EARTH CHECK	TRAVELIFE	ISO 14001	EMAS
ME Cancún	(Cancun, Mexico)		•			
Sol Lanzarote	(Lanzarote, Spain)	•				

Regulatory compliance

EN28-1,2 y 3 > With regard to compliance with the environmental norms in effect, in 2012 the Company did not receive any significant sanctions⁴.

MENORCA, SPAIN



In 2011 the Company signed an agreement with the Balearic Islands' Coastal Observation and Prediction System (SOCIB). Under the terms of this pilot scheme, a video monitoring station was installed on the roof of the Sol Milanos Pingüinos Hotel, situated on Son Bou beach. This beach boasts a series of socio-economic and scientific characteristics included in the Strategic Plan and Implementation Plan of the SOCIB's Marine-Terrestrial Beach Monitoring Facility.

Since the signing of this agreement, photographs of the beach, meteorological and wave train data have been available for consultation on the SOCIB's online platform; more than 106,800 statistical products in video monitoring image format, a time series of 445 days of meteorological variables with an observation interval of 10 minutes and a time series of 445 days of wave train variables with 20 minute observation interval.

The objective is to transfer this pilot scheme to other Company hotels located in environments that allow for compliance with both the scientific and technical objectives (the study of beach erosion, sediment transport, rises in sea level, etc.) and the needs of beach users (with particular reference to ensuring bathers' safety under varying weather and wave train conditions).

3.4 ENERGY AND CLIMATE CHANGE

The importance of the worldwide problem of global warming caused by human beings makes it necessary for a multinational company like Meliá Hotels International, which is present in multiple destinations, to have a clear action strategy on climate change. The strategic Sustainability lever therefore includes the Company's commitment to minimising its contribution to climate change.

In this vein, the main courses of action in the Company's climate change strategy are:

- **Identification of risks and opportunities associated with climate change.** The effects of climate change translate into a series of risks and opportunities for Meliá Hotels International's activity. These risks have been included in the Company's risk map, while the opportunities were captured in the strategic guidelines on sustainability.
- **Identification and quantification of the impact of Meliá Hotels International on climate change.** This is primarily achieved by monitoring and tracking energy consumption through the SAVE project on energy efficiency, as well as by determining the eco- footprint of both the Company and its various business units.
- **Reduction in greenhouse gases.** After identifying and quantifying the impact on climate change, the

strategy to be pursued to mitigate the emissions of greenhouse gases and the priority actions to be carried out to achieve this associated with the Company's activity are determined, both directly and indirectly.

- **Reporting and communication on the impact of the measures taken.** As an exercise in transparency before its different stakeholders, every year Meliá Hotels International reports on its impact on climate change and the strategy and actions performed to mitigate it, mainly through the Carbon Disclosure Project initiative and the publication of the Sustainability Report following the criteria of the Global Reporting Initiative.

Risks and Opportunities of Climate Change

The opportunities and risks of climate change for the Company have been identified thanks to its participation in the Carbon Disclosure Project, an initiative designed to analyse and raise awareness of both aspects.

Despite having identified the risks and opportunities, the potential economic impact of climate change on the business has not yet been quantified. Work is currently underway on reporting this indicator as one of the results of the Strategic Plan 2012-2014.

⁴ Significant sanction: sanctions of more than EUR 5,000 or that have a serious impact on a business unit, preventing it from operating normally.



CARBON FOOTPRINT

The carbon footprint represents all the greenhouse gases that are emitted into the atmosphere either directly or indirectly by an individual, organisation or product. In the case of a hotel company, the carbon footprint measures the greenhouse gases that are produced through its activity, either directly or indirectly, including energy consumption, consumption and transport of raw materials, employee transport, waste elimination and others.

Quantifying the carbon footprint allows the Company to determine the phases of activity that generate the most greenhouse gases and therefore helps it to prioritise actions aimed at reducing the impact on climate change caused by humans.

The **risks** identified have been included in the Company's map of risks as a single, generic risk termed 'Negative effect of climate change'. It includes the following:

- **Risks arising from changes in legislation:** attributable essentially to uncertainty surrounding new energy efficiency regulations and standards affecting products purchased regularly by the Company, as well as requirements included in the voluntary agreements it has signed (FTSE4Good Index, Global Compact, etc.)
- **Risks arising from changes in certain weather parameters:** changes to average temperatures, extreme weather phenomena, rising sea levels, decreasing snowfalls, etc. Such phenomena may lead to a reduction in the capacity of certain destinations to attract tourism due to rising temperatures, water shortages or exposure to forest fires, or a lack of snow in the case of winter sport destinations.
- **Risks arising from changes in other aspects also related to climate change:** this category includes risks related to the possible damage or loss of reputation, changes in consumer habits, etc.

The **opportunities** identified are:

- **Opportunities arising from changes in legislation:** anticipating certain changes in legislation relating to climate change risk management can provide the Company with a competitive advantage by creating a strategy for the implementation of measures in line with any such changes.
- **Opportunities arising from changes in weather parameters:** the tourism value of certain destinations may increase due to improvements in weather conditions, creating new opportunities for the Company's expansion and growth. In addition, the high season may be extended in certain tourist destinations in which the warm (but not extreme) temperatures last for longer.
- **Opportunities arising from other aspects of climate change:** the possibility of generating a competitive advantage by improving the

Company's image and offering a response to the growing demand among customers for eco-friendly accommodation options by actions aimed at CO₂ emissions.

Calculation of Meliá Hotels International's Carbon Footprint

Carbon footprint calculation methods, tools and forms of communication vary considerably in the hotel industry today. This situation is an impediment to achieving the desired level of transparency in carbon footprint reporting and may lead to confusion among consumers.

As a result, in 2012 Meliá Hotels International adopted the decision to join the World Travel & Tourism Council (WTTC) working group known as the Hotel Carbon Measurement Initiative (HCMI).

This working group was set up early in 2011 at the request of certain member companies of the WTTC in order to come up with a unified methodology based on available data that would eliminate inconsistencies in the approach to this field by international hotel chains, therefore allowing for the collection of comparable data.

The Company has applied this methodology to a project for the individual calculation of the carbon footprint of its hotels. As a result, in 2012 a total of 199 establishments joined this initiative and will be in a position to provide their customers with carbon footprint details per stay and/or event from 2014 onwards.

Meliá Hotels International's Carbon Footprint

In 2012, Meliá Hotels International optimised the calculation of its carbon footprint. This increased precision is the result of efforts to adjust the employee conversion factor. Furthermore, in order to ensure an equitable comparison, the 2011 carbon footprint has been recalculated in accordance with this new methodology with particular reference to the hotel scopes specified in this Sustainability Report.

< EN17

EN16-1 > The GHG Protocol for calculating the carbon footprint includes the following scopes:

- **Scope 1:** Direct emissions from combustion in boilers, ovens, vehicles, etc.
- **Scope 2:** Indirect emissions from the consumption of electricity acquired and consumed by the Company.
- **Scope 3 (employee transport):** All other indirect emissions resulting from the Company's activity

but which are produced by external sources. In the case of Meliá Hotels International, to date this has only included estimated employee transport data based on a statistically representative sample.

Total greenhouse gas emissions for the 180 hotels included in the report for scopes 1 and 2, plus employee transport, account for 240,654 tons of CO₂e, compared with 256,655 tons of CO₂e in 2011. < EN18-2

EN29-2 >

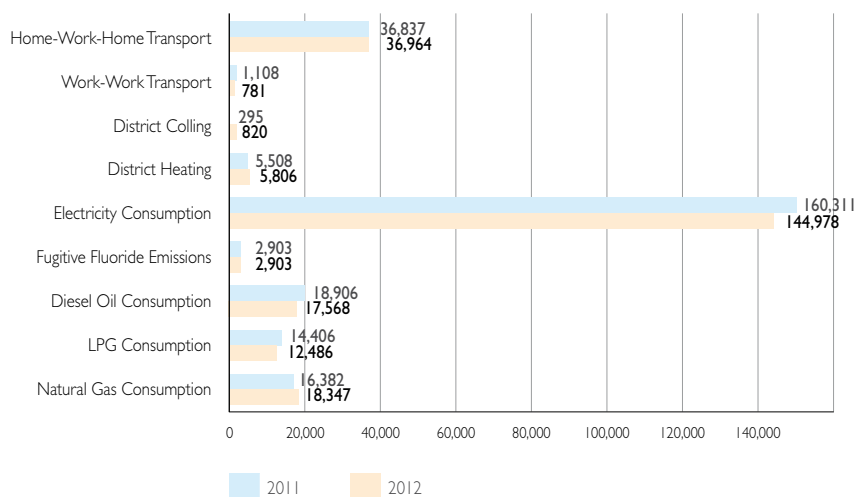
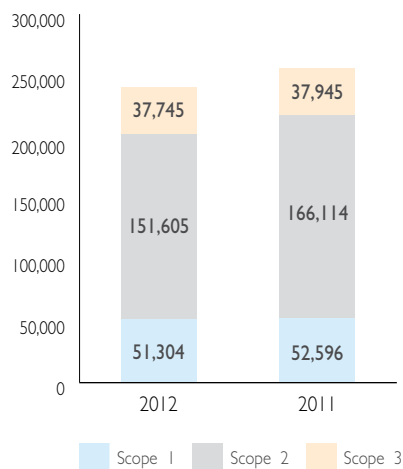
	2012	2011 (RECALCULATED)	Δ%
Carbon Footprint			
SCOPE 1	51,304 tCO ₂ e	52,596 tCO ₂ e	-2.6%
SCOPE 2	151,605 tCO ₂ e	166,114 tCO ₂ e	-8.7%
SCOPE 3 (employee transport)	37,745 tCO ₂ e	37,945 tCO ₂ e	-0.5%
TOTAL	240,654 tCO ₂ e	256,655 tCO ₂ e	-6.3%
Carbon footprint ratios*			
By stay	14.0 KgCO ₂ e/stay	14.7 KgCO ₂ e/stay	-4.7%
By hotel	1.337 KgCO ₂ e/hotel	1.426 KgCO ₂ e/hotel	-6.2%

< EN16-2, EN17-2

(*) Scopes 1 and 2 in full, partial scope 3 (employee transport)

MHI's Carbon Footprint (SAVE Hotels)

Emissions by Sources



As shown in the graph on the previous page, Emissions by sources, electricity consumption has the greatest impact on the carbon footprint, constituting 60% of our emissions in 2012, compared with 62% in 2011.


Reduction of Greenhouse Gas Emissions

EN18-I > Meliá Hotels International's strategy to reduce greenhouse gas emissions seeks to reduce both direct emissions associated with the energy consumption of its business units, mainly through the SAVE project, and indirect emissions associated with the acquisition of products as well as the construction of the products and services offered and a reduction in corporate travel.

Meliá Hotels International remains committed to energy savings and efficiency as a means of reducing the impact of its activity on the environment. The SAVE project, which was launched in 2007 and which now includes 262 hotels, is firmly consolidated and forms part of the Company's management culture. This report includes details of 180 centres included in the SAVE programme. Out of a total of 262 centres included in the programme, these are the ones that comply with the requirement of having consumption records for a 5 year period.


The establishments included in this project must fulfil the necessary condition of having a proper, up-to-date record of their energy consumption in the past five years, which must be recorded in the corporate information tool. Every month, the energy and water consumption in the hotels participating in the project is monitored to analyse any possible deviations.

The main objective of the project is to lower the energy and water consumption and the greenhouse gases emitted into the atmosphere. To do this, its main courses of action continue to be the management, monitoring and control of the energy demand, the standardisation of efficient systems and products, awareness raising among the Company's employees, and the study and feasibility of investments related to energy savings.

A significant achievement is the improvement to energy efficiency levels, the result of the 4.3 kg reduction in CO₂ emissions per guest stay in 2012, compared with the 2007-2011 period. In order to measure the reduction in CO₂ emissions due to energy efficiency actions, a fixed emission factor and multiannual comparison is used. This is to avoid distortion caused by factors such as the climate and the bias from the comparison of instantaneous values between one year and another. The result comes from the improvement in the various energy consumption ratios per customer. As for electricity consumption, in 2012 just over €91,582 were invested in 3 saving and energy efficiency projects →  **VM1**. < EN18-2 < EN5-I < EN30

Likewise, through maintenance, we continued to standardise efficient lighting in all the Company's hotels in Spain, where each hotel may only buy the most efficient alternative available on the market. With this system, we are managing to gradually replace conventional, energy-inefficient lighting, such as incandescent bulbs, non-energy-saving halogen bulbs and electromagnetic devices, with other more efficient kinds, such as LED technology, fluorescent bulbs, energy-saving halogen bulbs and electronic devices. < EN6-I

Another action that we continued to promote in 2012 was the implementation of climate and lighting control systems through motion detection in the rooms and the installation of water flow regulators in taps and showers, which led to notable water and fuel savings. We also used biofuel or combustion booster in the gasoil furnace installations, thus managing to save in fuel consumption and lower the amount of carbon dioxide, sulphur dioxide and nitrous oxides emitted.

The total consumption of fossil fuels was 805,848 GJ →  **VM4**. < EN3-3

PUNTA CANA, DOMINICAN REPUBLIC



To commemorate the Dominican Republic's National Tree Day (5th May), Sustainable Tourism Department at the Paradisus Palma Real Resort Hotel, in collaboration with the Eastern Regional Office of the Ministry of the Environment, organised a reforestation event at the Altagracia-Higuey Nature Monument. Held on 8th May, the event was attended by hotel employees and members of the local community, who planted a total of 250 trees of varying species.

Awareness and training

One of the SAVE programme's main courses of action is training staff and raising their awareness. To do this, courses, talks, competitions are held and the 'SAVE space' in the hotel's portal for employees is periodically updated, with energy-savings measures (to apply both at the hotel and in employees' everyday lives), success stories in the Company's hotels, banners to raise staff's awareness, a tool to simulate the energy cost based on consumption, and more.

In 2012 the 1,2,3... SAVE! competition consisted of simulating a race in a Mini. The winners were those hotels that managed to travel the most kilometres, the equivalent of the reduction in emissions.

Other actions

- EN29-4 > • **Reduction in corporate travel:** In 2012, efforts were made in order to optimise corporate travel, based on the Contingency Plan and an internal policy aimed at cutting travel costs and taking advantage of the new technologies available. The result was a reduction of 27.9% in travel-generated CO₂ emissions from 1,955.4 tons in 2011 to 1,408.2 tons in 2012. These figures are based on data from the principal travel agency used by the Company, which organises travel for the corporate offices and a total of 62 hotels.
- **Cooperation with the WWF Earth Hour 2012:** In 2012, Meliá Hotels International lent its support for the Earth Hour campaign organised by the NGO WWF. Hotels on the four continents on which the Company operates took part in the biggest international initiative against climate change by turning off the lights on their façades between 8.30 p.m. and 9.30 p.m. local time on 31st March.

The initiative was supported by hotels in Europe, America, Asia and Africa, the four continents on which Meliá Hotels International is present. In addition to switching off the lights on their façades, numerous hotels also organised other actions throughout the day designed to raise awareness among customers and employees. These included dimming the interior lighting, musical performances, candlelight dining, the showing of documentaries on climate change, exhibitions and workshops on energy efficiency and eco-friendly courtesy gifts.

- On a corporate level, the Company promoted Earth Hour on the melia.com website and its social network profiles. It also encouraged employees to join in the campaign by switching off the lights in their homes.

- **Participation in the Andalusian Emissions Compensation System (SACE):** SACE is a voluntary scheme set up by the Andalusian Regional Government's Ministry of Agriculture, Fishing and the Environment, whereby companies sign an undertaking to audit their greenhouse gas emissions, reduce them and compensate where appropriate.

Meliá Hotels International signed up to SACE in 2011, by including 7 of its principal hotels situated in the Autonomous Community of Andalusia in the system.





HIGÜEY, DOMINICAN REPUBLIC

Several years ago, the Meliá Caribe Tropical Hotel created the New Life event, which consists of planting autochthonous trees, especially coconut trees. This activity takes place in the hotel grounds and guests are encouraged to take part. Once the planting session is over, participants are invited to enjoy a cocktail party with coconut-based drinks and sandwiches.



Reporting and Communication

In 2012, Meliá Hotels International improved its score on the last *Carbon Disclosure Project* Iberia 125, which evaluates the performance in mitigating CO₂ emissions as well as transparency in reporting on these emissions among the 125 companies with the highest stock capitalisation in Spain and Portugal.

The Company earned 85 points over 100 in the *Carbon Disclosure* category, which measures transparency, compared to the 74 points it earned

the previous year. It also earned a C score (on a scale from A to D, A being the highest) in the Carbon Performance category, an evaluation which appeared that year for the first time and refers to the effectiveness of the measurements and actions taken to mitigate companies' CO₂ emissions.

3.5 WATER CONSUMPTION AND SPILLAGE CONTROL

Water consumption

Water is an essential part of the tourism and travel industry. Tourism services depend to a large degree on water. In areas where there are problems of supply and levels of water deficiency, the lack of water can be an obstacle to the development of tourism, and a source of conflicts due to its allocation, pricing and distribution.

As part of the SAVE project, a number of measures to save water have been considered which will not only reduce consumption but will also save energy due to the lower volume of hot water in circulation.

EN8-1 > Total water consumption in 2012 for the 180 hotels that form part of the SAVE project was 8,725,880 m³ compared to 8,923,512 m³ in 2011. The amount of water saved was 596,226 m³ in 2012.

EN8-2 > The Company does not currently have any standardised procedures for measuring water harvesting by sources. As for identifying the sources affected, the 2010 report includes an undertaking to provide the corresponding details, and we therefore expect to include reporting information after the finalisation of the Strategic Plan 2012-2014.

Spillage control

Hotels can generate considerable quantities of waste water, both grey water from washing machines, sinks, showers and baths, as well as black water from dishwashers and toilets.

If waste water is not treated properly, it may cause ground and surface water contamination, as well as the degradation of marine habitats, such as coral reefs. It can also cause infections and gastro-intestinal diseases. As a general strategy for reducing the environmental impact caused by our activity, spillage levels are controlled for both private septic tanks and for connections to the public sewage system.


In 2012, 95.7% of the establishments included in the scope of this report deposited their waste water in municipal sewage networks (compared with 97% in 2011) for transfer and processing in the treatment plants run by the public administrations in each zone. This variation is attributable to the inclusion in 2012 of the Meliá Villaitana, which has its own treatment plant. < EN21-1

As of 2012, 4.3% of the Meliá Hotels International hotels included in the scope of this report had their own water treatment systems, compared with 3% in 2011. The waste water is treated in accordance with the standards and legislation in effect in each country. The amount of waste water treated by hotels amounted to 1,710,985 m³, compared with 1,538,149 m³ in 2011. The Company does not have the technical means that enable it to determine the quality of the water in terms of COD, BOD5, nitrates, phosphates, pH, conductivity, temperature, dissolved oxygen and suspended solids, although all the treatment plants carry out regular quality checks on treated and discharged water.

EN21-2 >

According to the information available, a total of 259,509 m³ of this volume, or 15%, was reused, mainly to water gardens and golf courses, compared to the 244,194 m³ reused in 2011, or 16%.

< EN10-1

The volume of reused water over the total water consumed by the organisation was 2.89% →  VM5.

< EN10-2

< EN10

No significant accidental spillages were registered at any of Meliá Hotels International business units in 2012.

< EN23-1, 2 y 3

3.6 USE OF RESOURCES AND WASTE MANAGEMENT

Waste Management in Hotels

To ensure appropriate waste management the Company carries out the selective collection of waste in keeping with existing legislation. There are also projects which allow the Company to minimise the consumption of resources and the generation of waste.

Given the activity in our hotels, the waste they generate is mainly classified as urban waste such as paper, cardboard, glass, vegetable oil, packaging and other non-separated domestic rubbish. There is also another type of waste in lesser quantities which includes printer cartridges and toners, electrical and non-hazardous electronic waste, and used batteries and storage batteries (without heavy metals).

To a far lesser extent, there are also a number of hazardous waste products mainly generated by cleaning and maintenance services. These products basically consist of plastic and metal packaging of hazardous materials (paint stripper, varnish, paint, cleaning products, aerosols, etc.), contaminated rags and sponges, fluorescent bulbs, batteries

that contain mercury, used hydraulic acids and hazardous batteries and electrical materials.

In 2012, the Company developed a system to quantify and report on the generation of waste in hotels. The aim is to provide reliable and consistent data, reflecting the scope of the environmental impact more accurately. However, given that a large part of the waste is collected by municipal services, it is difficult to make an exact calculation, so we can only make an approximate estimation of the total waste generated. Meliá Hotels International's objective is to have a waste quantification and reporting model as one of the results of the Strategic Plan 2012-2014.

< EN22-2


In 2012, we continued with the framework agreements in Spain for the collection of used vegetable oil, batteries and waste from electrical and electronic devices.

SÃO PAULO, BRAZIL


Meliá Hotels International Brazil celebrated Children's Day by offering its employees' children the chance to enjoy an exciting and unforgettable day. More than a hundred children attended the event, including the children of employees from the São Paulo hotels and corporate offices. This year the children spent the day in Sítio do Picapau Amarelo, a park and ranch offering educational activities based on the life and work of Brazilian writer Monteiro Lobato.




The figures below refer only to centralised waste management contracts in Spain.

Used vegetable oil: A total of 52,341 kg of vegetable oil was collected in 2012, compared to 45,801 kg in 2011 →  [VM6](#).

WEEE in Spanish hotels (Waste Electrical and Electronic Equipment, excluding low power consumption light bulbs and fluorescent tubes):


In 2012, the amount of WEEE collected totalled 6,650 kg, compared with 40,818 kg in 2011 →  [VM7](#).

Fluorescent and low power consumption bulbs: In 2012, the net amount of low power consumption bulbs collected by AMBILAMP was 4,265.26 kg, compared to 4,074 kg in 2011 →  [VM8](#).

Used batteries: In 2012 a total of 555 kg of used batteries were collected, compared with 640 kg in 2011

Waste management in corporate offices

Waste management in corporate offices focuses on waste which is generated in greatest quantities, concentrating mainly on paper and cardboard and, to a lesser extent, electrical and electronic waste, packaging, fluorescent bulbs, batteries, toner and ink cartridges, cleaning products packaging, etc.

One of the achievements in this area for 2012 is that the municipal waste packaging collection service now extends to the Central Offices, thereby allowing for the collection and later recycling of a significant amount of packaging and waste packaging. →  [VM9](#).

3.7 PRESERVATION OF BIODIVERSITY

EN12-I > Description of the most significant impacts on biodiversity

On a global scale, hotel activity may lead to a loss of biodiversity, caused by the consumption of natural resources and its contribution to human-induced climate change, impacts which are both associated with the production of goods and services offered by the tourist industry.

In local terms, tourism may also have a negative impact on its natural environment, degrading and/or destroying habitats and disturbing wildlife, essentially due to the following:

- **Actions taken during construction and operation,** neglect that causes physical changes in the natural environment, such as changes in soil use, deforestation, alterations in water
- **Risk of land or water contamination.** If not properly controlled, chemical cleaning products, fertilisers, pesticides and wastes and waste water can pollute the soil and surface, underground or marine water masses, affecting the animal and plant species living there, in addition to the actual functioning of the ecosystem.
- **Emission of hazardous pollutants which are toxic or harmful to the atmosphere.** Certain atmospheric pollutants coming from cleaning products, pesticides, paint or other hazardous

resources, soil degradation, the generation of water stress, and contributing to the loss of coral reefs in the area, among others.

chemical products can damage the local flora and fauna if they are not properly managed.

- Risk of noise or light pollution, or pollution by electromagnetic radiation. If not properly controlled, the artificial light, vibrations or noise generated by an establishment, especially in sensitive environments, can affect the life cycles of different species, as well as their habitats.
- Introduction of invasive exotic species. Animal or plant species introduced outside their natural distribution zone can cause serious damage to the local ecosystem through the possible unbridled growth of individuals from the invasive species to the detriment of other local species, thus generating a loss in local biodiversity or even the extinction of certain native species.

ENI2-2 > Meliá Hotels International cannot report on the specific impacts in terms of the species or extensions affected by the hotels identified as being in protected natural areas as a detailed analysis of this impact has not been carried out.

Presence in privileged natural enclaves

Meliá Hotels International has hotels in a number of countries which have biodiversity hotspots, regions with an enormous wealth of animal and plant species, but also with a greater level of danger and fragility.

The Company operates numerous hotels in or near privileged natural environments of great ecological value. In many cases, these areas are protected by the public institutions in the country or by international agreements. *The table List of Hotels Identified, Near or Adjacent to Protected Natural Spaces outlines the establishments located near protected natural areas.*

The Company has detected these adjacent spaces and their location, but does not yet have details of the size of the protected habitats. Although no habitat restoration work has been carried out in these areas, one of the Company's principles is the conservation of natural habitats, as stated in its Global Sustainability Policy. < ENI3-1 y 2

List of Hotels Identified, Near or Adjacent to Protected Natural Spaces < ENII

HOTEL	SURFACE AREA (m²)	PROTECTED AREA
Paradisus Cancún	75,114	Costa Occidental de Isla Mujeres National Park, Punta Cancún and Punta Nizuc. Mexico
Gran Meliá Palacio de Isora	78,284	La Corona Forestal Nature Park. Spain
Gran Meliá Puerto Rico	161,244	Río Espíritu Santo Nature Preserve. Puerto Rico
Meliá Salinas	59,688	Lanzarote World Biosphere Reserve. Spain
ME Cancún	24,650	Costa Occidental de Isla Mujeres National Park, Punta Cancún and Punta Nizuc. Mexico
Meliá Cozumel	23,231	Coral Reefs of Cozumel National Park. Mexico
Meliá Genova	980	Pelagos Sanctuary for Mediterranean Marine Mammals. Italy
Meliá Gorriónes	85,000	Jandía Nature Park. Spain
Meliá Jardines del Teide	24,380	La Corona Forestal Nature Park. Spain
Meliá Royal Tanau Boutique	625	Aigüestortes and Estany de Sant Maurici National Park. Spain
Meliá Sancti Petri	28,944	Bahía de Cádiz Nature Park. Spain
Meliá Sierra Nevada	6,107	Sierra Nevada National Park. Spain
Meliá Sinaí	43,500	Ras Mohammed National Park. Egypt
Meliá Sol y Nieve	7,438	Sierra Nevada National Park. Spain
Meliá Zanzíbar	206,800	Kiwengwa Pongwe Forest Reserve. Tanzania.
Sol Alcudia Center	10,691	S'Albufera de Mallorca Nature Park. Spain
Sol Cyrene	28,600	Ras Mohammed National Park. Egypt
Sol Falcó	37,136	Menorca World Biosphere Reserve. Spain
Sol Gavilanes	48,752	Menorca World Biosphere Reserve. Spain
Sol Jandía Mar	17,400	Jandía Nature Park. Spain
Sol La Palma	46,212	Caldera de Taburiente National Park. Spain
Sol Lanzarote	20,048	Lanzarote World Biosphere Reserve. Spain
Sol Marina Palace	2,350	Piaschni diuni Natural Monument. Bulgaria
Sol Menorca	10,336	World Biosphere Reserve. Spain
Sol Milanos Pingüinos	7,614	Menorca World Biosphere Reserve. Spain
Sol Sancti Petri Aptos.	25,918	Bahía de Cádiz Nature Park. Spain
Sol Sharm	26,966	Ras Mohammed National Park. Egypt
Sol Sun Beach Aptos.	13,034	Corona Forestal Nature Park. Spain
Sol Vielha	2,232	Aigüestortes and Estany de Sant Maurici National Park. Spain
TRYP Almussafes	1,730	Albufera de Valencia Nature Park. Spain
TRYP La Caleta	629	Bahía de Cádiz Nature Park. Spain
TRYP Las Matas	2,291	Cuenca Alta del Manzanares Regional Park. Spain

ENI4 y ENI5 > Most Important Activities

Due to the limited number of hotels adjacent to or near natural protected spaces, the Company has not designed a global biodiversity strategy, opting instead to apply a criterion of individuality to the hotels involved.

ENI3-3 > 2012 saw a corporate initiative regarding biodiversity protection consisting of a donation of €19,832 to the NGO Accionatura, destined to finance the following two biodiversity conservation and improvement initiatives.

- **Preservation of 229,566 m² of tropical forest in Mexico:** a compensatory action designed to offset the land occupation and soil sealing corresponding to 6 of the Company's 9 hotels in Mexico.

With a donation of €13,085 to Accionatura's 'Compensa Natura' initiative – the Company wishes to contribute to the preservation of a threatened natural landscape boasting optimum biodiversity covering a surface area (in m²) equivalent to that occupied by the following hotels located in Mexico:

- Paradisus Cancún
- ME Cancún
- ME Cabo
- Meliá Cabo Real
- Meliá Cozumel
- Meliá Puerto Vallarta


- **Continued support for the brown bear conservation project in the Pyrenees.** With a donation of €6,747, the Company wishes to contribute to improving the habitat of Europe's largest mammal. In this sense, during the course of 2013, Accionatura will be carrying out a series of fruit tree planting and forest management actions in the area inhabited by the brown bear in the Pyrenees.

These donations were financed by the rebates obtained from the collection of used vegetable oil in Spain, which were destined entirely for Accionatura projects.

With regard to individual actions by the establishments, we do not yet have a system to consolidate this information, although, as in other years, numerous actions were carried out, mainly aimed at raising customers' and employees' awareness and getting them involved, such as beach cleaning, customer involvement in the release of sea turtles, planting seeds of local plant species or working with NGOs.

The green boxes in the left-hand margin of various pages in this report contain details of a number of local actions carried out by Company hotels in 2012.

EN30 > 3.8 ENVIRONMENTAL INVESTMENTS AND EXPENDITURE

In 2012 investments and spending on the environment accounted for in centralised company systems amounted to 6,627,408 € →  VMIO desglosado en los siguientes conceptos:

- Cost of separate collection of waste, bacteriological analysis of water and environmental certifications and initiatives: 824,982 €

- Costs of sewage charges, rubbish collection and water supply: 5,710,844 €
- Investments in energy and water efficiency as part of the SAVE project: 91,582 €

4. HUMAN VALUE

4.1 VALUE PROPOSAL AND KEY FIGURES

'Forming part of an ethical, integrating company that retains and develops talent'

38,021 employees

cf. 36,622 in 2011

131 nationalities

cf. 128 in 2011

48,339 hours of training in Spain

cf. 90,414 in 2011

More than 900 employee performance reviews

LUXEMBOURG, THE NETHERLANDS



The Meliá Luxembourg Hotel took part in *Boys and Girls Day*- a project launched by Luxembourg's Ministry of Equal Opportunities. The event offered young people the chance to learn more about jobs that are traditionally conceived as men's or women's work. The hotel played host to a group of young people aged between 12 and 16 who had the chance to discover what working in a hotel is really like.

4.2 STRATEGIC ALIGNMENT: A NEW ORGANISATIONAL MODEL

In 2012, Meliá Hotels International approved its new organisation model, named 'Competing by Design'. This new model, which is in line with the Strategic Plan and the Company's RiskMap, is based on the decentralisation of operational functions and support, and is designed to provide geographical areas with enhanced autonomy and flexibility in decision-making processes, whilst at the same time strengthening customer relations and proximity.

In turn, and in order to guarantee a global corporate vision both for the present and the future, strategic and control functions continue to be centralised, under the slogan *Think Globally, Act Locally*. These actions respond to the need to build up an efficient organisation capable of consolidating the Company's position of competitiveness and leadership within the sector whilst guaranteeing a customer-oriented approach.


Leadership Model

The fundamental principles of the new model – Leadership, Glocalization and Efficiency – were drawn up in accordance with the Company's culture and values. These principles stress the importance of teamwork, collaboration and flexibility in the decision-making process, the

delegation of responsibility for the income statement on the regional director; the proximity of operational functions and business support, the internationalisation of processes, systems and tools, the search for synergies among functions and the optimisation of corporate and regional structures.

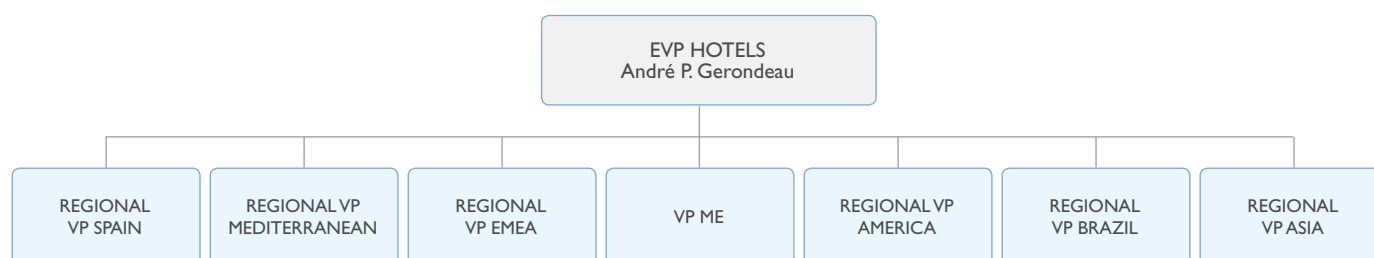
The ultimate aim of this new model is to ensure sustainable growth for Meliá Hotels International on a global scale, based on our excellence in management, creating flexible and efficient structures in proportion with the business size and potential of each region.

International Development

The evolution of the tourism sector and the global economic situation discussed in the **Business Summary** section are also reflected in the staff structure. The total number of employees rose by almost 4% to 38,021  **VHI**, compared with 36,622 in 2011. This increase was registered in international destinations, and is mainly attributable to the opening of the Paradisus La Perla and the Paradisus la Esmeralda hotels in Mexico's Mayan Riviera (905 employees). Although they opened at the end of 2011, most of the employees did not join the staff until early 2012.

< LAI-1

Organisational structure by geographical area



Spain however registered a reverse trend: the number of employees fell by approximately 5% to 9,099, compared with 9,601 in 2011. This downward trend contrasts with the increase in international employee numbers, and is attributable to the measures included in the Contingency Plan aimed at compensating the fall in revenue – particularly in the urban segment – and the negative evolution of the business in Spain. Mention must be made of the

Company's efforts to maintain the highest possible number of jobs during 2012.

Meliá Hotels International's worldwide staff turnover rate – namely the number of unwanted employee losses – stood at 6.22% in 2012, compared with 3.75% in 2011. This increase is due to high staff turnover rates in other European and Latin American countries → [VH11](#).



'INSERTA' AGREEMENT

In 2011, Meliá Hotels International signed an 'Inserta' Agreement with the ONCE Foundation whose goal is to promote the workplace insertion of individuals with disabilities on its staff. This agreement is valid for an initial period of four years and seeks not only to comply with the law but also to spearhead the workplace integration of this collective. In 2012 a total of 31 people were hired as a result of this initiative.

4.3 PEOPLE MANAGEMENT MODEL

Meliá is working to create a people management model that is fully in line with its new culture, values and leadership model. In this sense, 2012 saw the launch of a series of projects:

- A **new Meliá Hotels International skills dictionary**
- A **corporate talent identification process** designed to detect staff talent and which resulted in the identification of the Meliá Hotels International Talent Pool
- Definition of a new career development process for **future hotel managers**
- *Moving Up*, the new **internal promotion tool**
- The new **Commitment and Culture Survey** Tienes la Palabra ('Over to You') and a process for defining and implementing the resulting plans for improvement
- Review of the **Expat Policy**
- **Fixed remuneration**, determined by the employee's position and in accordance with the established pay scale. It is always given as a gross annual figure
- Short or long term **variable remuneration** (according to category) conceived as performance-based rewards. This is always given as a percentage of the fixed annual remuneration
- **Other salary bonuses** of an exceptional nature and under special situations
- Fringe **benefits of an exceptional nature** and under special situations

Remuneration policy

< LA12

Meliá Hotels International staff remuneration includes a series of concepts in cash and in kind:

In order to determine the annual variable remuneration, a series of objectives are defined and set out at the start of the year. These are directly linked to specific objectives for the department or area, as well as the Company's global objectives.

13.9% of Meliá Hotels International's staff is included in the variable remuneration system, compared with 8.45% in 2011 → [VH16](#).

Minimum Wage: Economic Wellbeing

EC5 > The minimum wage paid to Meliá Hotels International employees is an average 17.7% higher than the minimum legal wage for European countries, compared with 15.6% in 2011.

The breakdown of minimum wages by those regions in which the Company has significant operations¹ is available for consultation on table → [VH17 of Appendix F](#).

LA14 > Table → [VH18 of Appendix F](#) effects the salary variations by professional category for men and women in those countries for which we have reliable data for calculation purposes.

EC3 > Pension Funds

EC3-1-2-8 > Meliá Hotels International has defined a number of pension schemes for its employees. At the close of 2012 recognised liability amounted to €5.9 M, as stated in section 15.2 of the 2012 Financial Report, compared with the €5.3 M accumulated at the end of 2011. Details of the book valuations and the model used to calculate these provisions are provided in section 3.10 of the Financial Report.

Flexible remuneration

< EC5-2

The flexible remuneration system designed by Meliá Hotels International offers the possibility to voluntarily change part of the gross annual salary for some of the following benefits and services at cost price: health insurance, training, purchase of computers, property rental and food vouchers.

It is also applied to permanent employees of the hotels in Spain (both owned and leased) for medical cover only.

Employee benefits

< LA3

As an employee of Meliá Hotels International, any person who works for the Company and has a fixed employment contract has special reduced accommodation rates for themselves and their family and friends in any company hotel. The rates are known as 'mas Estrellas' programme.

Furthermore, employees also have a variety of agreements with commercial entities which offer beneficial discounts for employees and are updated on the Employee Portal.

The categories and number of agreements reached in each of them are listed below:

• Finance and Insurance:	6
• Home equipment:	7
• Computer / Telephone:	1
• Travel:	4
• Health and Beauty:	13
• Leisure and Sports:	6
• Automotive:	2
• Courses and Training:	3
• Others:	1

All the agreements apply to any Meliá Hotels International employee worldwide, but use might be limited to a local level.


VARIABLE REMUNERATION OBJECTIVES

- Types of objectives: economic, strategic, quality and sustainable, in addition to those related to the Plan of Action resulting from the Commitment & Culture survey.
- There are a number of corporate objectives, determined by the management teams for each function, area or department targets and individual objectives. These are defined from the various business units and tailored for each employee included in the variable remuneration system.
- The objectives are defined in accordance with the job and tasks undertaken.

¹ Significant operations: those in which the owned or leased hotel is involved in. For the purpose of this information, it is also considered relevant to include economically developing countries in order to reflect the Company's contribution to this development through employee remuneration.

Local Career Development

EC7-2 > The internal regulations of the Human Resources Department specifies that when hiring personnel, priority must be given to local staff ¹, thereby limiting expatriation to a minimum, and only under exceptional circumstances. This enables the Company to guarantee a more detailed vision of the business on a local scale.

EC7-3 > This regulation favours the development of those areas in which Meliá Hotels International is present, as well as generating employment and guaranteeing knowledge and awareness of the area and the local culture. As a result, more than 75% of managers² at Meliá Hotels International are local, and just 25% are expats →  VHIS. In 2011 these figures stood at 73% and 27% respectively.

LOS CABOS, MEXICO

The Meliá Cabo Real Hotel planted 54 trees on a football field used by 30 children aged between 10 and 12. Hotel collaborators and their families took part in this event, and will also care for the trees in the future.



Equality Plan

The entry into effect of Organic Law 3/2007 of 22nd March for the Effective Equality of Women and Men required companies in Spain with more than 250 employees to negotiate an Equality Plan.

In accordance with this, and going beyond the mere legal requirements, in 2011 the Company and workers' representatives approved the Plan for Equality between Women and Men. This plan

is based on the conviction that non-discrimination, equality and the work-life and family balance allow for the effective assessment and optimisation of the potential and possibilities of the Company's human capital and improvements to their quality of life, as well as contributing to boosting productivity, attracting, retaining and motivating staff members and therefore increasing their satisfaction with the Company.

The Company has also furthered its public commitment to equal opportunities and non-discrimination by publishing its first Code of Ethics, which makes specific reference to these principles.

Work-life and family balance policy

One of the Company's challenges is to achieve a balance between work life and personal life. Tourism poses an intrinsic problem when balancing work life and family life which stems from the very functioning of the business: complex work timetables and seasonality, although 2011 saw the introduction of a series of conciliatory measures in the corporate structures in Spain.

There are no plans for adaptation to inactive life or retirement, or assistance plans for employees that leave the Company in search of alternative employment.

< LA11-3 y 4

4.4 TALENT MANAGEMENT

Meliá Hotels International carries out annual processes to identify staff members with talent and draws up career and development plans for them.

This process is divided into 3 phases:

- Identification by the manager
- Candidate validation
- Assessment of potential by Human Resources

In order to access these plans, candidates must have been with the Company for at least one year, have demonstrated outstanding performance in their functions and have the necessary skills for the post they are opting for.

Corporate Talent

Modifications were made in 2012 to both the business unit development plan, details of which are given in the next section, and the corporate unit development plan.

These changes are essentially due to the intention to convert those employees who have been identified as having a high degree of potential into top performing leaders for the future, and who will hold key posts, carrying out critical functions in order to maintain Meliá Hotels International's competitive advantage.

¹ Local staff or manager: Born in the country in which they are working < EC7-4

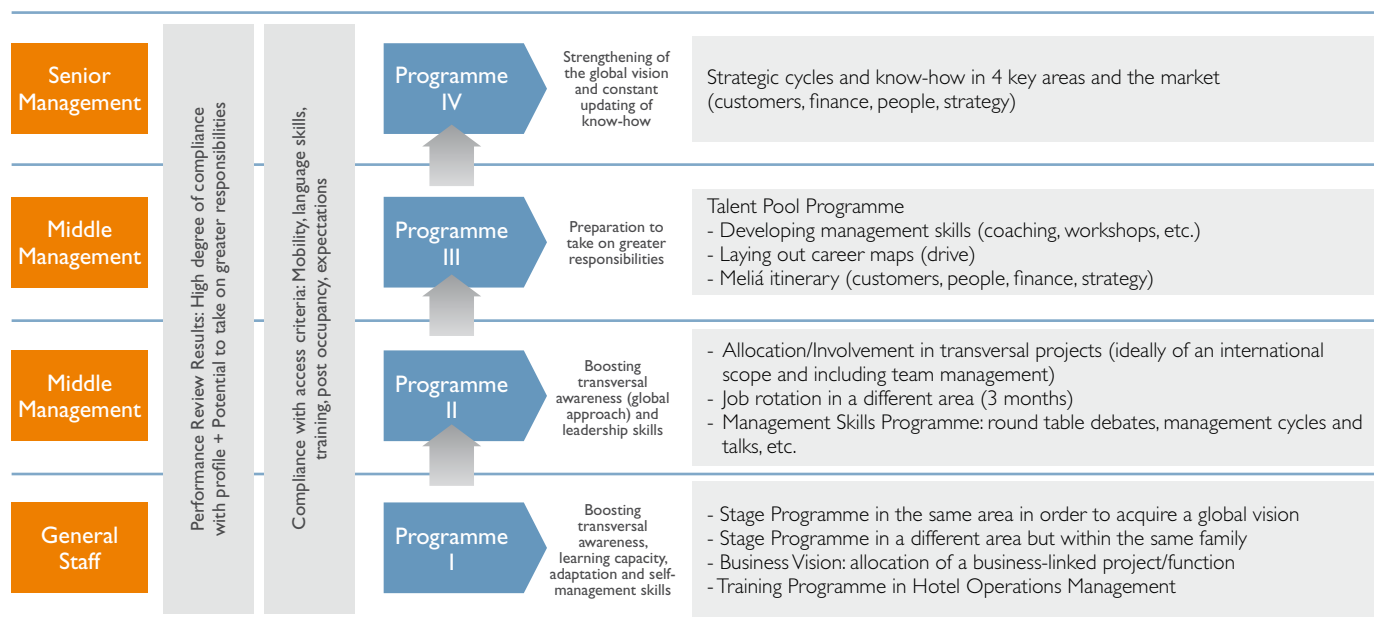
² Manager: Hotel manager < EC7-1

LA11-1 >

This model is based on five pillars:

- 1. Encouraging transversality:** offering career and development opportunities from a company rather than a departmental perspective, thereby creating more versatile profiles and developing differentiated skills.
- 2. Preparing talent for key posts:** identifying and constantly updating key functions in order to guarantee the correct functioning and development of the business.
- 3. Potential-based management:** designing individual career plans based on the type of potential, expectations, consolidation, transversality and the Company's needs
- 4. Monitoring:** carrying out regular appraisals of the results in terms of contribution to projects, skills development, etc.
- 5. Regular, systematic reviews:** ongoing systematic updates of those employees included in the Talent Pool.

Corporate Development Model



Talent in the Business Units: a change of model

The three-year Expansion Plan, which includes the signing of a new hotel every three weeks and with the focus centred mainly on the international market, combined with the Contingency Plan for Spain aimed at cutting costs, has led to the need to reconsider the hotel talent management plan, establishing a standard global development model that can be adapted on a local scale in order to meet the needs of the heterogeneous nature of the hotel portfolio.

This new model reduces process times, focusing on more senior profiles and generating other development options for non-management and management personnel.

Hotel department heads are the natural candidates for future management positions, and therefore the aim is to build up a talent base in these areas. The following graph shows the global process.

MHI hotels management career plan

LA11-I > **Job Training Plan**

(Equivalent to the former Horizontal Development Plan – HDP)

This is a development plan designed to prepare employees with potential in non-management posts to become multi-skilled and provide them with an in-depth knowledge of the department's tasks, functions and responsibilities.

LA11-I >

Professional Development Plan / Professional Training Plan

(Equivalent to the former Vertical Development Plans and Manager Development Plans (VDP and MDP))

This plan targets collaborators with the potential to hold the position of head of department or to consolidate their position.

PDP	EUROPE
Men	19
Women	9
TOTAL	28

The comparative tables for previous years are < LA11-I included in Appendix F → [VH20](#).

Professional Training Plans are those schemes in which the objective of the Plan is promotion within a hotel or the same region as there is no possibility for employee geographical mobility.

PTP	EUROPA
Men	36
Women	35
TOTAL	71

The comparative tables for previous years are included in Appendix F → [VH19](#).

< LA11-I

Advanced Development Plan

< LA11-I

This development plan is designed to prepare Heads of Department as future members of the management teams at any Meliá Hotels International hotel (Food and Beverage Manager, Accommodation Manager and Sales Manager).



ADP	EUROPE	AMERICA
Men	4	2
Women	1	0
TOTAL	5	2

Management Development Plan

This plan targets Department Managers and/or Heads with potential, preparing them for the position of Assistant Hotel Manager. No figures are given as these plans will be introduced for the first time in 2013.

Assistant Hotel Manager Development Plan

A development plan targeting Assistant Managers designed to consolidate their technical know-how and develop their skills for promotion to the post of Hotel Manager.

PDS	EUROPE	AMERICA	ASIA	TOTAL
Men	17	10	0	27
Women	15	3	0	18
TOTAL	32	13	0	45

The comparative tables for previous years are included in Appendix F → [VH22](#).

Hotel Managers Development Plan

A development plan targeting Hotel Managers who have been identified as having growth potential. The objective is to develop their skills and professional profile as hotel managers.

PDS	EUROPE	AMERICA	ASIA	TOTAL
Men	34	12	0	46
Women	9	3	2	14
TOTAL	43	15	2	60

The comparative tables for previous years are included in Appendix F → [VH21](#).

Performance Review

The end of the year saw the launch of one of the key tools for Meliá Hotels International's Integral Talent Management. This tool will ensure the achievement of the key objectives included in the Strategic Plan 2012-2014 within the Talent Management strategic lever: Performance Review.

The aim of the Performance Review is to establish a direct communication channel between the teams and their leaders in order to assess strengths and discuss the support required in order to maximise each employees' opportunities for career development. It also provides a means for expressing what is expected of each employee, the skills and behaviour required in order to guarantee optimum performance levels and the necessary degree of development, as well as reinforcing employee behaviour associated with the new culture, values and the leadership model.

This process is based on ten key competences considered to be of vital importance for the entire Meliá Hotels International team.

Internal Promotion

Internal promotion is an essential part of Meliá Hotels International's corporate culture. This is reflected in the Human Resources internal regulations, which specifies that during selection processes, the Company's internal talent pool should take priority over external candidates.

Moving UP, the new tool for the publication of internal vacancies, was presented to the Company in mid-2012. The objective of this new tool is to promote employees' career development through opportunities for internal promotion or transfers between Meliá Hotels International's hotels, businesses, divisions and/or brands.

Moving UP replaces the former Promosol tool. Despite the proven effectiveness of Promosol over the last 14 years, key factors such as our organisation's ongoing commitment to improving its internal Talent Management policies, together with the Company's clearly international vocation, have led to the reinvention of this tool in order to bring it in line with the Group's new culture, philosophy and values.



CORPORATE UNIVERSITY BY MELIÁ HOTELS INTERNATIONAL

In order to create an educational space within our internal structure and thereby ensure that learning and internal knowledge are directly linked to the business objectives and strategy, the decision was taken in 2011 to embark on a project known as the Corporate University by Meliá Hotels International. In 2012, efforts were centred on designing the various curricula, and the next few years will see the completion of the project design phase and its initial implementation.

4.5 TRAINING

The purpose of the Meliá Hotels International training model is based on deepening the needs of business units and corporate areas to offer quality training that boosts the ten competences regarded as essential to the Company, as well as the different skills that contribute to employees' better performance in their professional activities.

The 2012 Training Plan sought to respond to the various lines of action of the Strategic Plan and global training actions requested by the business units, with particular reference to the following:

- **The ongoing quest for innovation** in training, incorporating training in the latest trends in the sector as well as updating the contents of training actions.
- **The increased participation of Company experts** in the training actions, thereby personalising the contents in accordance with the specific needs of the various departments.
- Training actions taught by **internal trainers**, thereby ensuring that knowledge transfer is tailored strictly to employee needs.
- The support and participation of all members of the **Meliá Hotels International's Internal Equality Commission for Professional Training** in the development and approval of the 2012 Training Plan. This year a further 16 companies have joined the Commission, allowing for the centralisation and simplification of the information process before the workers' legal representatives regarding the training actions undertaken, in accordance with the Workers' Articles of Association.

A list of the principal campaigns carried out during the year is given below:

- **Training for the sales division:** this included top level sales courses, the development of sales skills and commercial event management.

- **Training in service-based culture:** in order to boost the service-based culture of our brands, regular training was provided in order to improve the skills of those Company professionals in contact with hotel customers, thereby ensuring that they receive a standard of service in keeping with the brand strategy. In 2012 campaigns were run for the portfolio brands Premium and TRY P by Wyndham.

- **Training for the Administration and Procurement departments.**

- **Performance Review training:** Due to the launch of this new Company process, a series of workshops were organised for reviewers, as well as informative sessions for reviewees in order to explain the procedure behind a Performance Review, as well as its usefulness as a tool in promoting leadership and the Company's new culture and values.

The training actions in Spain were managed through bonuses received through the Tripartita Foundation. The total amount of paid training in 2012 was €341,945 compared to €618,446 in 2011, and the total number of hours of training was 48,339 hours compared to 90,414 hours in 2011, which means an average of 6.87 hours per participant, compared with 9.34 in 2011. The total number of actions managed was 95 → **VH23** < LA10-1 y 2, with participation by 7,038 employees, compared with 143 and 9,677 employees respectively in 2011.

Meliá Hotels International did not provide financial support for external training in 2012. No requests were received for sabbatical periods with a guaranteed return to the post, although measures are occasionally taken to enable employees to attend courses and postgraduate studies on their own initiative. < LA11-2

BALI, INDONESIA

In order to encourage a healthy lifestyle, the Meliá Bali resort (Indonesia) organises yoga sessions for all its staff. They are held every Saturday morning in the Nusa Dua room. The aim is to keep fit, lose weight and keep a healthy balance between body and soul.



ACCIDENTS IN THE WORKPLACE

The kinds of injuries included in the report on workplace accidents are:

- Superficial lesions
- Open wounds
- Other kinds of wounds and superficial lesions
- Closed fractures
- Open fractures
- Other kinds of bone fractures
- Dislocations and subluxations
- Sprains and twists
- Other kinds of dislocations, sprains and twists
- Traumatic amputations
- Internal lesions
- Other kinds of concussions and internal lesions
- Burns and scalds (heat)
- Chemical burns (corrosion)
- Other kinds of burns, scalds and freezing
- Acute infections
- Asphyxia
- Traumatic blows
- Multiple trauma
- Heart attacks, strokes and other pathologies

4.6 WORKPLACE HEALTH AND SAFETY

Its human capital is Meliá Hotels International's most important asset, and for this reason the group places particular emphasis on the need for progress in the prevention of workplace risks.

Health and Safety policies vary according to local legislation and the idiosyncrasies of each location, but in all cases Meliá Hotels International policy demands strict compliance with the law and the development of preventative measures for specific hazards detected in each area. In Spain, 90.45% of employees were represented by a Health and Safety Committee in 2012, compared with 95% in 2011. The functions of these committees are clearly outlined in articles 38 and 39 of Spain's Law on the Prevention of Workplace Risks.

In 2012, in order to update the Prevention Manual in effect up until that time, a System Management Manual for Health and Safety at Work (SMMHSW) was drawn up in accordance with regulations OHSAS 18001. The objective was to establish the requirements necessary in order to develop the management system for Health and Safety at Work to identify and control the risks employees are exposed to as they go about their work.

Meliá Hotels International has not negotiated any specific formal agreements with trade unions to improve workers' legal conditions in the field of Health and Safety.

Health and Safety Indexes

In 2012, the average workforce of employees that the Company had under the responsibility of the department of labour Health of Spain was 8,847 compared to 9,222 in 2011.

In 2012, the Company registered 453 work-related accidents, compared to 626 in 2011, which resulted in the loss of 8,081 working days, compared to 11,926 in 2011. The rate of absenteeism was 2.25% compared to 3.61% in 2011.

For all purposes, a missed day of work is considered a calendar day, and missed days started being tallied as soon as the person leaves work. There is no record of any accidents by contractors or concurrent companies in our facilities. According to internal procedure WAP (Workplace Accident Prevention) 006 – Coordination of Business Activities – all contractors have to sign an agreement with Meliá Hotels International in Spain in which they accept the obligation to report serious, very serious or fatal accidents as soon as they happen.

Three cases of occupational disease were recorded in 2012; an occupational disease index of 1.93×10^{-4} , compared with the 2011 index of 1.008×10^{-4} . No cases of occupational disease were recorded amongst contractors, for whom the same internal procedure applies as in the case of accidents, namely WAP 006.

The absenteeism rate among the staff in 2012 can be seen in the Table of Workplace Health Indexes → **VH24**. In the case of absenteeism by contractors, this information is not available as there is no system to report these absences. Throughout 2012, there were no work-related deaths either among the Meliá Hotels International staff or contractors.

The system of recording workplace accidents and illnesses used by the Company is the Spanish Ministry of Labour's Delta System (electronic declaration of workers who suffer accidents).

Prevention Programmes

In 2012, the Prevention Service of Meliá Hotels International held several specific education, training, consulting, risk prevention and control campaigns in Spain on the following themes → **VH25**:

< LA7-2, LA7-4,8 y 10

< LA7-5, LA7-6

< LA7-10

< LA7-3,5,7 y 9

< LA7-11 y 12

< LA7-13

< LA8



CARDIAC-SAFE COMPANY

Meliá Hotels International was the first hotel company in Europe to receive the Cardio-Safe Space certificate, awarded by the European Foundation for Health, Research and Education (EFHRE) in recognition of those work centres that strive to reduce the risk of death due to heart disease..

The Foundation has awarded this quality seal to Meliá Hotels International, as well as more than thirty of its hotels that meet the certificate requirements: defibrillators in the buildings, staff training in their use and an immediate response capacity.

- Health requirements for expat staff
- Flu information and vaccination campaign
- Hepatitis A / B informative and awareness raising campaign
- Information and vaccination campaign on the human papillomavirus in women to prevent cervical cancer

In addition, the Department of Prevention and Workplace Risks manages and maintains the health protocols in the event of epidemics (cholera, meningitis, food poisoning, legionnaire's disease). There are no workers involved in professional activities with a high rate or risk of specific diseases.

< LA8-5

4.7 HUMAN RIGHTS

HR5-2 y HR7-2 >



LOS CABOS, MEXICO

Meliá Cabo Real carried out a major campaign to collect toys for underprivileged children. During the campaign, collaborators were encouraged to donate at least one toy, in accordance with their possibilities. More than 200 toys were collected for distribution from a local church to a total of 150 children.

The publication of the first Meliá Hotels International Code of Ethics in late 2012 was a major milestone in providing substance and visibility to the Company's commitment to the protection of Human Rights, including the freedom of association and the elimination of all forms of forced labour. This code is based on the global business and sector behaviour models and standards to which Meliá Hotels International subscribes:

- Global Compact Principles
- The World Tourism Organisation's Code of Ethics for Tourism
- ECPAT Code (Eradicating Child Prostitution Abuse and Trafficking)
- Global Sustainable Tourism Council
- Biosphere Hotel Company
- Convention on the Rights of the Child

These operations correspond to international internal audits carried out in the hotels, consisting of a check-list that includes a review of various issues ranging from human rights to product health and safety, corruption, etc.

< HR1-I y 2

Significant investment agreements⁸ and formal contracts do not yet include human rights clauses. Such clauses are currently only included in agreements with suppliers, service creditors and tour operators.

< HR6-2

Child exploitation

Meliá Hotels International's social position is child-focused. This is why it is fundamental that all Company areas ensure that none of their activity entails any potential risk to children's rights.

HR3-HR8 > Although in 2012 no specific employee training actions dealing with human rights protection were organised for the Company's own or subcontracted security staff, the need for awareness in this area is included in the Code of Ethics Communication and Awareness Raising Plan, and actions are planned for 2013 in both the business units and in the corporate units around the world.

HR10-3 > The total percentage of operations subjected to human rights analysis stands at 44.26%, compared with 44.17% in 2011. The breakdown by countries is shown in table → **VH26, in Appendix F.**

PRI-2, PR3-2, SO2-2 >

Meliá Hotels International signed an agreement to implement a Code of Conduct to protect children from sexual abuse in the tourism industry, condemning all forms of child sexual exploitation and supporting all legal actions to prevent and punish these crimes.

Our social commitment to children was strengthened by signing a strategic alliance with UNICEF Spain to contribute to the United Nations' Children's Fund objectives on education, children's protection and the fight against child sexual exploitation and child trafficking.

⁸ Significant investment agreement: An agreement involving an investment of more than €100,000

< HR1-3

HR2 > Through the Sustainable Development clause in agreements signed with service suppliers and creditors, our suppliers are also committed to not using child labour in their production processes, accepting the possibility of being audited and running the risk of contract rescission if found in contempt.


The Company safeguards the right of association in the countries which are covered by any of the bodies mentioned above, with the exception of China and Cuba. The organisation always applies the corresponding labour legislation, the applicable collective or labour agreement.

Indigenous peoples

Meliá Hotels International is committed to the conservation of the tangible and intangible cultural heritage of the communities in which it operates. It is fully involved in the local community, integrating the cultural, gastronomic and artistic elements of each location, respecting and defending the historical heritage as its own. It aims to energise the local community, protecting their roots and encouraging the complicity of guests in the discovery and conservation of the cultural wealth of the destination.

In Meliá Hotels International the number of employees represented by a collective agreement is 100%, excluding China and Croatia. China is excluded because it does not allow such agreements, whilst in Croatia employees do not depend directly on the Company so there are currently no guarantees of representation. The Company guarantees the right of its workers to belong to a trade union or work association. < LA4

In 2012 no cases of the violation of human rights or incidents of discrimination were reported. < HR4, HR11

The list of minimum notification periods for organisation changes is given in table →  **VH27**, available in Appendix F. In all cases they comply with the legislation or labour agreements applicable in each region. < LA5

Meliá Hotels International protects its employees from any form of forced labour, and no incidents associated with this risk have been detected.

Currently, Meliá Hotels International has no business units or corporate offices located in areas which could affect, generate incidents or violate the rights of indigenous peoples.

Labour rights

Meliá Hotels International is governed at all times by the relevant labour legislation, applicable collective or employment agreements or company

SEVILLE, SPAIN


Meliá Lebreros donated a large amount of unwanted tableware to the Paz y Bien Association, including 700 side plates, 500 dinner plates, 150 coffee cups, 50 sugar bowls and 20 milk jugs. This Seville-based association was founded in 1979.

Since then the association has worked tirelessly for the integration, defence and promotion of the interests of people with disabilities and/or at risk of social exclusion. Today it has a large network of centres, services and programmes, providing help and assistance for around 600 people.

4.8 DIVERSITY AND DISABILITY INTEGRATION

One of the key aspects of Meliá Hotels International's business is the outstanding professionalism and warmth of the people that make up this Company, as they are responsible for transmitting their passion and vocation for service to customers.

The number of disabled Company workers in Spain was 45 men and 25 women, 0.8% of the average total staff for Spain, compared with 0.5% in 2011. < LA13-2

→  **THE HUMAN VALUE section in Appendix F** contains more detailed information regarding human capital ratios, diversity and figures from previous years.

LA1-2 >

The Company staff does not include a significant number of self-employed workers.



DISABILITY INTEGRATION: THE BACKGROUND

Meliá Hotels International's commitment to disability integration dates back to 2008 and the collaboration agreement with Special Employment Centres and major investments aimed at improving infrastructure accessibility at 17 of our hotels. Over time, a need emerged for a strategy designed to facilitate the transversal incorporation of disability into the chain of value.

A major leap forward came following the inclusion of this commitment to disability integration into the talent pool strategy and the efforts to improve customer satisfaction. In this sense, the awareness and involvement of the hotel managers proved vital. The creation of a Panel of Experts on Disability in 2011 proved to be a turning point, as the managers had the chance to gain a first-hand insight into the real problems facing the disabled and exchange thoughts and views with representatives and experts in disability.

Cultural Diversity

In 2012 the workforce at Meliá Hotels International consisted of 131 nationalities → VHI4, compared to 128 in 2011.

Top 5 nationalities on staff (%)

Country	2012	2011	2010
Spanish	31.74%	34.06%	35.39%
Dominican	16.69%	16.26%	16.81%
Mexican	13.62%	13.11%	13.52%
Indonesian	6.46%	6.46%	5.92%
Brazilian	4.50%	4.72%	4.45%

Disability integration

LA13-2 >

Meliá Hotels International goes beyond the mere social interpretation of actions targeting disabled groups; indeed the Company is convinced that they can contribute direct value to the business.

The foundations of this integration strategy are given below:

- **Direct labour insertion of disabled people.** In this sense, in 2011 the Company signed up to the INSERTA Agreement in order to promote direct integration.
- **Indirect labour insertion.** The Group's buying departments encourage the acquisition of products and services from Special Employment Centres in order to boost indirect integration.
- **Elimination of barriers.** A specific section on Accessibility, drawn up in collaboration with the ONCE Foundation, has been included in the Design and Construction Manuals. However, the barriers are not just physical. Early in 2013 we had the opportunity to present our new corporate website which holds an AA Accessibility Certificate, created in collaboration with Technosite, an ONCE Group company.
- **Dealing with disabled customers.**



CEHAT FOUNDATION

In January 2012 the Company launched its Work Placement and Labour Integration for the Disabled training project, in collaboration with the CEHAT Foundation and INSERTA, part of the ONCE Foundation.

The project consisted of actions associated with awareness raising, training, work placements and the labour integration of 13 intellectually disabled women as chambermaids. A total of 13 Company hotels took part.

4.9 COMMUNICATION CHANNELS

At Meliá Hotels International, employees receive information through different meetings and tools that encourage interaction between departments and promote constant improvement, as well as providing greater access to information:

- Video-communications from senior management
- Top-down communication processes
- Employee portal
- Internal gazette 'Utoo'

Tienes la palabra ('Over to You') survey on commitment and culture

Tienes la palabra ('Over to You') is the survey on Company climate, commitment and culture which was created in 2011 as the continuation of the climate survey that the Company had been carrying out for many years.

It is an annual meeting point where any professional who wishes to do so may express their opinion, directly and confidentially, on issues related to their day-to-day work and the Company itself. In the 2012 edition, a total of 24,354 people participated in this survey, compared with 23,993 participants in 2011.

Particular mention must be made of the results obtained in the sections dealing with employees' commitment to the Company's achievements and results (90% of all respondents answered between 7 and 10 out of 10 in 2012, compared with 89% in 2011), pride in belonging (91% in 2012 compared with 90% in 2011), satisfaction levels (83% in 2012 compared with 82% in 2011) and motivation (83% in 2012 compared with 82% in 2011).

These results provide sound foundations for the consolidation and future growth of Meliá Hotels International.

5. SOCIO-CULTURAL VALUE

5.1 VALUE PROPOSAL AND KEY FIGURES

'Protection for children and underprivileged groups'

33,534 people involved in Solidarity Day

cf. 16,953 people involved in 2011

5.2 LOCAL ACTION

BERLIN, GERMANY

In 2012 the Meliá Berlín Hotel installed three charging points for electric cars. The aim is to contribute to the responsible use of energy resources and promote the use of renewable energies, as well as making electric vehicles more attractive to residents and tourists alike.



Due to its influence on the socio-cultural environment of its destinations, it is important for Meliá Hotels International to contribute to palliating existing imbalances in the local communities it is present in. In doing so, special emphasis should be placed on the most disadvantaged groups. In addition, we should foster and protect cultural diversity to ensure the survival and conservation of cultures over time as one of a destination's most important tourist attractions.

This chapter lays out the Company's global actions and position, as well as local actions that require more detailed explanations. Examples of local initiatives carried out in the Company's hotels have been included in text boxes included throughout this report. Each box features an icon, indicating the scope it is associated with:



Social



Cultural



Environmental

collaborating with the centre, it was in urgent need of a series of alterations and improvements, without which it would have been forced to close.

Donations of €20,000 and €73,000 were made to the School in 2005 and 2007 respectively. The money was raised thanks to various actions carried out on the Solidarity Day. Thanks to this financial support and the contribution of the building company that was carrying out work on the hotel at the time, the following improvements were made to the school:

- Rebuilding of all three toilet and wash areas
- Replacement of all doors
- Fencing installed around the entire playground perimeter
- Installation of two metal gates
- Purchase of chairs
- Construction of 4 additional classrooms on level 2
- Multipurpose sports court
- Tarmacking of the entire playground
- Floor tiles laid in all classrooms

Dominican Republic- Los Manantiales School

Los Manantiales School is situated in Verón, on the road to Punta Cana Airport. It has a total of 905 children of nursery, junior and senior school age and there are just 9 teachers and a Headmistress.

It is the largest school in the area, and in 2003, when Meliá Hotels International first began

The managers of the Meliá Caribe Tropical Hotel pay regular visits to the school in order to maintain close and continued contact with the school to monitor its condition and identify any possible needs.

The Meliá Caribe Tropical Hotel organises a series of joint activities with this School, several of which are listed below:

- Prize giving ceremony for pupils on completion of their schooling
- Christmas party gifts and entertainment shows for children
- Money raising for school equipment amongst the hotel's customers
- Organised visits for hotel customers enabling them to interact with pupils and teachers
- Season of talks on environmental care and values
- Repair work on doors and windows, installation of bars on certain doors and windows as required
- Creation of a virtual room
- Refurbishment of the Headmistress' office
- Installation of a window box on the first floor to prevent the walls from being dirtied
- Repairs to the basketball and volleyball court
- Regular maintenance work such as general cleaning and repainting was also carried out

In 2012 the following activities were carried out:

5.3 SOCIAL COMMITMENT

Strategic Alliance with UNICEF

At the end of 2010, Meliá Hotels International signed an agreement with UNICEF Spain, initially valid for a three-year period. The main objectives of this agreement were to promote UNICEF's message regarding the protection of children and its fight against the sexual exploitation of children, and to donate funds to its main area of work, namely its child protection strategy.

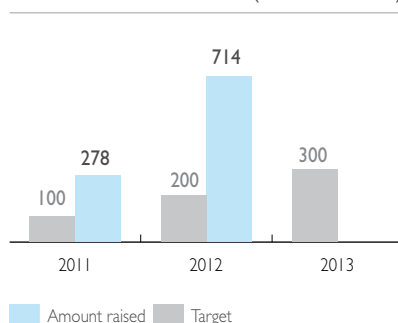
HR6-2 >

Since the launch of this alliance, the Company has raised more than €750,000 among its customers and employees, exceeding in just a year and a half the €600,000 target set for the entire three-year period. In 2012, the total amount raised stood at €714,000 exceeded the year's objective by 136%.

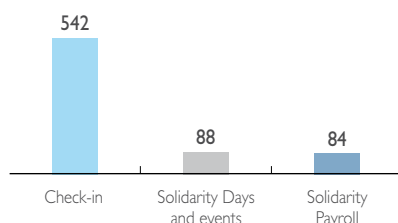
A single initiative managed to raise 79% of the total. Known as the 'Solidarity Check-in', customers are invited to donate one euro to UNICEF for their first night's stay at the hotel. The remaining 21% of the money raised came from direct employee conditions and specific actions carried out at the hotels, such as Christmas dinners or other events at which the Company organises money-raising activities. A number of such events held in 2012 are listed below:

- **Cumpleaños ('Celebrate days' in English) Campaign:** As a result of the malnutrition that affects children in many parts of the world, they often live for just days, rather than years. Meliá Hotels International joined forces with UNICEF to launch the organisation's message via all its channels of communication, coinciding with the presentation of Universal Children's Day, held on 20th November.
- **Sueño como un niño ('I Dream like a child' in English) (Meliá Barcelona, Spain):** this campaign focused on raising awareness of the values of solidarity as a means of contributing to making children's dreams come true. The campaign featured solidarity pillows designed to commemorate the Conde de Godó Tennis Tournament. Several top tennis players wrote their messages of support for children's dreams on the pillows, which were auctioned on 19th November in aid of UNICEF (the day before Universal Children's Day).
- **24 hours for our children family event (Meliá Zanzibar, Tanzania):** this was the first event ever in Tanzania to raise money for UNICEF. The weekend was packed with games and activities for children, auctions, a musical performance by children from the Zanzibar Music Academy and a gala dinner with live entertainment.

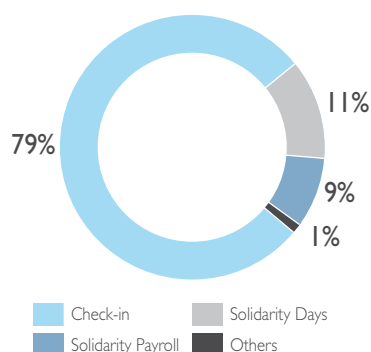
Targets set and actual amount raised
(Thousands of €)



Amount raised by initiative undertaken
(Thousands of €)



Percentage distribution by initiative (%)



CANCÚN, MEXICO

The Gran Meliá Cancún organised a seminar to raise awareness among hotel staff regarding the fight against human trafficking.

By the end of the year a total of 190 hotels had taken part in this initiative. Most of the money (67%) was raised at hotels in Spain.

As part of its strategic alliance with UNICEF and with childhood as the focal point for its social actions, the Meliá Castilla Hotel in Madrid hosted the III Meeting of UNICEF Corporate Allies. Held on 30th October, it was attended by around a hundred representatives from more than 60 corporate allies and collaborators. The aim of this annual event is to share results, discover the impact UNICEF's work has in the field, as well as learn more about the campaigns and actions carried out by the various allies in favour of children and debate the challenges that lie ahead.

ECPAT CODE (Eradicating Child Prostitution Abuse and Trafficking)

Meliá Hotels International has subscribed to and supports several reputed standards and models of business and sector behaviour globally. **ECPAT International** is a worldwide network of organisations and individuals working together to eliminate child prostitution, child pornography and the trafficking of children for sexual purposes.

Solidarity Day

The purpose of the Solidarity Day is to raise awareness amongst our customers about all the values related to sustainable development and local culture, environmental protection, solidarity and teamwork. Solidarity Day is held in holiday hotels one day every week throughout the summer season.

In 2012, Solidarity Day was exclusively focused on raising awareness about the protection of children. Activities were held to spotlight the fact that children are individuals with the right to full physical, mental and social development and to express their opinions freely. Wherever this right is violated we must fight to protect them.

A total of 28 of the Company's holiday hotels took part, involving a total of 22,809 adults, 4,682

children and 6,043 employees. The entire amount raised -€51,832 - was destined for [VSJ](#).

Asset Disposal

In addition to its partnership with UNICEF, Meliá Hotels International also receives other requests for cooperation from a variety of organisations both nationally and internationally. The Company has designed an internal tool that meets the criteria to determine whether this partnership is in line with its social strategy.

All the partnerships are executed exclusively as asset disposals. The hotels give rooms or meeting rooms gratuitously based on the entities' needs.

In 2012 Meliá Hotels International received 161 requests for social cooperation from various not-for-profit organisations, 58 more than the previous year. This increase is attributable to the current economic situation. Of the total number of requests received, 100 were in line with the Company's social strategy, which is centred on the protection of children. This number exceeds the 81 requests approved in 2011. A total of 6 of the initially approved requests were later cancelled for reasons not attributable to Meliá Hotels International.

In 2012, 61 requests for free accommodation were excluded, compared with 21 in the previous year, as they came from organisations whose founding objectives were not in line with the Company's strategy, or which, despite meeting the requirements in this sense, were destined for executive teams, management teams and operational or sales staff. A total of 40 hotels cooperated altruistically with these organisations, compared with 37 in 2011.

**CÀTEDRA D'ESTUDIS TURÍSTICS
MELIÀ HOTELS INTERNATIONAL**

 Universitat de les
Illes Balears

MELIÀ
HOTELS
INTERNATIONAL

 10
ANYS

5.4 ACADEMIC PARTNERSHIPS

Here at Melià Hotels International we are firmly convinced of the need for close cooperation between the academic and business worlds. Academic institutions are a rich source of knowledge and innovation and educate the future senior managers of private enterprise. A number of key collaboration projects carried out by the Company in this area are listed below.

Management Talent Pool Project

In order to meet the demands of the Company's current international expansion strategy, and having detected particular difficulties in recruiting profiles for senior administrative or financial management posts in our hotels – especially on an international level – work has begun on creating a school of talent with the potential for meeting these and similar profiles. The process is divided into the following phases:

1. **Capture:** Universities in particular, but also the Melià Hotels International jobs site, Facebook campaigns and a number of jobs portals are all used to detect profiles of recent graduates with a degree in business administration and management or equivalent who have language skills and are willing to travel.
2. **Selection:** this takes place at an assessment centre: group dynamics, response and languages tests as well as a competence-based personal interview are used to select the members of the talent school.
3. **Work placement:** one-month induction in corporate departments.
4. **Phase 1:** one-year rotation in the administration, procurements and personnel departments of a hotel.
5. **Phase 2:** International exchange, with the option of taking part in new hotel openings and internal audits over a period ranging from 1 to 3 years.

6. **Final objective:** Head of Administration/Financial Controller at a hotel.

Melià Hotels International Chair of Tourism Studies

Melià Hotels International has been financing this Chair at Universitat de les Illes Balears (UIB) since 2002. It was created by the Company's President, Gabriel Escarrer Julià, in order to promote the teaching, research and diffusion of tourism.

In recent years this Chair has gradually moved towards the area of corporate responsibility in the tourism industry and the importance of sustainability for this sector.

In 2012 the Chair carried out the following actions:

- **Research Prize:** In line with Melià Hotels International's strategic approach to innovation in the tourist sector, and its role as a key tool in the generation of growth, differentiation and competitive advantage, the first edition of a grant worth €20,000 to fund a research project was convened. The winning project was 'Cultural Tourism in the Balearic Islands: analysis, diagnosis and future perspectives'. The senior researcher in this project is Dr Sebastià Serra. The aim is to analyse and study the opportunities for the development of cultural tourism in the Balearic Islands as a means of combating the problem of seasonalisation affecting the Balearic tourism model, thereby contributing to the region's social and economic development.
- **Course in Corporate Social Responsibility:** A 30 hour course open to all.
- **Optional module:** Social Responsibility and Business Ethics. Funding for an optional module in the course of studies leading to the degrees in Tourism and Business Administration and Management.
- **Internationalisation scholarships:** designed to provide support for final year Tourism

students by offering the opportunity to acquire international experience. Financial support is provided for students' travel, accommodation and maintenance expenses whilst they carry out three month work placement in Company hotels, mainly in Europe, America and Asia.

- **Doctoral scholarships:** a doctoral scholarship was granted for a thesis in the area of Tourism entitled 'Improvements to immediate-term tourism demand forecasts, based on weather conditions'.
- **Funding for various initiatives** aimed at encouraging the participation of leading international tourism experts and personalities in tourism courses and seminars, ideally covering the areas of social responsibility and sustainability from an environmental, cultural or social perspective. These courses and seminars are organised within the framework of the International Postgraduate Programme in the Economy of Tourism and the Environment.

6. BUSINESS VALUE

6.1 VALUE PROPOSAL AND KEY FIGURES

‘Sustainable investment in a responsible company’

€1,440 M in wealth generation

cf. €1,727 M in 2011

€1,362 M in revenue

cf. €1,335 M in 2011

6,837 local suppliers

cf. 6,961 in 2011

6.2 BUSINESS EVOLUTION

2012 results point to a positive evolution of the hotel business in which the EBITDA and margin increased by 8.4% and 48 basic points respectively. In consolidated terms the EBITDA rose 1.5% thanks to the capital gains from the sale of assets/revaluations (2012: €92.3 million; 2011: €133 million).

The RevPAR for owned and leased hotels rose by 7.9%. Occupancy rates fell by 1.8% whilst the available room rate (ARR) rose by 9.9%.

Of greater significance was the rise in operating margins by 76 EBITDAR basic points and 48 EBITDA basic points →  **RN2.**

In addition, room sale revenue rose by 6.8% compared with 2011, totalling €638.6 M, whilst food and beverage revenue rose by 3.8% to €402.6 M, putting total hotel revenue at €1,041 M, 5.6% higher than in 2011.

2013 forecasts: Average single digit growth in RevPAR

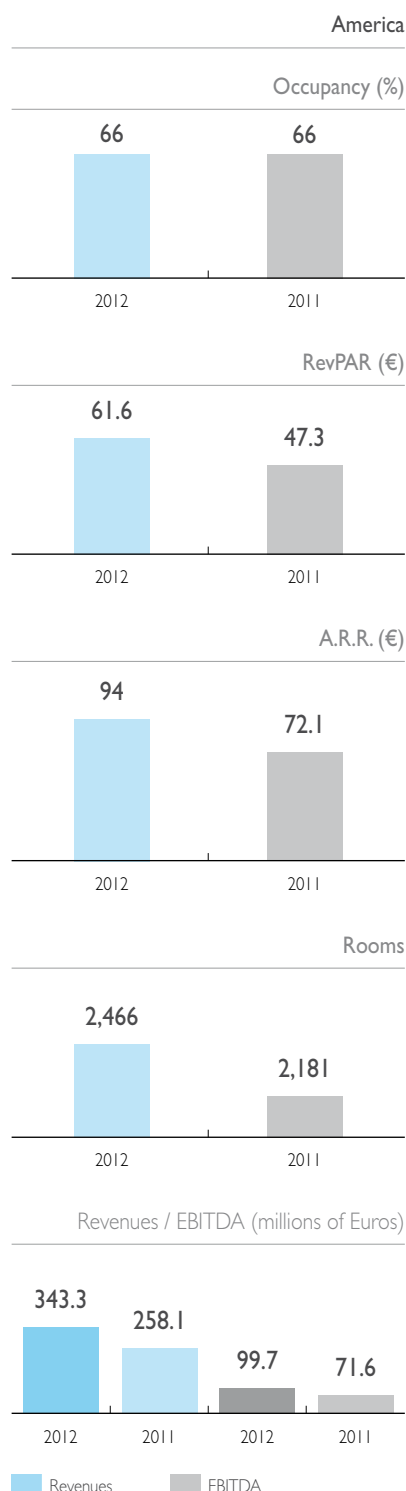
RevPAR evolution for 2013 will be attributable to the Company's holiday hotels situated around

the world, especially in the Caribbean, which is experiencing a positive growth trend both in the leisure and business group segments. Given the macroeconomic situation, the Company remains cautious in terms of its forecasts for European cities. In Spain, city hotels continue to face a difficult scenario, especially in the case of secondary cities. In this sense, the Company's focus on the upscale and international segments in Madrid and Barcelona will contribute to offsetting the slowdown in domestic demand. Spanish resorts are looking forward to a comfortable summer in 2013 with positive figures in those areas that attract the greatest number of international visitors.

America

RevPAR increased by 30.3% (+20.9% dollars), attributable entirely to price, whilst occupancy remained stable in comparison with the previous year's rate.

This evolution was possible thanks to the strategic line designed to maximise growth and margins based on our Revenue Management culture explained above.



By countries, the **Dominican Republic** showed a sharp growth in RevPAR, with a higher ARR in comparison with the previous year. Coinciding with the high season in the Caribbean, December registered price increases of around 47% over the previous year. This improvement in average price was due to the strength of our brands and our position on the Latin American market, enabling our hotels to attract a large number of groups, despite the highly competitive environment. As a result, the Paradisus Palma Real and Meliá Caribe Tropical hotels both registered record revenue levels in 2012.

Results for **Mexico** were also positive (RevPAR +5.6% in dollars), even during the last quarter, which coincides with the low season (with the exception of the Christmas holidays). Particular emphasis must be placed on these positive figures, especially if we consider that flights to Cancun during this period are limited, making it difficult for Meliá to attract a solid base of leisure and incentive groups. The Company also highlights the highly positive position of the Paradisus La Perla and the Paradisus La Esmeralda, which during their first year of operations achieved an EBITDA of around \$11 million.

Finally, mention must also be made of the positive performance of **Venezuela** and **Puerto Rico**. In this latter destination, the local market has become the principal outbound market for the Gran Meliá Puerto Rico, thereby contributing to boosting the hotel's average occupancy rate.

Looking ahead to 2013, the Company forecasts highly positive results in Latin America, particularly taking into consideration the expected evolution in the group segment, where growth is expected to continue at least at the same rate as in 2012. This improvement will be further boosted by the contribution of the Paradisus La Perla and La Esmeralda resorts. As for the **Dominican Republic**, it is expected that the renovation work carried out in 2012 on certain food and beverage areas at the Paradisus Punta Cana will make a positive contribution to results in this destination.

In terms of available rooms, the America division obtained an increase of 13.1% over the previous

year, attributable mainly to the incorporation of the Paradisus La Perla and La Esmeralda resorts in Playa del Carmen, Mexico.

Operating costs (excluding lease costs and the two Paradisus La Perla and La Esmeralda resorts) are set to rise 18% (9.3% in dollars), whilst the cost by stay rose 14% (9.3% in dollars). The principal cause of this increase is rising staff costs in Venezuela (in line with the inflation rate), as well as the increase in sales commissions in America, linked to greater expenditure in the groups segment. Despite taking into consideration the evolution of total cost by stay, the EBITDA margin for the America division improved by 132 basic points.

EMEA

In the EMEA region, RevPAR for 2012 increased 4.8% thanks to a price improvement of 6.1%.

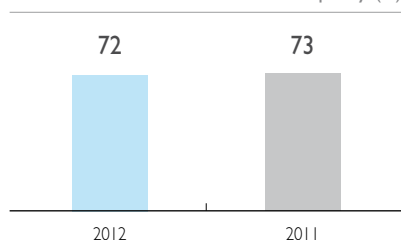
In terms of the overall results for the year, France registered the best performance rate (RevPAR +18.1%) due to a business strategy designed to boost ARR, with actions such as the following:

- Increased sales through direct sales channels, allowing for improvement revenue management.
- Replacement of clients from those countries most severely affected by the crisis, especially Spain, by increasing exposure to Brazilians, US Americans and Asians.
- Tighter controls on Tour Operator room assignation, as well as the most price sensitive key accounts.

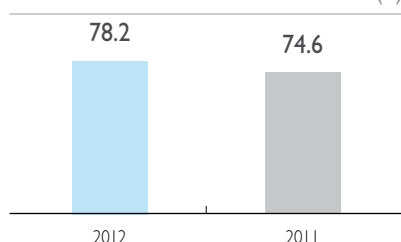
In the **UK**, the Meliá White House also improved its results, registering an 8.6% increase in RevPAR (+0.9% in GBP), due to the positive impact of the Olympic Games in July and August. In the first quarter of 2013, the Meliá White House registered a sharp rise in the MICE segment (Meetings, Incentives, Congresses & Events). It must also be stressed that despite the loss of a number of key accounts (the result of austerity measures), key account sales at the hotel are positive, indicating a recovery trend during the course of the year.

EMEA

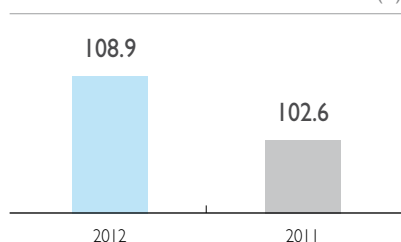
Occupancy (%)



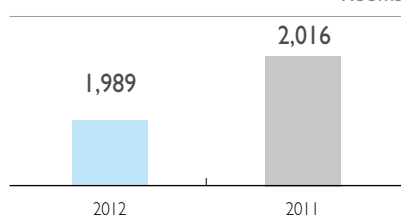
RevPAR (€)



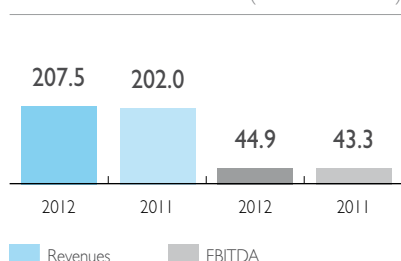
A.R.R. (€)



Rooms



Revenues / EBITDA (millions of Euros)



In **Germany**, the RevPAR increased by 6.9% thanks to efforts aimed at maximising revenue from trade fairs, key accounts and the MICE segment (Meetings, Incentives, Congresses & Events). The Company is looking ahead to the future with optimism after having secured an increase in the average rate following negotiations with its principal key accounts.

In **Italy**, the macroeconomic situation affected the performance of our hotels in **Rome** and **Milan**, in contrast to the Meliá Génova, which is strongly positioned on the market, registering positive results in the individual leisure and key account segments, as well as the group sector, albeit to a lesser extent.

Available rooms in the EMEA experienced a slight drop of 1.4%. The incorporation of the Meliá Génova (September 2011) offset the departure of the TRYP Verona (August 2011) as well as the sale of the TRYP Saxe (December 2011) and the TRYP Blanche Fontaine (March 2012).

Operating costs rose by 0.9%, whilst costs by stay increased 1.5%, mainly due to higher staff costs in Germany, as the growing number of trade fairs and other events requires increased staff numbers. To a lesser extent, this trend was also mirrored in the UK, due mainly to the Olympic Games.

Premium Europa

RevPAR in Premium Europe rose 3.5% following a positive third and fourth quarters (with improvements in the RevPAR of +6.9% and +8.3% respectively).

As for evolution in the holiday complex segment, the principal driving force for the 2012 results was the excellent third quarter performance of the individual leisure segment, mainly attributable to the Company's exposure in international outbound markets, which had a positive impact on the Gran Meliá Don Pepe in **Marbella** and the Meliá de Mar in the **Balearic Islands**, both in Spain. The Adults Only concept at the Meliá

de Mar and the refurbishment of several panoramic suites at the Gran Meliá Don Pepe also contributed to an improvement in the average price and therefore the RevPAR. On the downside, mention must be made of the poor performance of an owned hotel on **Lanzarote** in the Canary Islands. This hotel was affected by a reduction in flights connecting the island, thereby increasing this destination's dependence on tour operators. The Company has implemented a series of operations and marketing initiatives aimed at reversing this trend.

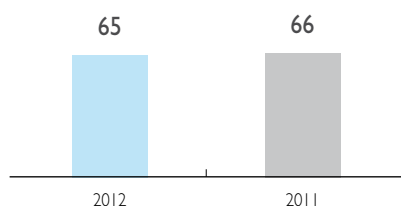
As for the **urban hotels**, the best performing hotels were those with an optimum mix between the leisure and business segments, associated mainly with the hotels' location – such as the Gran Meliá Victoria, in the **Balearic Islands** (Spain), as well as those hotels with the highest international exposure, such as the Gran Meliá Fénix, **Madrid**. Internationally, mention must be made of the Gran Meliá Roma, which is currently positioned as the Company's leading hotel in terms of ARR.

Company forecasts for 2013 indicate that falling domestic demand will continue to affect both the leisure and business segments. Of particular importance in this sense is the lack of business groups in cities such as **Madrid**. Meliá's sales teams are therefore implementing a strategy targeting the high-end segment in emerging outbound markets, especially in **Eastern Europe, Russia** and **Asia**. In Spain, the good news is to be found in **Barcelona**, where a larger group base points to a more positive outlook.

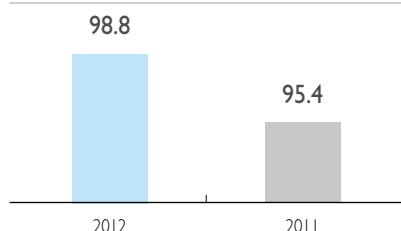
Outside Spain, Rome and **London** are the most promising destinations. Sales in **Rome** via our direct channels and increased exposure on markets such as the USA, UK and Russia point to a positive evolution, especially from March onwards and the start of the high season. As for London, special mention must be made of the strong position of the ME London Hotel in the international corporate segment, and groups in particular which are not showing any symptoms of price resistance. The hotel also boasts a solid position on the US market,

Premium Europe

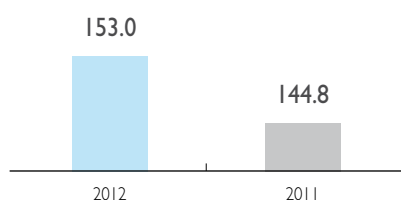
Occupancy (%)



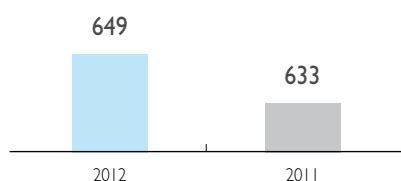
RevPAR (€)



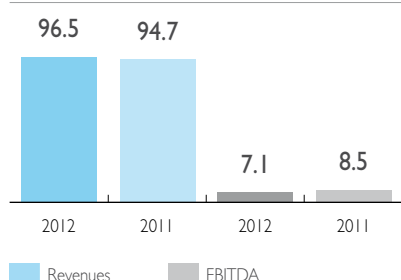
A.R.R. (€)



Rooms



Revenues / EBITDA (millions of Euros)



which is currently its largest source of customers, followed by the UK. In the light of these trends, the Company expects that the ME London to lead the price ranking, as indicated by the rates set for the London Fashion Week.

Premium Europe available rooms rose (+2.6%) due to the incorporation of the Gran Meliá Roma in April 2012 (116 rooms), although it was not consolidated until August 2012.

Operating costs (excluding lease costs) rose by 2.4% due to the incorporation of the Gran Meliá Roma as well as the pre-opening costs of the ME London. By excluding these costs, overall operating expenses fell by 0.8%, due essentially to the introduction of the Contingency Plan which cut costs in practically all hotels.

Spanish Resorts (Mediterranean)

The RevPAR for Spanish resorts experienced healthy growth (+2.8%) due to a slight fall in occupancy rates and rise in prices of +7.2%.

As could be seen throughout the year, evolution in this division is attributable to the performance of the **Balearic Island** hotels (RevPAR +11.6%), where the high season was characterised by rising foreign demand, mainly from the **UK** and **Russia**, as well as an improvement in the individual leisure segment, thanks to the increased presence of low cost airlines. Resorts in **mainland Spain** (principally Alicante and Malaga) also experienced a positive evolution, albeit to a lesser extent, with a +3.8% increase in RevPAR. In this area, the weak domestic market was boosted by the launch of special offers via our centralised sales channels.

No growth was recorded in the **Canary Islands** due to the resistance of the local and domestic markets, as well as the stabilisation of demand in competing destinations in **North Africa**, and which in 2011 had had a positive impact for the Canary Islands.

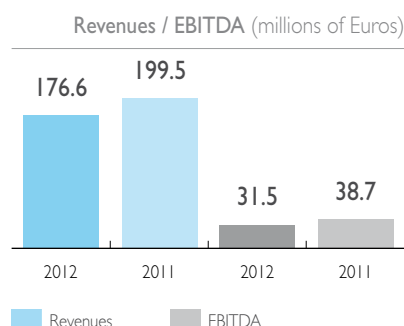
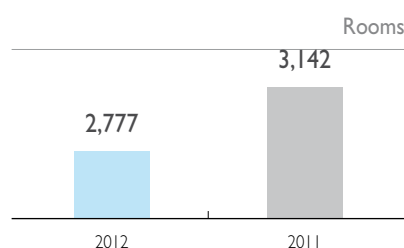
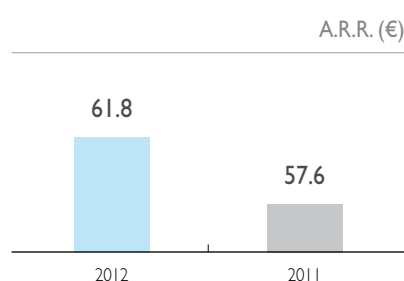
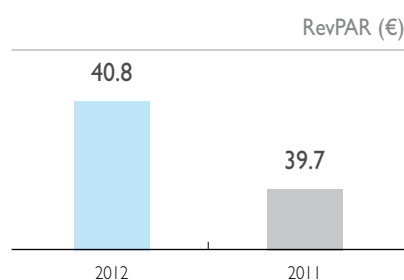
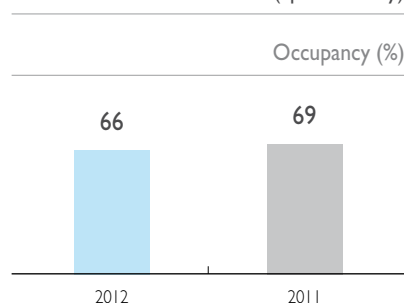
This trend is in keeping with the general evolution of the market. Summer 2012 was characterised by a sharp rise in foreign demand in **Spain**, which resulted in record figures on a par with those registered in 2007 in a number of areas such as the **Balearic Islands**. However, the dramatic upturn in foreign demand has failed to offset the fall in domestic demand, which mainly affected secondary destinations.

Looking ahead to the **summer 2013 season**, based on bookings made by the principal tour operators in Central Europe and the UK, as well as the evolution of our centralised sales channels and online travel agencies, it is expected that the **Mediterranean** resorts in the **Balearic Islands** and on the **Spanish mainland coast** will continue to evolve positively, due to the improved performance of alternative outbound markets such as **Russia**. The outlook for the **Canary Islands** is less certain, due to the lack of flight connections and a weak domestic market. However, the unstable situation in **North Africa** and **Egypt** in particular could affect the 2013 figures for other **Spanish** resorts, and the **Canary Islands** in particular.

Eager to continue with the successful trend initiated with **Calviá Beach Resort** (which includes the Sol Wave House and Beach House hotels), Meliá Hotels International recently published details of its latest innovative project: the Sol **Katmandú Park & Resort**. This new concept in resorts is a joint venture with the **Katmandú Group**, and is Meliá's first combined hotel complex and theme park, offering a new generation of leisure options in order to complement and extend the existing offer in the Magaluf area. Thanks to this project, Meliá will be contributing to the following:

- Greater integration and appreciation of the area by local residents and the principal outbound markets
- Generation of employment and increased business confidence

Mediterranean (Spain Holiday)



c. Attraction of new markets and customer segments

d. Improved image of the destination in terms of confidence and international positioning

The number of available rooms fell by 11.6%, due mainly to the change in operations system of the Sol Tenerife (December 2011) and the Sol Antillas Barbados (June 2011), the sale of the Sol Galúa (December 2011) and the early closure of a number of hotels during the low season, such as the Sol Cala Blanca (Mallorca), the Sol Aloha Puerto (Malaga) and the Sol Falcó (Menorca).

Operating costs fell by 12.3% (-3.5% comparable bases), whilst the cost by stay increased by 2.6% (1.9% comparable bases). This increase in cost by stay is mainly attributable to the following:

- a. A certain degree of rigidity in the hotel structure
- b. Increased energy consumption – due mainly to the rise in the price of electricity

Mention must be made of the fact that throughout the year, the Company implemented contingency plans in most of its hotels, including staff restructuring processes associated with occupancy rates, organising holiday leave during periods of low occupancy and renegotiating with local suppliers.

Urban Spain

As of December 2012, the RevPAR for this division had fallen 2.8%, due to the slowdown in both occupancy (-1%) and room (-1.8%) rates.

Despite the upturn recorded in the third quarter thanks to the positive impact of the leisure segment in a number of hotels, the fourth quarter, which depended entirely on the evolution of the business sector, confirmed the weak performance of the individual business segment throughout Spain. The lack of business groups, a number of incidents and the

loss of certain cabin crews following the introduction of cost-cutting measures by the majority of airlines also had a negative impact. In this sense, only a few cities such as **Barcelona** and **Bilbao** ended 2012 with positive figures, compared with the negative results of **Madrid** and secondary cities such as **Seville**.

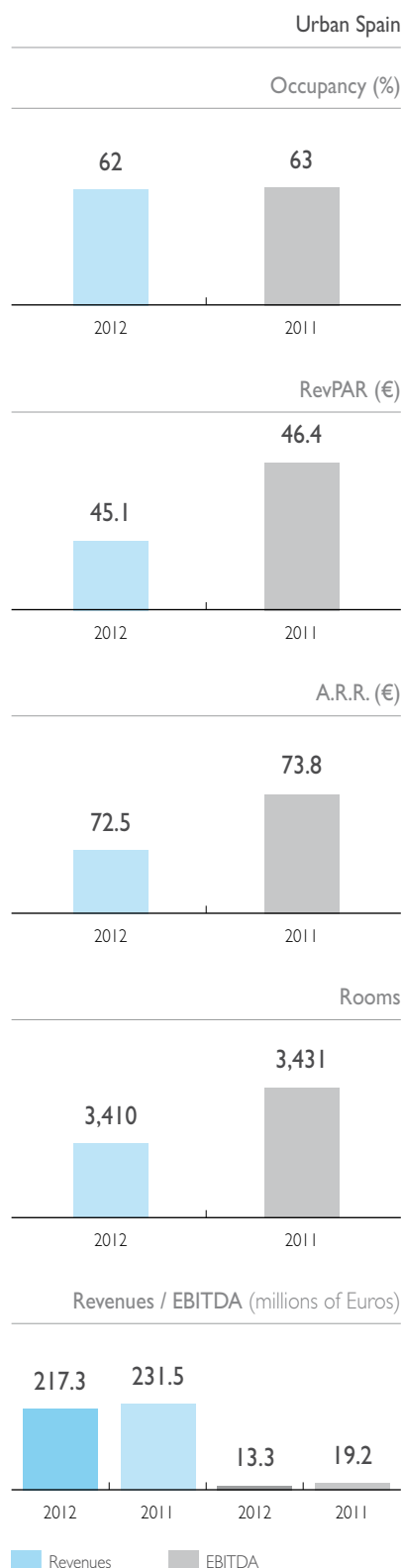
In terms of revenue segmentation, the evolution of revenue by room in 2012 (-3.4%) is attributable to the following:

- a. The slowdown in individual and group business travel, which fell by 15% and 6% respectively. However, this was partially offset by
- b. An upturn in the leisure segment in these urban hotels of 2.3%. Within the general slowdown (15%) registered in the business travel sector, the Company's key accounts demonstrated the best performance with an 8% fall.

Regarding the **first quarter of 2013**, demand in the corporate segment remains weak, especially in the MICE segment. The Company is therefore applying a series of actions to enhance exposure to the individual leisure segment, including the following:

- a. The launch of special offers and deals at melia.com
- b. Greater support for online travel agencies (OTAs)
- c. Agreements with outbound markets such as Brazil or Russia, among others. The positive news comes from the results of the successful negotiation with the principal key accounts.

In the light of the current pace of sales, the outlook for the **second quarter of 2013** is more promising, thanks to the group base in a number of Spanish cities such as Bilbao and Barcelona. This latter city will also benefit from the various events scheduled to take place during 2013, such as the World Swimming Championship, the X Games Extreme Sports, the World Handball Championship and the Mobile World Congress.



The fall in the number of available rooms (-0.6%) was due mainly to:

- The disaffiliation of the Meliá Valencia (September 2011), TRYP Iberia (October 2011), the TRYP Urdanibia, the TRYP Sancho Ramírez (both in December 2011), the TRYP Sondika (March 2012) and the TRYP Albayzin (April 2012)
- The loss of available rooms following the closure of the Meliá Palas Atenea (Mallorca) during the low season in order to carry out repair and refurbishment work

- This situation was partially offset by the incorporation of the Meliá Valencia in September 2011 and the Meliá Villaitana in January 2012

Operating costs fell by 4.9% (-3.8% comparable bases), whilst total cost by stay dropped 2% (-2.6% comparable bases) due to the introduction of a Contingency Plan, especially in Spain, which included actions such as adapting the cost structure to brand standards. In this sense, mention must be made of the positive contribution following the closure of a number of leisure/business hybrid hotels (e.g. in Palma de Mallorca) during the low season.

6.3 MANAGEMENT FEES

Total management fees received from third-parties increased by 2.2% (1.1 million Euros) → **RN3**.

Management fees in the America division increased by 3.8% (+€1 M). The positive performance of Cuba and the recently incorporated US hotels partially offset the disaffiliation of a property in Costa Rica and another in Mexico.

In the Asia-Pacific division, management fees fell by €0.3 M (-8.9%) as the positive performance registered by Vietnam failed to offset the weaker results in Indonesia, Malaysia and China.

In the EMEA division, management fees rose by €0.6 M, due mainly to the following:

- The relative recovery of tourist flows in Egypt, as reflected by the 2012 occupancy rates of our hotels in this area (63%). Following the recent social unrest in this country, the Company did not perceive any slowdown in major tour operator operations. Moreover, any such decrease could be offset by the improved performance of the Mediterranean resorts, and especially the Canary Islands.
- The contribution of Meliá Zanzibar, which obtained occupancy rates of around 70% in December 2012 after its first year of operations.

This is due to the effective negotiations with a number of tour operators, mainly from Europe

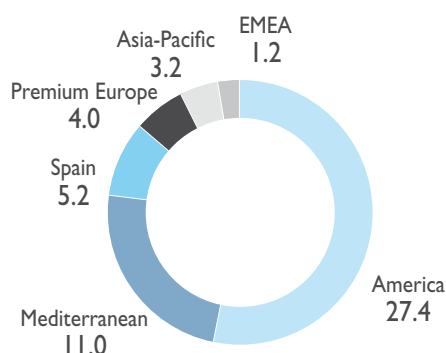
- The contribution of the Meliá Dubai

In the Premium Europe division, management fees fell by 5.2% (-€0.2 M). The positive results obtained by the Gran Meliá Palacio de Isora on Tenerife (Canary Islands), failed to compensate for the weaker evolution of the Gran Meliá Colón, which was negatively affected by the lack of groups in Seville and the price pressure exerted by the competition.

The positive results in the Mediterranean (+€1.1 M; +10.6%) are attributable to the incorporation of the Meliá Tortuga Beach Resort in Cape Verde and the Sol Wave House and Beach House hotels in Mallorca (Balearic Islands), together with the good results of the Company's Croatian hotels (+7.6%).

Finally, management fees for the Urban Spain division fell by €1 M (-16.2%) due to the weak corporate demand in Spanish cities and the disaffiliation of the Las Palmas and Horus Zamora hotels.

Fee management
(Millions of Euros)



BALI, INDONESIA

A number of guests accompanied the large contingent of Meliá Bali staff during their visit to the city's new Children's Orphanage.

The group attended the opening, held on 7th July.

6.4 PERFORMANCE OF CLUB MELIÁ

Club net sales grew 8% over the previous year's figure, due mainly to the net impact of the following:

- A 20.8% rise in rates
- Partial compensation due to a 13% fall in the number of weeks sold.

The fall in the number of weeks sold is due mainly to the policy implemented by the Company whereby Club Meliá redirected its efforts towards optimising the quality and profitability of its sales, resulting in the closure of sales operations in Spain, including Madrid and two Canary Island resorts. This line of action also included the suspension of sales in Puerto Rico and at the ME Cancun.

Furthermore, holiday club sales at the Gran Meliá Palacio de Isora were also negatively affected by the economic recession in Spain.

With regard to the fall in the number of weeks sold, another factor for consideration is the rise in bi-annual sales (from 48% in 2011 to 60% in 2012), considering that for accounting purposes, bi-annual sales are recorded as half-weekly sales.

Looking ahead to the future, Club Meliá intends to renew its business activity through the sale of additional products/activities aimed at boosting future revenue.

6.5 REAL ESTATE BUSINESS

Following an intense final quarter in terms of asset turnover, capital gains for 2012 stood at EBITDA €77.2 M, compared with €127 M in 2011.

The sale of the Sol S'Argamassa corresponds to an agreement with a third party for the creation of a joint venture (50/50) for the development of a project on Ibiza (Balearic Islands). This operation, which was signed in December, allowed for the generation of €10.5 M in capital gains.

In addition, in 2012 the Company recorded the revaluation of a number of assets to a value of €15 M, compared with revenue of €5.2 M in 2011.

With regard to other business in the Real Estate Division, revenue in the Dominican Republic increased by €1 M, whilst income from the lease of business premises in Venezuela generated an additional 0.8 million Euros.

6.6 INVESTOR RELATIONS

In 2012, the Meliá Hotels International Investor Relations Department has carried out a large number of communication-oriented activities with Company shareholders and potential investors. The most relevant actions were road shows in major European financial markets (New York, Boston, Los Angeles, San Diego, San Francisco, Toronto, São Paulo, Santiago de Chile, Paris, London, Frankfurt, Madrid or Barcelona), private visits to Spanish and international investors, participation in seminars and the hosting of several teleconferences throughout the year. Visits were made to a total of 160 institutional investors, compared with 154 in 2011.

All these activities were focused on increasing the transparency of Meliá Hotels International in capital markets.

The company will set up an electronic forum for shareholders for the General Board Meeting for financial year 2012, which is scheduled for June 2013. The purpose of this electronic forum will be to facilitate shareholders' communication prior to the meeting. Through the forum and with the appropriate guarantees, individual shareholders or voluntary associations may share proposals that they wish to present in addition to the agenda announced in the Board meeting call, requests that these proposals be added to the agenda, initiatives to reach the minority right percentage provided for by law, and offers of voluntary representation.

Minority shareholders

Minority shareholders wishing to become members of the Investors' Club may do so by registering under the Investors' Club section on the Meliá Hotels International website or by calling the numbers provided by the Customer Loyalty Department: +34 901 34 44 44 for **MeliáRewards Silver** shareholders, with fewer than 1,000 shares; and + 34 901 10 00 02 for **MeliáRewards Gold** shareholders. In addition to registration, **MeliáRewards Gold** shareholders must also provide a bank statement which proves that they have held their shares for a period of at least one

year. This statement can then be sent by e-mail (club.accionista@melia.com) or fax + 34 971 22 45 15.

At the end of 2012 the **Investors' Club** had a total of 3,006 members, compared with 2,917 in 2011. 18 members were holders of the **Meliá Rewards Platinum** shareholders card, compared with just 6 in 2011; 166 members were holders of the **MeliáRewards Gold** shareholders card, compared with 159 in 2011; and the remaining 2,822 were in possession of **MeliáRewards Silver** shareholders' cards, compared with 2,752 in 2011.

Investors' Club members may check their points balance by visiting the website at www.meliarewards.com and entering their user name and password. They may also consult their redemption options and exclusive offers.

melia.com

The Meliá Hotels International website at www.meliahotelsinternational.com has a special section for shareholders. The Shareholders and Investors section provides full information on finance and corporate governance in a simple and easy-to-access format. The section is in full compliance with the directives on transparency in financial information issued by the Spanish Stock Exchange Commission (CNMV).

The section also contains updated information for shareholders on the events calendar, quarterly results, the issue of securities, important events, the latest news, daily prices of Meliá Hotels International stock through Investis and information from the General Shareholders Meeting and Board of Directors Meeting, as well as details of the Investors' Club.

The Meliá Hotels International Investor Relations Department is always available to shareholders offering the most accurate market information at all times and is always open to constructive suggestions on how to improve its service.

SHANGHAI, CHINA

On 30th June, 13 employees from the Gran Meliá Shanghai Hotel attended the Lujiazui 2012 *Environment Volunteer event*, held by the city's inspectors. All the participants, dressed in red uniforms, helped the organisers to clean the streets around the hotel.



6.7 OWNER RELATIONS

During the course of 2012, the Meliá Hotels International Owner Relations Department worked on a series of projects aimed at increasing the services the department offers to hotel owners (153 owner companies in 30 countries) and building up close relationships. Efforts were focused on contributing value beyond the mere contractual agreement between the parties through the proximity generated by the presence of our operations managers in the various regions around the world.

Specifically, Owner Relations objectives for 2012 and the future consist of strengthening and supporting the organisation in its commitment to the Meliá Hotels International's Value System, which will smooth the path for the transition from an owner company with hotels under a management agreement to an asset ownership and management company, restructuring the Group's operations and services in order to position us closer to the owners, thereby allowing their expectations to be met.

This shift of focus, accompanied by a cultural change within the organisation, will enable us to further strengthen our proximity, vocation for service and excellence as key values in our dealings with owners. This requires a dynamic and open department that is both decisive and coherent in terms of its actions, and that bridges the gap between the owners and the various levels of the organisation. It must guarantee that the owners' voice is heard and taken into consideration, as well as helping Meliá to communicate its interests and strategic concerns for mutual benefit.

One of the most important projects carried out by the department in 2012 was the review of its owner relations model. This action is included in the Company's Strategic Plan 2012-2014, as part of its commitment to the identification of owners' opinions, needs and expectations. The idea is to include them in the Company's processes during 2013 and the following years.

Below are a number of other actions carried out in 2012:

- **Owners' portal:** exclusively for owners and with individualised access. The contents include the various brand books containing detailed information about the brand's image and identity in various formats such as videos, manuals and presentations. In addition to the Welcome section, the portal also contains the following:

- Meliá Hotels International Annual Report
- Company Profile
- Equality Plan
- Video Gallery
- Company Hotel Directory
- Contribution to Sustainable Development
- Our News in the Press
- Link to the corporate website
- Travel links of interest

- **Newsletters for owners:** Bi-monthly newsletters have been created as a means of providing owners with direct information. They contain a carefully selected range of major Meliá news stories from around the world. A total of 5 newsletters were published in 2012. However, the Owners' Portal also provides direct, daily access to all the news items included in the Meliá Hotels International press section.

- **Personalised booking services for owners and MeliáRewards cards:** A total of 92 bookings for 127 rooms and 234 nights were arranged. MeliáRewards owners' cards were issued to 47 new users in 2012, putting the total number of cards issued to owners around the world at 382, including 315 Platinum cards.

- **Property Report:** Improvements have been made to the property report in order to guarantee management transparency. New data relating to quality have been included, together with the financial management information and the principal ratios.

- **Proximity:** A total of 62 trips were made in Spain, Portugal and Greece lasting an average of three days. This accounts for more than 180 meetings with owners, representing Meliá at Board and

Annual Shareholders' Meetings, presentations and events, as well as providing brand support as a connection between the owners and Meliá, as well as the various actions undertaken by the regional areas (in their capacity as Key Contacts).

- **Internationalisation:** In order to contribute to the Group's increasing internationalisation, the Owners Relations Department developed the tools necessary to enable the regional offices to provide owners with reports and to offer or coordinate institutional assistance with the Group, in collaboration with the various business areas in the regions we operate in.

Looking ahead to the future

The Owner Relations Department intends to consolidate the directives that will be implemented

accordingly in Meliá's local corporate offices in other countries such as Germany, Asia, Brazil and the USA. In this sense, and as part of the review of the Owner Relations Model, work will continue on extending support for the Company's areas of international expansion, additional data of interest to owners will be included in the owners' institutional report and a technical report will be drawn up for the investment plans of the various business units for the owners, amongst other initiatives.

This department is permanently at owners' disposal, working to safeguard their interests, resolve their concerns and act as a link with the organisation. It is always willing to receive suggestions, recommendations and comments. The department can be contacted by phone on +34 971 22 44 68 or by writing an email to: relacionconpropiedades@melia.com

6.8 SUPPLIER RELATIONS

Responsible procurement

In terms of relations with our suppliers, Meliá Hotels International considers itself an 'extended' company in the sense that it not only manages its own value chain, but also takes into account all other links in the industry's chain, from customers to suppliers.

HR2-1 > 100% of the contracts signed in Spain in 2012 included the provision of minimum compliance on Corporate Social Responsibility, which includes respect for human rights. This clause is an appendix added to the body of the contract with a new supplier, so the absence of a signature on it would entail the rupture of the contract with this supplier:

Late 2012 saw the launch of a pilot scheme in Mexico and the Dominican Republic in order to

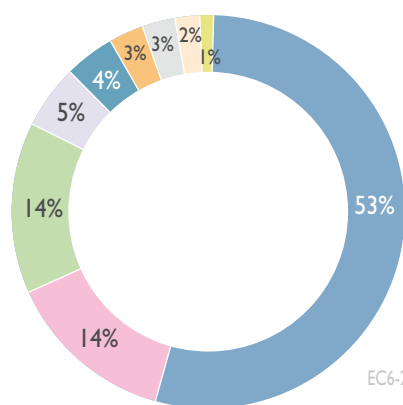
begin implementing the process of awareness raising, information and adhesion of our international suppliers to the **Sustainability Clause**. Starting in 2013, this initiative will be extended to the remaining countries we operate in.

This process also includes a supplier survey aimed at determining the extent to which they are in line with and committed to the values and principles included in the Company's Code of Ethics.

Our intention is to ensure that Meliá Hotels International receives worldwide recognition as a responsible company.

At present, no specific controls have been developed to ensure compliance. <HR2-2

Procurement percentage breakdown by product families over total procurement expenditure for 2012



Food	Equipment
Beverages	Supplies / Fuel.
Fixed installations materials and products	Cleaning products / materials
Cellulose products	Personal hygiene
Markets/Supermarkets / Stores	Miscellaneous

General purchasing policy and supplier management

The general Meliá Hotels International purchasing policy aims to meet the operational needs of hotels and corporate offices that may be covered by acquisition or contracting in order to generate revenue increases or cost reductions at acceptable quality levels.

The mission of the Purchasing Department is thus to apply supplier management criteria that meet internal customer needs (hotel and corporate offices) in a balanced and sustainable way.

Furthermore, a series of additional criteria are included for consideration when choosing a supplier. These are essential in order to ensure that suppliers provide appropriate and quality service:

- The geographical limits of the supplier
- Type of industry: manufacturer, importer, exporter, distributor, installer and/or maintenance supplier
- Quality certifications
- Environmental certifications
- Health and safety certifications
- Special Employment Centre certifications
- Economic conditions
- Non violation of human rights

Meliá Hotels International aims to build up long-lasting relations with its suppliers that guarantee satisfactory service and quality for the Meliá Hotels International hotel portfolio.

EC6-1 > Meliá Hotels International considers that a vendor is of local origin when it is registered in the country in which the Company purchases its products
→ VN01.

Purchasing statistics

The volume of data processed in the system and from which the Purchasing Department obtains its purchasing pattern information, based on its geographical location, category and hotel brand for 2012 was as follows:

- 7,223 suppliers receiving orders in 2012 compared to 7,384 suppliers in 2011.
- The total volume of purchases made via a purchase order in 2012 by hotels and corporate offices was €265,526,486, compared to €328,634,399 in 2011.

In 2012 the Company invested €3,828,970 in purchases from special employment centres compared to €3,479,000 in 2011. The invoicing for recycled materials was €1,013,458, 0.4% of the total amount invoiced, compared to €202,798 in 2011, 0.06% of the total amount invoiced. < EN2-1-2

The same difficulties were experienced when calculating the total volume or weight of recycled materials as for the other products included in the purchase catalogue, as explained below.

The Company does not currently have the degree of functionality necessary in its computerised procurement systems to provide reliable details of the raw materials consumed in units of mass and volume. The Company therefore parameterized its systems to provide them with the necessary entry interface for these data in 2011. Although it was hoped that the existing product details could be updated and new products included for 2012, this eventually proved impossible. The intention is now to carry out this task during the course of the Strategic Plan 2012-2014. EN1-1-2-3

In 2012 Meliá Hotels International incurred expenses of €265,526,486 in procurement compared to €328,634,399 in 2011. Of this amount, we should stress that over 160 million Euros in supplies with over 80% related to the consumption of **food, beverages and equipment**, as shown in the chart below.

ECI > 6.9 CASH FLOW SOCIAL OR INCOME REDISTRIBUTION

ECI-1 > In 2012, Meliá Hotels International created wealth of more than 1,200 million Euros, compared with over 1,400 million Euros in 2011. Customer revenue

ECI-2 > totalled 1,227 million Euros, compared with 1,213 million in 2011. These collections allowed it to pay 329 million Euros to its employees compared with 345 million Euros in 2011; more than 124 million Euros to the government compared with 119 million in 2011, 679 million Euros to its suppliers compared with 645 million in 2011, and approximately 8 million to its shareholders, compared nearly with 10 million in 2011. The differences between the economic value generated

ECI-3 > and the economic value distributed, that is, the economic value retained, was 29 million Euros compared with 23 million in 2011.

This is the effect of wealth generation. During this period the Company invested more than €40

M on extension, improvement and accessibility work in its hotels, as well as the acquisition of new establishments, brand value and technology, compared with more than €146 M in 2011.

Within the investments in infrastructures and services mainly provided for the public good, a project valued at a total investment of 1.15 million Euros (19 million pesos) got underway to remodel 5th Avenue in Playa del Carmen. This road provides access to the Hotel Paradisus Playa del Carmen, while the project will considerably improve the condition of the road for the local population. Work on this project was completed in 2012 with an investment slightly under the projected amount: a total of €507,420 (9.2 million pesos) in 2011 and €309,642 (4.9 million pesos) in 2012.

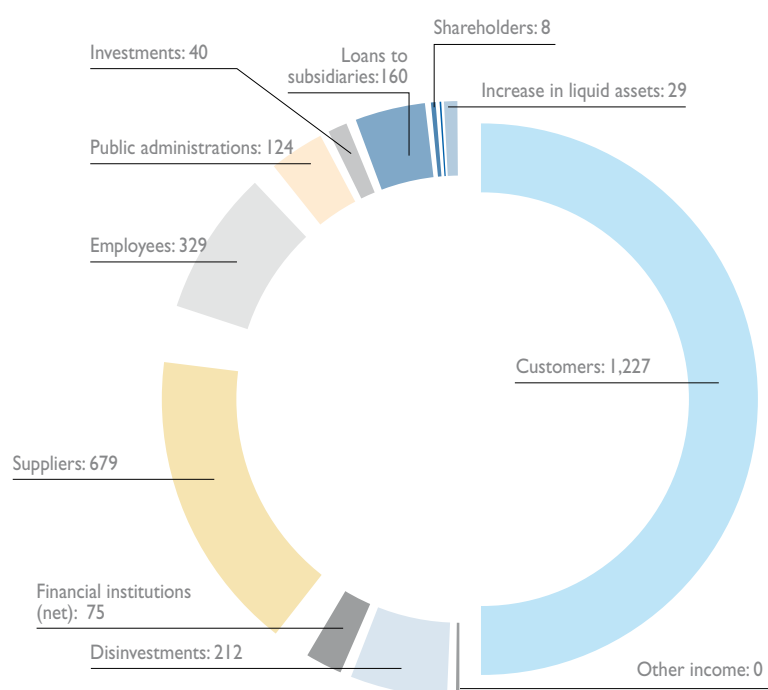
During the course of 2012, a total of €23.5 M were invested in phase one of the Calviá Beach Resort project in Magaluf. The money was used to renew infrastructures both in the hotels and the surrounding area (sea promenade, pavements, streets, etc.). Work began on the second of the three phases of this project which is set for completion in 2014.

Meliá Hotels International has taken out loans with the ICO – a state-owned bank attached to the Spanish Government's Ministry of the Economy and Finance – for a total of €15.2 M in the form of liquid assets – compared with 4 million Euros in 2011. It has also received a €2.2 M loan from the Bank of Brazil in the form of liquid assets.

The Company has also received subsidies from various institutions and tax benefits to a value of approximately 1.1 million Euros, compared with €1.01 M in 2011, granted as social security reductions for subsidised training courses.

The Company has recorded no significant investments (more than 3% of the total shares) by government entities.

Social Cash Flow (Millions of €)



7. COMMERCIAL VALUE

7.1 VALUE PROPOSAL AND KEY FIGURES

'A quality product that cares for the environment'

melia.com received 31 million visitors*

3 M affiliated to the MeliáRewards programme
cf. 2.5 M in 2011

Level of customer satisfaction: 82.4%
cf. 80.7% in 2011

More than 750,000 fans on Facebook
cf. more than 385,000 fans in 2011

7.2 SALES

Melia.com

Meliá.com is one of the principal distribution channels for Meliá Hotels International. In 2011 the sales website adapted its image to the new corporate brand and now also has 9 active Facebook profiles, one for each brand in addition to a corporate profile – enabling the Company to secure a consolidated position of leadership over the last two years.

Representing 11.6% of the total production for 2012 – compared with 10.6% in 2011, **melia.com** now boasts a strategic position as one of the main channels for boosting sales and product offers to direct customers. The objective for the coming years is to increase from €174 M in 2012 to €230 M by 2014, a rise of 32% in just two years.

In order to reach this objective, a series of lines of action have been drawn up, details of which are given below:

Product presentation

In order to transfer its unique knowledge of the

hotels it manages to its customers, in 2012 the Company embarked on the transformation of its traditional hotel fact sheets into the new Gold Sheets. They offer better quality information and include additional formats such as photographs and videos, as well as providing full information for all our major users as they are available in the most commercially-significant languages and include customer opinions posted on *TripAdvisor*.

40% of the hotels are currently featured on the Gold Sheets with versions in all the languages included on **melia.com** (English, Spanish, German, French, Italian and Portuguese), and details of 37 of these hotels are also available in Russian.

melia.com has been designed principally for its customers. As part of the internationalisation strategy, melia.com is not just optimised for Google, but also for additional major search engines in other countries such as Yandex in Russia, Baidu in China and Bing and Yahoo in the USA.

Meliá Hotels International invests in online marketing campaigns on search engines, displays, affiliate networks, and remarketing and retargeting campaigns directed at **melia.com**. The offer is also

* Data that is non-comparable with previous years due to changes in the measuring system and tool. 2012 tool: Google Analytics

tailored to meet customers' expectations and needs and to offer them everything they would expect when booking at one of the Group's hotels, including quality products and services in addition to their room reservation.

Social Networks

Since 2011, when Meliá Hotels International boosted its strategic presence on the social networks, the Company has managed to generate a high degree of participation amongst its fans and strong emotional ties to its brands, known as engagement.

At the end of 2012 the Company's various profiles totalled more than 750,000 fans on Facebook, compared with 385,000 in 2011.

New corporate website



New corporate website

In January 2013, the Company chose the FITUR tourism trade fair as the setting for the launch of its new corporate website **www.meliahotelsinternational.com**. Developed during the course of 2012, this new corporate tool is designed to enhance the Company's transparency through the diffusion of contents of interest to its various stakeholders. It was also **designed in accordance with criteria of usability and accessibility** as differentiating elements, and is **AA (double A) certified**, based on **Web Content Accessibility Guidelines (WCAG 2.0)**.

It brings together under a single format and design all the hotel group's corporate and institutional information. It was developed by **Technosite**, part of the ONCE Foundation and a key partner for Meliá Hotels International in matters of accessibility and the social and labour integration of the disabled.

The website is divided into six major blocks. The first includes a detailed presentation of the Company, its brands and managerial structure, in addition to publishing, for the first time ever, the Group's corporate values. The

second block is designed for Shareholders and Investors, and contains the Company's quarterly and annual reports, financial presentations, recommendations from equity analysts and details of corporate governance, etc. The third block is the new Press Room, which now includes a document centre, news archive and other resources of interest to the media. The fourth block provides details of the expansion strategy and added value of a Company with a promising future on the international scene. The fifth block contains full details of the Company's stance on sustainability and its stakeholder relations model. Finally, the sixth block includes details of the talent management model and the jobs channel.

Tour Operation

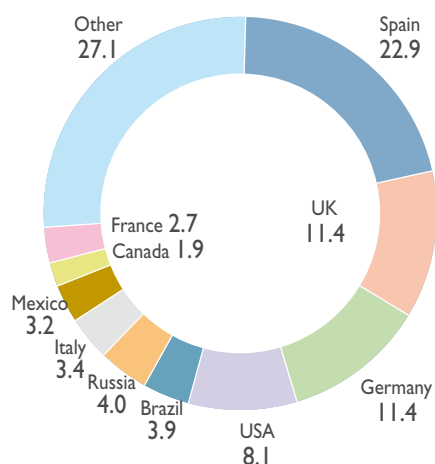
Contracting at Meliá Hotels International is a centralised function involving the planning, negotiation, signing and monitoring of contracts between the Company and international tour operators.

Contracting is the basis for the new Key Account Management structure introduced in 2007, in which each Key Account Manager carries out contracting and is responsible for the monitoring and monthly evaluation of the revenues their accounts bring to hotels. They also programme promotional activities (including private meetings, road show presentations, workshops, and stands at the major tourism fairs, amongst others,) and also monitor sales forecasts for their key accounts to ensure correct decision making for the future.

Since 2009, Meliá Hotels International has included sustainable development criteria in its contracts with tour operators, obliging them to comply with regulations on human rights and minimising the environmental impact of their activities.

7.3 CUSTOMER KNOWLEDGE

Guests by country of origin (%)



Customer Relationship Management is one of the key strategies of the Company's new Strategic Plan 2012-2014, which is why the Customer Relationship Management department plays a fundamental role in marketing, assuming a twofold role:

- Earning customer loyalty, enhancing their value to the Group, and
- Encouraging conversion between the different businesses (Hotels, Club Meliá and Real Estate).

The centralised CRM database contains information on 9.3 million clients, 4.2 million of whom have expressed their desire to receive commercial information on Meliá Hotels International → [COOI](#).

The importance of loyalty: MeliáRewards

mas, Meliá Hotels International's loyalty programme has been recently renewed and renamed 'MeliáRewards' in an attempt to boost customers' satisfaction and confidence in the Company. The programme has become one of the Group's major revenue generation levers and currently has 3 million members of 15 different nationalities that account for 50% of the sales centralised at melia.

com. The new programme aims to boost the Company's international reputation by adopting its corporate brand, **Meliá**, and has also been designed under the new slogan 'Welcome back'; an invitation to customers to relive the experiences and sensations they enjoyed during their stay at Meliá Hotels International hotels.

Following the launch of **MeliáRewards**, there are now also four new types of loyalty cards - MeliáRewards, MeliáRewards Silver, MeliáRewards Gold and MeliáRewards Platinum – each with their own benefits package.

MeliáRewards customers will also enjoy a series of additional benefits at melia.com such as special rates or the chance to redeem points for free nights' hotel accommodation in a really flexible format based on points only or a points + cash combination.

Club Amigos programme

This programme, which was set up in 1997 in order to create closer ties with travel agents and reward their loyalty, currently has more than 80,000 mas friends around the world.



PR5-1 > 7.4 QUALITY AND GUEST SATISFACTION

Our customers around the world are demanding a consistently higher degree of personalisation and excellence in the services provided. Meliá Hotels International knows that each customer is unique and in order to respond to these demands, the Company has come up with a customer-focused quality strategy, introducing ongoing improvements to its products and services in order to exceed their expectations and increase their degree of satisfaction.

In order to achieve this, the Company has implemented a series of tools designed to assess customers' experiences and their perception of

the quality of our services. These tools provide us with the information we need to get to know them better and offer products and services tailored to meet their needs, providing each customer with maximum value.

Online guest satisfaction survey (Market Metrix)

The satisfaction survey is the Company's principal tool when it comes to assess customers' perceptions regarding the quality of their stay, the service they received, the facilities, staff and other key variables.

TENERIFE, SPAIN


Throughout June, the Gran Meliá Palacio de Isora Hotel celebrated the Environment Month, organising a series of games and workshops such as *DNA recycling*, the Eco-Commitment Awards, Eco-friendly Designers and visits to organic kitchen gardens.

The aim of these initiatives is to transmit a message of commitment towards the environment to children staying at the hotel.



This survey provides us with individualised feedback on the experience of each customer, as well as ideas on how to introduce constant improvements to our products and services.

The information obtained from this survey also enables us to establish a benchmark with our principal competitors thanks to 14 key questions and information about where we stand in terms of satisfaction in relation to our competitive set. In 2012 the Inside brand came top, ahead of its competitors, whilst the other brands ranked around the average level.

Meliá Hotels International has been using this tool for five years, using specific surveys for each brand. In 2012 the Company obtained a Company-wide satisfaction index of 82.4% compared to 80.7% in 2011. Particular mention must be made of the Paradisus brand that ended 2012 3.1 points higher than the previous year; whilst the other brands closed the year several decimal points higher; with the exception of ME by Meliá which registered a lower value than the previous year. →  VC02.

PR5-2 >

Brand audit (LRA)

Meliá Hotels International audits each of its hotels through visits by specialist consultants to determine the degree brand standardisation. We evaluate products, services, processes and facilities, and the results are presented in detailed reports. Furthermore, since 2010, the hotels also have a self-assessment tool designed to regularly detect areas for improvement in order to guarantee the quality and brand standards laid down by the Company. 2012 saw a reduction in the number of auditing visits due to the Company's Contingency Plan, although the self-assessment tool was reinforced in all hotels in order to minimise any possible impact on the quality and service standards that may affect customer satisfaction and the standardisation levels required by the Company.

Social networks (ReviewPRO)

In 2010 Meliá Hotels International added the ReviewPRO tool to manage its online reputation,

allowing an analysis of the views of customers from more than 45 sources, in English, Spanish, German, Portuguese, Italian and French. The results are processed to obtain the reputation score of each hotel as well as the Global Reputation Score for the Company, its brands and its competitors.

The result for 2012 stood at 81.1%, an improvement of 1.2 basic points over the 2011 result (79.9%). With the exception of the ME by Meliá brand, the results of all the brands were better than the previous year; with growth rates varying between 1 and 2.7 basic points. The Gran Meliá brand registered the most significant improvement.

In 2012 a tool for determining the QPI (Quality Penetration Index) by hotel was also introduced. This tool shows the quality penetration index with regard to the competitive set result for each hotel. The overall Company result for 2012 was 97.1% and the Gran Meliá, Paradisus Resorts, Meliá and Inside by Meliá brands all exceeded their competitive set (with a percentage of over 100%).

By the end of 2012 this tool had been implemented in a total of 266 hotels, the same number as in 2011. Inside by Meliá, Paradisus Resorts and Gran Meliá were the brands that received the best Internet rating. The results are based on 114,931 opinions, 50,801 more than the previous year.

< PR5-2

Incidents

The Meliá Hotels International Guest Experience department manages all incidents and customer feedback received through the e-mail calidad@melia.com, redirecting queries to the area responsible for each case and providing a response within 48 hours. In 2012 we received 1,938 comments compared to 2,196 comments in 2011, 86.4% of them answered within the deadline, compared to 84.7% in 2011.

7.5 GUEST HEALTH AND SAFETY

PRI-1 > Products and Services

The Purchasing Department monitors the quality and guarantees provided by different suppliers. One of the crucial pre-conditions is the possession of a valid health and safety permit. Samples of products are also tested on a regular basis to ensure their quality.

All chemical, hygiene and personal hygiene products undergo strict safety and quality controls and in the case of hygiene products, the law requires that manufacturers must also include a tracking code for production and packaging. The hotels generally use non-rechargeable bath gel, shampoo and hand soap to avoid possible cross contamination.

PR3-1 > Washing systems and dishwashers are regularly checked by a TS (Technical Service) chemical product supplier to ensure that both facilities and products and their dosage mechanisms are in optimum conditions. With regards to swimming pool chemicals, suppliers carry out regular checks on the product dosage mechanism, making sure it is working properly and supplying the correct doses.

Our hotels use different warning signs to indicate doors and windows and to warn of wet floors etc. The hotels also have medical contracts both for individual guests staying at the hotel and for medical attention in emergencies.

In 2012 Meliá Hotels International has not received any significant fines for non-compliance in relation to the provision and use of any products and services.

Food and Beverage

PR2 > All Company hotels employ strict controls carried out by external companies to monitor all of the departments that handle food and beverage products, making sure that they are safe for guest consumption. The monitoring scheme followed by Meliá Hotels

International in each area includes the following analyses:

Operation and maintenance of infrastructure machinery and utensils.

- Guaranteeing the correct operation of machinery operated by gas and electricity.
- Ensuring that the temperature of fridges, cupboards, defrosting areas, buffets, etc., meet health regulations.
- Ensuring work utensils are in a suitable condition and that they are made of appropriate materials.
- Monitoring the condition of work surfaces such as tiles and ceilings to avoid any type of contamination from animals.

Cleanliness of all areas and utensils used for handling and/or storing food and beverage products.

- Monitoring cooking areas and machinery, fridges and stores, buffet areas, dishwashers, etc.
- Adhering to a strict cleaning programme which defines the area to be cleaned, the frequency, the method and the cleaning products.

Food handling training and control of personal hygiene.

- Monitoring of correct product labelling.
- Defining rules for the correct receipt of goods as well as storage systems which guarantee the control of use-by dates such as the FIFO system (First In First Out).
- Definition of control rules and checklist for the correct storage of products and avoidance of cross contamination.
- Regular checks of hotel staff concerning correct personal hygiene, dress code and use of utensils.

To carry out these evaluations each department has a Critical Point Control Analysis system which monitors the points mentioned above on a daily basis, noting breaches of these regulations and the corresponding corrective measures.

In 2012 there were no incidents of non-compliance with regulations and voluntary codes concerning the impacts of products and services on health and safety during their life cycle or marketing communications.

As well as all measures which guarantee the health and safety in food and beverages, Meliá Hotels International also attends to the different dietary needs of certain minorities groups. Some brands have special menus for celiacs, athletes, children and low calorie diets.

< PR4, PR9, PR7

7.6 MARKETING AND COMMUNICATION POLICY

Any form of communication is a necessary element between companies and consumers and contributes to the sound functioning of the market by generating benefits for both companies and society at large.

a non-profit organisation created in 1995 by the leading advertisers, agencies and media. Its goal is to manage the Spanish system of advertising self-regulation through good advertising: it must be truthful, legal, honest and loyal. Autocontrol's codes are revised every year.

PR6 > At the meeting of the Board of Directors of Meliá Hotels International held in November 2011, the members approved the text of the **Marketing and Communication Policy**. The purpose of this document is to establish this framework by defining the principles that any marketing, communication or advertising action undertaken by Meliá Group should fulfil.

In 2012, Meliá Hotels International received no administrative sanction related to consumers' and users' rights. Furthermore, the Company sells no banned goods or products that are questioned or the subject of public debate.

Likewise, in December 2011, Meliá Hotels International joined **Autocontrol** (Association of Auto-Regulation of Commercial Communication),

7.7 DATA PROTECTION

PR8-1 y 2 > Meliá Hotels International has the utmost respect for the privacy of its clients and stakeholders and therefore applies all the measures necessary to

protect it. In 2012 no claim or complaint in regard to data protection was registered in Spain or abroad.

APPENDIX A. CORPORATE INFORMATION

Headquarters

Gremio Toneleros, 24
Polígono Industrial Son Castelló
07009 Palma de Mallorca - Spain
Tel. +34 971 22 44 00
Fax +34 971 22 44 08

Corporate Offices Madrid

Mauricio Legendre, 16
28046 Madrid - Spain
Tel. +34 91 315 32 46
Fax +34 91 315 62 31

Corporate Offices

North and Central America

800 Brickell Avenue 10th floor
33131 Miami - Florida - USA
Tel. (1) 305 350 98 28
Fax (1) 305 350 99 60

Corporate Offices South America

Av. Nações Unidas, 12551
04578-903 Sao Paulo SP - Brazil
Tel. (5511) 3043 8484
Fax (5511) 3043 8466

Corporate Offices Cuba

Ave. 3ra entre 76 y 80
Miramar - La Habana - Cuba
Tel. (53-7) 554 712
Fax (53-7) 832 1969

Corporate Offices Asia

6 Battery Road # 18-07 (049909) Singapore
Tel. (65) 6.3343332
Fax (65) 6.3342065

Club Meliá

47 Millenia Blvd., suite 240
Orlando /FL 32839
Tel. 1 (407) 370-3671
info@clubmelia.com
www.clubmelia.com

Corporate Social Responsibility Department

csr@melia.com

Investor Relations Department

+34 971 22 45 43
investors.relations@melia.com
http://inversores.melia.com

Communication Department

+34 971 22 44 64
comunicacion@melia.com
http://prensa.melia.com

Shareholders hotline

+34 971 22 45 54
club.accionista@melia.com

Date of the most recent previous
annual report: 2011

Signature of the Audit Report on Consolidated
Annual Accounts: PwC

Signature of the Independent Revision Report of
the 2012 Sustainability Report: PwC

www.meliahotelsinternational.com
info@melia.com

Bookings Centre (SolRes):
902 14 44 44

Meliá Hotels International GDS access codes:
AMADEUS:SM
GALILEO:SM
SABRE:ME
WORLDSPAN: SM

APPENDIX B. HISTORY OF THE COMPANY

Foundation 1956	Hotasa purchase 32 hotels 1984	First international hotel in Bali 1985	CHM Purchase 11 hotels 1986	Meliá purchase 31 hotels 1987	Initial public offering 1996	Hotel purchase in Paris 8 hotels 1999
▲	▲	▲	▲	▲	▲	▲

1956 - At 21 years of age, Gabriel Escarrer Juliá begins to lease and operate his first hotel: the Altair Hotel located in the residential area of Son Armadams (Palma de Mallorca, Spain). It had 60 rooms.

1960s - The tourism boom of the 1960's was fundamental to the consolidation of the structure of the company. Through reinvestment of profits, increased co-operation with Tour Operators and bank loans, the company began to take shape.

1970s - Es This is the period when hotels began to be opened on the Balearic Islands, the main coastal areas on peninsular Spain and on the Canary Islands. The first vacation hotels were also purchased at that time. During 20 years until 1976, the chain operated under the name Hoteles Mallorquines. In the late 1970s, the national expansion plan was consolidated and the name that appeared on the social register changed to Hoteles Sol.

1984 - En In a joint deal with Aresbank (financial representative of the KIO group in Spain), the 32 hotels of the HOTASA chain in Spain were acquired. The purchase meant the beginning of activities in the city hotel market and the company moved up to number 37 in the world ranking of hotel chains. At the same time, the company also became the largest hotel chain in Spain.

1985 - The company began its international expansion with its first hotel outside Spain: the Bali Sol.

1986 - Continuing with the policy of growth through acquisition, Hoteles Sol took over Compañía Hotelera del Mediterráneo, including 11 hotels partly owned by the airline British Caledonian.

1987 - On the 27th of June 1987, Hoteles Meliá, with 22 hotels, was purchased from the Luxemburg-based group Interport, presided over by Giancarlo Parretti.

1993 - Sebastián Escarrer Jaume joined the company management, triggering a change towards a matrix organisational structure. To favour continued growth, the management team was strengthened and changes were made in management procedures and systems (information technology, accounting, quality control, bonus systems, financial management, added values for the 5 key client types, etc...). That same year, the company was named as the recipient of the Prince Felipe Award for excellence in tourism for its management and growth policies.

1996 - Once the new organization and management systems had been consolidated, on 2 June 1996, Sol Meliá became the first hotel management company in Europe to be floated on the stock exchange. Prior to the flotation the company had been split in two: Inmotel Inversiones, the owner of hotels, and the new Sol Meliá S.A., a hotel management company and target of the flotation.

1998-1999 - Due to the situation in the international travel industry at the time, characterized by major vertical and horizontal mergers, a strategic decision was made to reintegrate the hotel management and property businesses. The integration ended in 1999 with the take-over of Meliá Inversiones Americanas (MIA) and the merger with Inmotel Inversiones. After the creation of the new Sol Meliá, Gabriel Escarrer Jaume joined the company as Chief Executive Officer. He had held the same position with Inmotel Inversiones.

Tryp
purchase
60 hotels
2000
▲

INNSIDE
purchase
11 hotels
2007
▲

Inclusion in the
FTSE4Good IBEX
2008
▲

Global Compact
Principles
subscription
2008
▲

Biosphere Hotel
Company
2009
▲

First hotel opening
in China
Meliá Shanghai
2010
▲

UNICEF
strategic alliance
signature
2010
▲

Corporate Brand
change
2011
▲

1999 - Adapting to a new age: solmelia.com was born.

2000 - On 21 August 2000, Sol Meliá sealed its purchase of Tryp Hotels. With the addition of 60 hotels, the company achieved a place amongst the top ten hotel companies in the world by number of hotels.

2001 - A new brand strategy was launched which included a reduction of the group's portfolio to 4 major hotel brands: Meliá Hoteles, Tryp Hoteles, Sol Hoteles and Paradisus Resorts. Near the end of the summer, however, there was a tragic event. 11 September affected the entire planet, and especially the international travel industry.

2004 - Start of the 2004-2007 Strategic Plan with a new strategy to optimise the group's properties with the creation of the Asset Management Department and to expand its range of products with a strong emphasis on its vacation club, Sol Meliá Vacation Club, and the influx of 50% in capital from Luxury Lifestyle Hotels & Resorts, created in 2004 by The Stein Group.

2006 - Creation of ME by Meliá, the year when the company celebrated its 50th anniversary.

2007 - Sol Meliá purchased the German hotel chain Innside and the 2008-2010 Strategic Plan was approved, which included investment actions and policies that should foster a major qualitative leap in terms of organic growth and brand reassessment.

2008 - Sol Meliá was included in the FTSE4Good IBEX sustainability index. The FTSE4Good IBEX, created by Bolsas y Mercados Españoles (BME)

and the FTSE Group, is the first sustainability index launched in Spain. This year, too, Sol Meliá joined the Global Compact.

2009 - Sol Meliá became the first company certified as a Hotel Company of the Biosphere. This hotel certification includes social, environmental and cultural requirements throughout the entire company, and it applies these requirements to all the stakeholders. To attain this certification, Sol Meliá passed an exhaustive analysis of all the company's activities from the perspective of tourism sustainability.

2010 - Opening of the first hotel in China, the Gran Meliá Shanghai.

2010 - On the 17th of November, Sol Meliá and UNICEF Spain signed an alliance to join forces to work towards the objectives of the United Nations Children's Fund on matters related to education, child protection and the fight against the sexual exploitation and trafficking of children.

2011 - The company's corporate name became Meliá Hotels International S.A.

APPENDIX C. ABOUT THIS REPORT

C.1 PREPARATION METHOD

The objective of the Meliá Hotels International Sustainability Report is to provide information to all Company stakeholders regarding financial, environmental and social results for 2012, although many more subjects are dealt with later in each of the dimensions mentioned.

The following points are the principal achievements included in the 2012 Meliá Hotels International Sustainability Report:

- An increase in the scope of the report compared with the 2011 version, including details of managed hotels outside Spain in 2012.
- An increase in the number of indicators reported compared to the previous year: in 2012, 117 GRI indicators were reported compared to 113 in 2011.
- The inclusion of a number of integrated reporting concepts in order to move towards holistic, interconnected reporting that contributes real value to our stakeholders.

Meliá Hotels International has chosen to define a global process of evaluation, analysis and risk control which will identify, update and monitor the most important risks which might impede the fulfilment of objectives or the successful implementation of strategies.

When drawing up this report, we tried at all times to follow the principle of exhaustiveness.

The available indicators were always reported on with transparency and clarity, following the criteria established by the guide to drawing up GRI Sustainability Reports, the technical protocol on applying the principles for defining the content of the GRI report and the Company's most important indicators based on the 2011 materiality study (see Appendix 2. 2011 Sustainability Report), reviewed and updated in 2012. Based on this analysis, the key issues are as follows:

Influence on business success

- Talent management
- The existence of a Sustainability Policy
- Creation of employment
- Anti-corruption policy
- Flexitime

Importance for Stakeholders

- Waste management policy
- Global transparency
- The economic risks and opportunities of climate change
- GHG emissions and actions to reduce them
- Expansion

In the interests of transparency, references continue to be included in the text in order to facilitate the response to GRI indicators. We also identified the processes that need improvement, including the Strategic Plan 2012-2014.

C.2 COLLECTION AND CONSOLIDATION OF INFORMATION

The principles, policies and activities that Meliá Hotels International includes in this Sustainability Report 2012 and the business strategy defined to move forward in the area of sustainable development have been designed for application throughout the Company. Nevertheless, there

is some margin for considering the different personality of each of the Company's brands and also the various social, labour, cultural and political aspects of each geographical region where Meliá Hotels International operates. The report refers to the full year 2012.

The scope of the report includes hotels that are owned, hotels that are managed by Meliá Hotels International and leased hotels, a total of 235 hotels and 59,039 rooms since franchises have been excluded, representing 78% of the portfolio.

On a regional level, there are three regions not included (Cuba, Egypt and Bulgaria), as well as some regions excluded in the case of certain indicators due to the absence of data or data unreliability. The specific scope of each of the indicators and its degree of consolidation are indicated in each case.

This information was excluded in order to guarantee the candour and reliability of the data included, as the information channels from these countries are not prepared for sending such a large amount of information.

Finally, it must be stated that Meliá Hotels International has made great efforts to respond to the various indicators in the fullest possible detail and with the aim of ensuring maximum candour and reliability in the information presented in this report.

With regard to the data and the bases used to make calculations, the Company has made several different tools (SAP, Access, Employee Portal, etc.) available to employees to help in the process of collecting and processing information, and has also developed collection processes (for example, consumption statistics for which hotel Engineering Managers can report meter readings) to minimise estimations.

The report includes quantitative, performance-related, qualitative, strategic and narrative information from all sustainability-related approaches: financial, social, cultural, labour-related, environmental, products, human rights, etc. Thus, we can describe a global focus on all the matters included in this Report, offering more complete information for Stakeholders.

In matters related to the travel and tourism industry use has also been made of the indicators monitored by the World Tourism Organisation.

C.3 OPPORTUNITIES AND COMMITMENTS TO IMPROVEMENT

This edition of the Sustainability Report marks the start of a shift towards integrated reporting. In 2013 Meliá Hotels International has been accepted as a member of the International Integrated Reporting Framework (IIRF) pilot scheme. This international organisation is responsible for defining the criteria of integrated reporting.

Within the context of an increasingly international and diversified market, the type of information needed by the various agents, especially investors in order to assess the past and current performance of organisations, as well as their capacity to adapt to the future, is far more extensive than that contemplated in current reporting systems. And whilst many organisations have made major efforts to provide more information regarding social, environmental and corporate governance issues, a

large amount of these data are segmented and lack an overall sense of cohesion. This makes it difficult for companies to generate value, as investors are unable to find clear evidence that the inclusion of sustainability indicators do indeed favour innovation, transparency, resource sustainability or the long-term economic stability of a company.

Integrated reporting brings together vital information about a company's strategy, governability and future perspectives within the commercial, social and environmental contexts it operates in. It turns the various types of reports currently used – financial, management, corporate governance, sustainability, etc. – into a coherent whole that provides an insight into the Company's capacity to generate and maintain its value.

As a member of the IIRF pilot scheme, Meliá Hotels International has acquired the commitment to leading this change in reporting model in the hotel industry and move progressively towards an

integral reporting model for the organisation, in accordance with the criteria established by the IIRF and sharing its experience with the other members of the pilot scheme.

C.4 VERIFICATION OF THE INFORMATION / AUDITS / CERTIFICATION

With regard to financial performance, the information available in the Annual Report was processed under applicable law and audited by PwC. The results may be viewed in the Financial Report and, more briefly, in the chapters on finance in this Sustainability Report 2012.

As mentioned previously, non-financial information has also been subject to external verification for the first time, also by PwC. This decision has represented

a challenge for us and our reporting system. The resulting Verification Report reviews the adaptation of the contents of the Sustainability Report 2012 to the GRI-G3.1 Guide and the validation of the performance indicators proposed in the guide. Furthermore, in the light of the Recommendations Report drawn up by PwC, we were able to identify those areas for improvement that require our attention, as well as the strengths that we must maintain and consolidate in the years to come.

C.5 YOUR OPINION / FEEDBACK SYSTEM

If you require any additional information, please do not hesitate to contact us.

Corporate Social Responsibility Department:
rsc@melia.com

Communication Department:
comunicacion@melia.com

Or visit the Meliá Hotels International sustainable development website at the following link:
<http://www.meliacerca.com>

APPENDIX D. EVALUATION AND RENOVATION OF COMMITMENTS TO IMPROVEMENT 2012

AREA	OBJECTIVE	ASSESSMENT
Leadership Value	• Defining the Company's certification policy globally.	✓
Good Governance Value	• Writing, approving and designing the Code of Ethics Communication Plan.	✓
Environmental Value	• Having a new tool to calculate the carbon and environmental footprint per business unit.	✓
Human Value	• Defining an action plan to include web accessibility criteria in Melia.com.	✓
Socio-cultural Value	• Defining the Company's cultural position.	✓
Economic Value	• Including sustainability criteria in the Company's management contracts. The criteria for inclusion in the new contracts have been defined, although the new model of contract has not yet been completed.	+
Commercial Value	• Defining the criteria needed to create products that fulfil sustainability criteria. Work began on defining these criteria but had not been completed by the close of 2012.	+
Business Value	• Closing the definition of the model of the sustainable supply chain.	✓
Media Value	• Redesigning the sustainable development section in the Company's corporate web presence.	✓

✓ Completed

+ In progress

✗ Rejected

APPENDIX D. COMMITMENTS TO IMPROVEMENTS 2013

OBJECTIVE
• To give visibility to our hotels' sustainability positioning at melia.com
• To enhance Meliá Hotels International's sustainability positioning on the social networks
• To assess the degree of compliance of Meliá Hotels International's supply chain with the sustainability criteria and principles included in the Company's Code of Ethics
• To define a plan of action for the inclusion of accessibility criteria at melia.com
• To draw up an internal and external awareness raising plan for the Meliá Hotels International's first Code of Ethics
• To draw up an energy efficiency plan for the Company in collaboration with energy service companies (ESCO)
• To design a specific social-based plan of action for implementation in Spain
• To increase the portfolio of EarthCheck certified hotels
• To implement the eco-footprint calculation system in key hotels operating in the MICE segment

BUILDING OUR LEGACY

At Meliá Hotels International we aim to incorporate the values and principles of sustainable development in our business processes and relationships with all of our stakeholders. We believe that sustainability is the key factor which will allow tourism to continue to be the driver of economic development in many countries. We believe that a lot can be learnt from mistakes and we are committed to seeking constant improvement so as to guarantee our future, adopting a humble attitude which allows us to continue to learn as we move forward.

We want this approach to help us strengthen our relationships with our stakeholders, becoming something which makes us different from others and a more sustainable, more stable and more solid company, more attractive to all with whom we come in contact.

Tourism is a business which is extremely sensitive to the environment in which it takes place. Extreme climate and weather events such as hurricanes and floods, drought or lack of snow, have an effect on tourism. The loss of a cultural identity in a destination may make it less attractive for tourism as it implies the disappearance of something that made it unique. The existence of poverty in certain communities in which we operate is also a reality to be faced. Seeking improvements in such situations is an obligation which we must satisfy before our staff, our customers and society in general.

We are convinced that the company is like a living organism that constantly has to adapt to its environment and evolve with that environment in order to survive. To achieve this one must be very aware of the environment, and there is no better way to achieve this than through listening to stakeholders. The fact that we wish to be closer to our stakeholders and get to know them better means we need to have a more proactive attitude towards them, being more open and approaching them. We believe that greater awareness of their concerns and expectations will drive our development as a company, will benefit us all, and will allow us to continue to grow together, evolve, and adapt to our environment and the times.

Firstly, we are well aware that the natural environment is a key factor in this commitment to sustainable development. We will only be sustainable if we are able to identify the environmental impact of our operations both on a local and a global level, aiming to make environmental management a part of our daily routine. We will strive to reduce the impact of our activity and contribute to the preservation of biological diversity in travel destinations through greater integration with the environment and respect for flora and fauna. We will encourage reduced energy and water use and a reduction in emissions, always seeking greater efficiency and containment in the use of natural resources, and managing our waste products in a responsible manner.

Secondly, our commitment is also a social commitment. We understand that our activity will only be sustainable if we are able to make a contribution to the reduction of social differences and poverty through providing opportunities for mutual economic growth. We will be sensitive to the social needs of our staff, and aim to share our commitment with them, providing space for their concerns about solidarity, voluntary work and cooperation. We will particularly focus on the most disadvantaged groups such as the elderly or the disabled, and we will take very special care over our influence on children, given their vulnerability and the fact that they are the future inheritors of our legacy.

Finally, third and by no means least, we are committed to the conservation of both the tangible and intangible cultural heritage of the communities in which we operate. We will remain fully involved in local life, integrating the cultural, culinary, and artistic characteristics of each location, respecting and defending the historical heritage as if it were our own. And we will also be a catalyst for local development, protecting the roots of society and aiming to get our customers involved in the discovery and conservation of the rich cultural wealth in each destination.

We will aim to integrate sustainable development principles in our entire business lifecycle. We will particularly take the opportunities provided by new investments and development of new destinations.

We wish to share our commitment to sustainable development with our staff, our suppliers, our customers, our shareholders, and with the owners of our hotels.

We wish our strategic partners and the whole of the tourism industry to be our allies in this endeavour and to feel part of our sustainability efforts. We will encourage our suppliers to adopt policies focused on constant improvement in the incorporation of sustainable development criteria to their business, including social justice, minimising their environmental impact and encouraging economic development in each destination. We believe in working alongside all of our stakeholders and we are also prepared to take a proactive role in the industry, respectful of our competitors and focusing on cooperation and partnership with different social organisations in seeking solutions to environmental, social and cultural deficiencies which will drive us towards a society where responsibility is shared and where the needs of all are covered in a more balanced, just and long-lasting way.

This is our vision of sustainable development. The sum of all of these commitments is what will allow our industry and activity to generate opportunities and wealth for people and for destinations,

listening to our stakeholders and getting closer to them, protecting the environment and natural resources, adding value to reduce social differences in an increasingly global economy and conserving cultural diversity and heritage.

Our commitment to sustainable development is a constant search for balance between the needs of this generation and the needs of future generations, for balance between economic, socio-cultural and environmental development and the preservation of destinations, for balance between the needs and requirements of all of our different stakeholders. At Meliá Hotels International we aim to contribute to and support the sustainable development of the communities in which we operate and the people that form part of those communities, leaving a legacy to be enjoyed by future generations. At Meliá Hotels International we do not aim to be the best hotel company in the world, but we do aim to be a standard bearer for achieving a better world.

APPENDIX F. TIME SERIES OF REPORTED INDICATORS

F.1 BUSINESS SUMMARY

TABLE RN1 – RESULTS BY BUSINESS SEGMENTS 2012

(thousands of €)	HOTEL BUSINESS	ASSET MANAGEMENT	HOLIDAY CLUB	OTHER BUSINESS AND CORPORATE	ELIMINATIONS	TOTAL 31/12/2012
INCOME STATEMENT						
Operating revenue	1,041,235	106,469	87,165	218,227	(90,700)	1,362,396
Operating costs	(745,096)	(13,757)	(82,434)	(259,220)	90,700	(1,009,807)
EBITDAR	296,139	92,712	4,731	(40,993)	0	352,589
Leases	(99,596)	0	0	(3,500)	0	(103,096)
EBITDA	196,543	92,712	4,731	(44,493)	0	249,493
Amortization and depreciation	(86,188)	(311)	(1,603)	(2,038)	0	(90,140)
EBIT	110,355	92,401	3,128	(46,531)	0	159,353
Financial result						(83,831)
Associated organisation results	(17,103)			615		(16,488)
Pre-tax results						59,034
Taxes						(16,940)
NET RESULT						42,094
Result attributable to minority interests						(4,767)
RESULT ATTRIBUTABLE TO THE CONTROLLING COMPANY						37,327

ASSETS and LIABILITIES

Tangible and intangible assets	1,653,957	26,111	1,687	170,878		1,852,634
Associated company investments	71,034			30,894		101,928
Other non-current assets						611,583
Current operating assets	195,533	5,461	99,952	313,061	(206,834)	407,174
Other current assets						504,420
TOTAL ASSETS						3,477,738
Financial debt						1,471,222
Other non-current liabilities						403,426
Current operating liabilities	329,011	3,050	98,983	72,781	(206,537)	297,288
Other current liabilities						121,924
TOTAL LIABILITIES						2,293,859

TABLE RN2 – RESULTS BY BUSINESS SEGMENT 2011

(thousands of €)	HOTEL BUSINESS	ASSET MANAGEMENT	HOLIDAY CLUB	OTHER BUSINESS AND CORPORATE	ELIMINATIONS	TOTAL 31/12/2012
INCOME STATEMENT						
Operating revenue	985,783	148,784	80,999	208,242	(88,485)	1,335,322
Operating costs	(712,952)	(21,152)	(74,420)	(270,194)	88,485	(990,232)
EBITDAR	272,831	127,632	6,579	(61,952)	0	345,090
Leases	(91,513)	0	0	(7,818)	0	(99,331)
EBITDA	181,318	127,632	6,579	(69,770)	0	245,759
Amortization and depreciation	(85,876)	(371)	(1,949)	(8,460)	0	(96,657)
EBIT	95,442	127,261	4,630	(78,230)		149,102
Financial result						(87,693)
Associated organisation results	(11,051)			736		(10,316)
Pre-tax results						51,093
Taxes						(9,111)
NET RESULT						41,982
Result attributable to minority interests						(1,848)
RESULT ATTRIBUTABLE TO THE CONTROLLING COMPANY						40,134

ASSETS and LIABILITIES

Tangible and intangible assets	1,786,887	5,997	1,681	115,460		1,910,025
Associated company investments	58,890			11,810		70,699
Other non-current assets						508,096
Current operating assets	151,662	9,420	182,401	281,472	(221,821)	403,135
Other current assets						477,226
TOTAL ASSETS						3,369,181
Financial debt						1,442,247
Other non-current liabilities						400,671
Current operating liabilities	316,639	4,967	119,411	83,729	(221,026)	303,720
Other current liabilities						92,672
TOTAL LIABILITIES						2,239,310

TABLE RN3 – HOTEL DIVISION REVENUE 12 / 11 FOR OWNED AND LEASED HOTELS

(millions of Euros)		ROOM REVENUES	F&B / OTHERS	TOTAL REVENUES	TOTAL EXPENSES	EBITDA
AMERICA	2012	151.9	191.4	343.3	243.6	99.7
	% o/ 2011	47.3%	23.5%	33.0%	30.6%	39.3%
	2011	103.1	155.0	258.1	186.6	71.6
EMEA	2012	155.5	52.0	207.5	162.6	44.9
	% o/ 2011	3.3%	0.8%	2.7%	2.4%	3.7%
	2011	150.4	51.6	202.0	158.8	43.3
PREMIUM EUROPE	2012	64.2	32.3	96.5	89.4	7.1
	% o/ 2011	6.2%	-5.7%	1.9%	3.8%	-16.5%
	2011	60.4	34.3	94.7	86.2	8.5
MEDITERRANEAN BASIN	2012	113.4	63.2	176.6	145.1	31.5
	% o/ 2011	-9.1%	-15.4%	-11.5%	-9.0%	-18.7%
	2011	124.8	74.7	199.5	159.5	38.7
URBAN SPAIN	2012	153.7	63.6	217.3	204.0	13.3
	% o/ 2011	-3.4%	-12.1%	-6.1%	-3.9%	-30.8%
	2011	159.1	72.3	231.5	212.3	19.2
TOTAL	2012	638.6	402.6	1,041.2	844.7	196.5
	% o/ 2011	6.8%	3.8%	5.6%	5.2%	8.4%
	2011	597.9	387.9	985.8	803.3	181.3

TABLE RN4 – REVENUE BY MANAGEMENT FEES (MILLIONS OF EUROS)

		DEC-12	VAR 12 / 11	DEC-11
AMERICA	Basic	16.3	-5.8%	17.3
	Incentive	11.1	22.2%	9.1
	Total	27.4	3.8%	26.4
ASIA- PACIFIC	Basic	1.6	-14.9%	1.9
	Incentive	1.6	-2.0%	1.6
	Total	3.2	-8.9%	3.5
EMEA	Basic	1.1	78.9%	0.6
	Incentive	0.1	240.8%	0
	Total	1.2	89.6%	0.6
PREMIUM EUROPE	Basic	2.9	-12.2%	3.3
	Incentive	1.1	17.6%	0.9
	Total	4.0	-5.8%	4.2
MEDITERRANEAN	Basic	5.4	12.6%	4.8
	Incentive	5.6	8.7%	5.2
	Total	11.0	10.6%	10
SPAIN	Basic	4.7	-15.1%	5.5
	Incentive	0.5	-25.4%	0.7
	Total	5.2	-16.2%	6.1
TOTAL BASIC		32.0	-4.3%	33.4
TOTAL INCENTIVE		20.0	14.4%	17.5
TOTAL		52.0	2.2%	50.9

F.2 ENVIRONMENTAL VALUE

TABLE VM1 – TOTAL ENERGY CONSUMPTION *						
CONSUMPTION	UNIT	2012	Δ%	2011	Δ%	2010
Electricity	MWh	392,562	-2.8%	404,053	98.5%	203,593
	GJ	1,413,221	-2.8%	1,454,591		732,934
Natural Gas	m3	8,487,940	12.0%	7,578,712	48.4%	5,107,769
	GJ	331,115	12.0%	295,646		199,254
LPG	t	4,177	-13.3%	4,819	201.9%	1,596
	GJ	192,974	-13.3%	222,637		73,727
Diesel oil	m3	6,645	-7.1%	7,151	39.0%	5,146
	GJ	281,759	-7.1%	303,221		196,353
TOTAL (GJ)		2,219,070	-2.5%	2,276,095	63.1%	1,202,269

< EN3-1, EN4-1

* Owned, leased and managed SAVE Spanish and international hotels, excluding those in Bulgaria, Croatia and Egypt, totalling 180 in 2012. The value reported in 2011 has been recalculated for this scope. Data for 2010 only included hotels in Spain (130).

TABLE VM2 – SAVE (SAVINGS) *		
CONSUMPTION	UNIT	2012
Electricity	MWh	-14,551
	GJ	-52,385
Natural gas	m ³	9,920
	GJ	387
LPG	t	-659
	GJ	-30,427
Diesel oil	m ³	-2,646
	GJ	-112,186
TOTAL (GJ)		-194,610

< EN5-2, EN6-2

* Owned, leased and managed SAVE Spanish and international hotels, excluding those in Bulgaria, Croatia and Egypt, with 5 year membership of the SAVE programme, a total of 180 in 2012. The base period has been recalculated at 2011-2007.

TABLE VM3					
NO _x			SO _x		
2012	Δ%	2011-2007	2012	Δ%	2011-2007
52.8	-15.2%	62.3	22.3	-28.5%	31.1

< EN20

* Owned, leased and managed SAVE Spanish and international hotels, excluding those in Bulgaria, Croatia and Egypt, with 5 year membership of the SAVE programme, a total of 180 in 2012. The base period has been recalculated at 2011-2007.

TABLEVM4 – ELECTRICITY CONSUMPTION BY PRIMARY ENERGY GENERATION SOURCES

< EN4-2

COUNTRY	COAL	FUEL OIL	GAS	BIOMASS	WASTE	OTHERS ⁽¹⁾	TOTAL
Germany	82,092	3,641	29,801	7,836	2,912	23,941	150,224
Brazil	3,261	5,774	5,259	7,288	0	47,999	69,580
Spain	239,008	144,331	817,571	16,229	9,265	287,804	1,514,209
France	800	203	693	56	104	4,751	6,607
Greece	8,245	2,191	3,146	50	4	701	14,337
Indonesia	114,289	73,821	71,498	0	0	12,911	272,519
Italy	9,816	6,941	39,399	1,287	725	5,346	63,514
Luxembourg	0	0	9,006	134	167	870	10,178
Malaysia	13,567	1,039	31,527	0	0	989	47,122
Mexico	52,105	95,540	289,202	4,541	0	27,921	469,309
Peru	487	922	7,766	254	0	3,908	13,337
Puerto Rico	61,453	1,938	36,492	1,532	690	14,097	116,202
United Kingdom	12,425	606	22,949	1,013	366	3,635	40,993
Dominican Republic	62,721	364,901	77,206	888	0	16,812	522,528
Venezuela	0	15,678	18,334	0	0	27,301	61,312
Vietnam	13,125	2,166	37,470	0	0	9,325	62,086

* Owned, leased and managed SAVE Spanish and international hotels, excluding those in Bulgaria, Croatia and Egypt, with 5 year membership on the SAVE programme, a total of 180 in 2012. The base period has been recalculated at 2011-2007.
(1) Includes nuclear, hydraulic, geothermal, photovoltaic, solar thermal, wind and tidal power.

TABLEVM5 - WATER TREATED IN OWN PURIFICATION SYSTEMS AND REUSED

< EN10-EN21

Hotels	VOLUME OF TREATED WATER (m³)			VOLUME OF REUSED WATER (m³)			%		
	2012	2011	2010	2012	2011	2010	2012	2011	2010
Meliá Purosani	58,873	45,138	103,678	13,735	13,735	31,100	23%	30%	30%
Gran Meliá Jakarta	127,750	101,358	128,164	15,330	8,113	8,211	12%	8%	6%
Meliá Gorriónes	45,834	101,930	116,439	45,834	101,930	98,973	100%	100%	85%
Meliá Golf Vichy Catalán	18,734	17,516	15,993	18,734	17,516	15,993	100%	100%	100%
Paradisus Playa Conchal ¹	--	--	176,508	--	--	176,508	--	--	100%
Playa Bávaro Resort ²	1,036,917	966,550	1,070,171	NA	NA	449,471	NA	NA	42%
Gran Meliá Palacio de Isora	79,000	81,000	51,100	79,000	81,000	51,100	100%	100%	100%
Paradisus Punta Cana	130,856	202,757	--	NA	NA	--	NA	NA	--
Meliá Zanzibar ³	126,144	21,900	--	0	21,900	--	NA	100%	100%
Meliá Villaitana ⁴	86,876	--	--	89,876	--	--	100%	--	--
TOTAL	1,710,985	1,538,149	1,662,053	259,509	244,194	831,356	15%	16%	50%

NA = Not Available

(1) Establishment no longer affiliated as of 2011

(2) This name encompasses the following business units: Meliá Caribe Tropical, Paradisus Palma Real & The Reserve, Sierra Parima Shopping Mall, Palma Real Villas and Cocotal Golf

(3) Estimated Data

(4) Hotel opened in 2012

TABLEVM6 - USED VEGETABLE OIL

< EN22

	2012	2011	2010
Total	52,341 kg	45,801 kg	44,087 kg
Per hotel	781.21 kg (67 hotels)	594.82 kg (77 hotels)	595.68 kg (74 hotels)

TABLEVM7 - ELECTRICAL AND ELECTRONIC WASTE FROM HOTELS IN SPAIN

	2012	2011	2010
Hotels	6,650 kg	40,463 kg	270 kg
Per hotel	738.8 kg (9 hotels)	2,380.18 kg (17 hotels)	270 kg (1 hotel)

TABLEVM8 - FLUORESCENT AND LOW POWER CONSUMPTION BULBS

	2012	2011	2010
Hotels	4,265 kg	4,074 kg	5,612 kg
Per hotel	60.07 kg (71 hotels)	88.50 kg (46 hotels)	431.70 kg (13 hotels)

TABLEVM9 - WASTE MANAGEMENT IN CORPORATE OFFICES

	2012	2011	2010
Paper and cardboard	22,190	18,225	12,200
Packaging*	14,998	NA	NA
Electrical & Electronic waste	1,105	355	NA
Fluorescent bulbs	34.3	37.5	NA
Batteries	45	40	NA

TABLEVM10 – ENVIRONMENTAL EXPENSES AND INVESTMENT

Environmental expenses and investment (€)	2012	2011	2010
Waste collection, water bacteriological analyses, environmental certification and initiatives	824,982	803,757	708,608
Sewage, waste and water supply pipes	5,710,844	4,962,300	4,949,736
Investment in energy and water efficiency	91,582	657,549	492,464
TOTAL	6,627,407	6,423,606	6,150,880

< EN30

F.3 HUMAN VALUE

TABLEVH1 - WORKFORCE BY REGION

	SPAIN			REST OF EMEA*			AMERICA			ASIA			TOTAL		
	2012	2011	2010	2012	2011	2010	2012	2011	2010	2012	2011	2010	2012	2011	2010
Corporate	652	654	629	79	71	76	208	223	239	18	13	8	957	961	952
Hotel	8,204	8,611	8,900	4,144	3,140	3,039	20,746	19,850	19,968	2,782	2,702	2,869	35,877	34,303	34,776
Club Meliá	24	110	NA		0	0	527	566	NA		0	0	550	676	NA
Other Activities	220	226	NA		0	0	418	456	NA		0	0	638	682	NA
TOTAL	9,100	9,601	9,529	4,222	3,210	3,115	21,900	21,095	20,207	2,800	2,715	2,877	38,022	36,622	35,728

< LA1-I

* EMEA: Europe, Middle East & Africa. Includes Bulgaria, Cuba and Egypt. In the 2010 figures, Club Meliá is consolidated in the hotel figures.

TABLEVH2 - WORKFORCE BY LEVELS, GENDER AND REGION

	SPAIN						REST OF EMEA*						AMERICA						ASIA						TOTAL	
	MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		2012	2011
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011		
Corporate	307	296	344	358	652	654	31	27	48	45	79	71	103	116	106	107	209	224	8	4	10	9	18	13	957	962
General Manager	95	95	34	34	130	129	10	12	6	3	16	15	22	28	10	11	32	39	4	1	2	2	6	3	183	187
Heads of Department	87	84	82	86	169	170	15	11	19	21	34	33	29	29	41	29	70	58	0	2	2	1	2	3	275	264
General Staff	124	117	228	237	353	354	6	3	23	20	29	23	52	59	55	68	107	127	4	1	6	5	10	6	498	511
Hotel	4,264	4,465	3,941	4,146	8,204	8,611	1,405	1,065	1,256	1,095	2,661	2,160	6,877	6,367	3,648	3,512	10,525	9,880	1,950	1,885	832	817	2,782	2,702	24,172	23,353
General Manager	133	123	36	35	169	159	38	33	21	18	59	51	55	25	9	6	64	31	7	9	1	1	8	10	299	250
Heads of Department	844	912	566	557	1,411	1,468	167	130	146	133	313	263	930	920	482	494	1,413	1,414	166	156	63	68	229	224	3,366	3,370
General Staff	3,286	3,430	3,339	3,554	6,625	6,984	1,201	901	1,088	944	2,289	1,846	5,891	5,423	3,157	3,012	9,048	8,435	1,777	1,720	768	748	2,545	2,468	20,507	19,733
Club Meliá	6	38	18	72	24	110	0	0	0	0	0	0	204	217	160	188	365	404	0	0	0	0	0	0	388	514
Other Activities	117	121	103	105	220	226	0	0	0	0	0	0	345	365	73	91	418	456	0	0	0	0	0	0	638	682
TOTAL	4,694	4,920	4,406	4,681	9,100	9,601	1,436	1,091	1,304	1,140	2,739	2,231	7,529	7,065	3,988	3,899	11,517	10,964	1,958	1,889	842	826	2,800	2,715	26,155	25,511

< LA1-5

* EMEA: Europe, Middle East & Africa. Does not include Bulgaria, Cuba and Egypt.

< LAI-4

	SPAIN						REST OF WOMEN ^						AMERICA						ASIA						TOTAL	
	MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		2012	2011
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011		
Corporate	307	296	344	358	652	654	31	27	48	45	79	71	103	116	106	107	208	224	8	4	10	9	18	13	957	962
Full time	298	283	295	339	593	621	31	23	47	38	77	61	103	116	106	107	208	223	8	1	9	0	17	1	896	907
Part time	9	14	49	19	59	32	0	3	1	7	1	10	0	0	0	0	0	0	0	3	1	9	1	11	61	54
Hotel	4,264	4,465	3,941	4,146	8,204	8,611	1,405	1,065	1,256	1,095	2,661	2,160	6,877	6,367	3,648	3,512	10,525	9,880	1,950	1,885	832	817	2,782	2,702	24,172	23,353
Full time	4,060	3,481	3,548	2,857	7,608	6,338	1,341	864	1,184	868	2,525	1,731	6,861	4,959	3,633	2,728	10,494	7,687	1,948	1,875	832	813	2,780	2,689	23,407	18,445
Part time	204	984	393	1,289	596	2,273	64	201	72	228	136	429	16	1,409	15	784	31	2,193	2	9	0	4	2	13	765	4,908
Club Meliá	6	38	18	72	24	110	0	0	0	0	0	0	204	217	160	188	365	404	0	0	0	0	0	0	388	514
Full time	4	27	14	46	18	73	0	0	0	0	0	0	204	217	160	188	365	404	0	0	0	0	0	0	382	477
Part time	2	11	4	26	6	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6	37
Other Activities	117	121	103	105	220	226	0	0	0	0	0	0	345	365	73	91	418	456	0	0	0	0	0	0	638	682
Full time	97	88	90	66	187	154	0	0	0	0	0	0	345	362	73	89	418	451	0	0	0	0	0	0	606	605
Part time	19	33	13	39	32	73	0	0	0	0	0	0	0	3	0	2	0	5	0	0	0	0	0	0	32	78
TOTAL	4,694	4,920	4,406	4,681	9,100	9,601	1,436	1,091	1,304	1,140	2,739	2,231	7,529	7,065	3,988	3,899	11,517	10,964	1,958	1,889	842	826	2,800	2,715	26,155	25,511

* EMEA: Europe, Middle East & Africa. Does not include Bulgaria, Cuba and Egypt.

<|A|-3

	SPAIN						REST OF EMEA *						AMERICA						ASIA						TOTAL	
	MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		2012	2011
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011		
Corporate	307	296	344	358	652	654	31	27	48	45	79	71	103	116	106	107	208	224	8	4	10	9	18	13	957	962
Full time	302	283	333	339	634	621	27	23	39	38	66	61	103	116	105	107	207	223	3	1	0	0	3	1	911	907
Part time	6	14	12	19	17	32	4	3	9	7	13	10	0	0	1	0	1	0	5	3	10	9	15	11	46	54
Hotel	4,264	4,465	3,941	4,146	8,204	8,611	1,405	1,065	1,256	1,095	2,661	2,160	6,877	6,367	3,648	3,512	10,525	9,880	1,950	1,885	832	817	2,782	2,702	24,172	23,353
Full time	3,345	3,481	2,794	2,857	6,139	6,338	1,110	864	889	868	2,000	1,731	5,116	4,959	2,742	2,728	7,857	7,687	1,941	1,875	828	813	2,769	2,689	18,765	18,445
Part time	919	984	1,147	1,289	2,066	2,273	295	201	366	228	661	429	1,761	1,409	907	784	2,668	2,193	9	9	4	4	13	13	5,408	4,908
Club Meliá	6	38	18	72	24	110	0	0	0	0	0	0	204	217	160	188	365	404	0	0	0	0	0	0	388	514
Full time	5	27	13	46	18	73	0	0	0	0	0	0	198	217	158	188	356	404	0	0	0	0	0	0	374	477
Part time	1	11	5	26	6	37	0	0	0	0	0	0	6	0	2	0	9	0	0	0	0	0	0	0	14	37
Other Activities	117	121	103	105	220	226	0	0	0	0	0	0	345	365	73	91	418	456	0	0	0	0	0	0	638	682
Full time	77	88	72	66	149	154	0	0	0	0	0	0	345	362	73	89	418	451	0	0	0	0	0	0	567	605
Part time	40	33	31	39	71	73	0	0	0	0	0	0	1	3	0	2	1	5	0	0	0	0	0	0	71	78
TOTAL	4,694	4,920	4,406	4,681	9,100	9,601	1,436	1,091	1,304	1,140	2,739	2,231	7,529	7,065	3,988	3,899	11,517	10,964	1,958	1,889	842	826	2,800	2,715	26,155	25,511

* EMEA: Europe, Middle East & Africa. Does not include Bulgaria, Cuba and Egypt.

< LA13-3

[illegible]

* EMEA: Europe, Middle East & Africa. Does not include Bulgaria, Cuba and Egypt.

< LA|-5. LA|3-1

[illegible]

EMEA: Europe, Middle East & Africa. Includes Bulgaria, Cuba and Egypt. 2010 data for Club Meliá is consolidated in the hotel figures

TABLEVH8 - NUMBER OF HIRES BY AGE, GENDER AND REGION

< LA2-1-3-5

	SPAIN						REST OF EMEA *						AMERICA						ASIA						TOTAL	
	MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		2012	2011
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011		
<20	6	10	8	6	14	17	4	7	3	13	7	20	53	66	17	30	69	96	0	1	0	1	0	1	91	134
20-29	143	158	133	182	276	340	140	116	82	139	222	255	562	656	283	402	845	1,058	3	20	2	10	4	31	1,347	1,684
30-39	166	151	147	144	313	295	193	78	73	53	266	131	303	371	148	233	451	603	13	47	3	13	16	60	1,047	1,089
40-49	67	66	83	71	150	137	36	28	10	23	46	51	119	132	49	89	168	221	2	8	2	1	4	10	369	418
50-60	37	20	33	24	70	45	9	8	0	3	10	11	17	35	9	21	26	56	1	1	0	1	1	2	107	114
>60	3	1	0	1	3	1	0	1	1	0	1	1	1	7	0	4	2	10	0	10	0	1	0	10	6	23
TOTAL	423	406	403	428	826	835	383	238	170	231	553	469	1,055	1,266	507	778	1,562	2,045	19	87	7	27	25	113	2,966	3,462

* EMEA: Europe, Middle East & Africa. Does not include Bulgaria, Cuba and Egypt.

TABLEVH9 - % OF HIRES BY AVERAGE STAFF, BY AGE, GENDER AND REGION

< LA2-2,4 y 6

	SPAIN						REST OF EMEA *						AMERICA						ASIA						TOTAL	
	MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		2012	2011
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011		
<20	61.49	59.1	78.43	59.83	70.01	59.38	25.88	29.24	11.09	50.02	16.57	39.59	45.59	53.94	45.40	61.90	45.55	56.20	0.00	17.14	0.00	39.27	0.00	21.55	41.32	52.34
20-29	23.48	22.88	19.48	22.31	21.37	22.57	28.72	29.75	14.48	27.8	21.08	28.66	20.68	25.27	18.52	26.14	19.90	25.60	0.98	6.65	0.88	5.26	0.94	6.11	19.10	23.95
30-39	12.87	11.34	10.67	10.81	11.73	10.67	32.81	20.06	16.37	14.45	25.69	17.34	11.16	14.69	10.29	16.88	10.86	15.47	1.90	6.76	0.84	3.51	1.54	5.64	11.75	12.84
40-49	6.25	4.92	7.14	5.79	6.71	5.78	16.78	15.85	6.04	14.74	12.11	15.33	8.43	10.30	6.68	12.59	7.83	11.11	0.26	1.15	0.74	0.57	0.38	1.00	6.33	7.39
50-60	2.41	1.3	3.13	2.27	2.70	1.7	8.92	9.73	0.10	4.22	5.02	6.99	3.49	7.42	4.57	10.61	3.81	8.37	0.46	0.50	0.00	3.61	0.38	1.00	2.91	3.13
>60	1.90	0.3	0.00	0.63	1.06	0.44	0.00	3.68	8.98	0	3.12	2.57	1.63	9.52	0.89	12.33	1.39	10.39	0.00	40.22	0.00	41.32	0.00	40.29	1.19	5.05
TOTAL	9.00	8.26	9.16	9.15	9.08	8.7	26.68	21.85	13.01	20.25	20.18	21.03	14.01	17.93	12.72	19.97	13.56	18.65	0.96	4.60	0.77	3.21	0.90	4.18	11.34	13.57

* EMEA: Europe, Middle East & Africa. Does not include Bulgaria, Cuba and Egypt.

TABLEVH10 - NUMBER OF VOLUNTARY DEPARTURES BY AGE, GENDER AND REGION

< LA2-7,9 y 11

	SPAIN						REST OF EMEA *						AMERICA						ASIA						TOTAL	
	MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		2012	2011
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011		
<20	0	0	1	0	1	0	1	1	5	0	6	1	22	22	7	7	29	29	0	0	0	0	0	0	36	31
20-29	16	15	20	13	36	28	86	45	92	59	177	104	376	213	257	164	633	377	1	0	1	0	2	1	849	509
30-39	23	15	13	13	37	28	78	21	53	27	131	48	213	127	133	87	346	214	5	4	0	2	5	6	518	296
40-49	7	5	2	2	9	7	20	9	11	5	31	15	68	43	61	24	129	68	5	2	2	1	7	3	177	93
50-60	1	3	1	2	2	5	6	1	2	2	8	3	13	9	13	2	27	11	0	1	0	0	0	1	37	19
>60	0	0	0	0	0	0	1	1	1	0	2	2	6	4	1	2	7	6	0	0	0	0	0	0	9	8
TOTAL	47	39	38	30	85	69	192	79	164	93	356	172	699	418	473	286	1,172	704	11	7	3	3	14	11	1,626	956

* EMEA: Europe, Middle East & Africa. No incluye Bulgaria, Cuba y Egipto.

TABLEVH11 - % OF VOLUNTARY ROTATION BY AVERAGE STAFF SIZE, BY AGE, GENDER AND REGION

< LA2-8-10-12

	SPAIN						REST OF EMEA *						AMERICA						ASIA						TOTAL	
	MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		2012	2011
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011		
<20	0.00	2.60	8.92	0.00	4.48	1.61	9.34	3.29	18.55	1.35	15.14	2.32	19.13	17.98	18.29	14.28	18.93	16.93	0.00	0.00	0.00	0.00	0.00	0.00	41.32	11.91
20-29	2.68	2.14	2.94	1.62	2.82	1.86	17.53	11.55	16.23	11.74	16.83	11.65	13.82	8.20	16.84	10.68	14.91	9.12	0.35	0.00	0.58	0.50	0.43	0.10	19.10	7.24
30-39	1.80	1.14	0.96	0.92	1.37	1.03	13.23	5.45	11.81	7.37	12.62	6.38	7.86	5.02	9.23	6.30	8.33	5.47	0.65	0.62	0.00	0.00	0.43	0.58	11.75	3.49
40-49	0.62	0.48	0.20	0.15	0.40	0.31	9.43	5.36	6.64	3.41	8.22	4.44	4.85	3.37	8.23	3.44	6.01	3.40	0.64	0.31	0.74	0.50	0.67	0.33	6.33	1.64
50-60	0.04	0.19	0.13	0.20	0.08	0.19	5.26	1.47	2.71	2.07	4.13	1.77	2.72	1.83	6.58	1.08	3.86	1.60	0.00	0.53	0.00	0.00	0.00	0.44	2.91	0.53
>60	0.00	2.60	0.00	0.01	0.00	0.00	4.78	4.66	8.98	3.20	6.24	4.22	7.61	6.00	3.54	5.23	6.31	5.76	0.00	0.00	0.00	0.00	0.00	0.00	1.19	1.65
TOTAL	1.00	0.79	0.86	0.65	0.93	0.72	13.36	7.25	12.60	8.19	13.00	7.73	9.28	5.91	11.85	7.34	10.17	6.42	0.54	0.38	0.36	0.40	0.48	0.39	11.34	3.75

* EMEA: Europe, Middle East & Africa. Does not include Bulgaria, Cuba and Egypt.

TABLEVH12 - WOMEN IN POSITIONS OF RESPONSIBILITY BY REGION – HOTELS

< LA13-2

	MEN			WOMEN		
	2012	2011	2010	2012	2011	2010
Germany	65%	69%	77%	35%	31%	23%
Argentina	75%	75%	67%	25%	25%	33%
Brazil	62%	59%	62%	38%	41%	38%
Bulgaria	75%	100%	100%	25%	0%	0%
Cape Verde	100%	100%	0%	0%	0%	0%
China	0%	100%	100%	0%	0%	0%
Croatia	36%	0%	65%	64%	0%	35%
Cuba	100%	100%	96%	0%	0%	4%
United Arab Emirates	100%	79%	0%	0%	21%	0%
USA	100%	100%	100%	0%	0%	0%
Egypt	100%	100%	100%	0%	0%	0%
Spain	79%	84%	85%	21%	16%	15%
France	29%	29%	29%	71%	71%	71%
Greece	100%	100%	100%	0%	0%	0%
Indonesia	100%	100%	100%	0%	0%	0%
Italy	100%	100%	100%	0%	0%	0%
Luxembourg	100%	100%	100%	0%	0%	0%
Malaysia	100%	100%	100%	0%	0%	0%
Mexico	100%	100%	100%	0%	0%	0%
Panama	0%	0%	0%	0%	0%	100%
Peru	0%	100%	0%	100%	0%	0%
Portugal	0%	0%	69%	0%	0%	31%
Puerto Rico	43%	100%	100%	57%	0%	0%
United Kingdom	100%	55%	100%	0%	45%	0%
Dominican Republic	88%	100%	100%	12%	0%	0%
Tanzania	100%	100%	0%	0%	0%	0%
Uruguay	100%	100%	100%	0%	0%	0%
Venezuela	100%	100%	100%	0%	0%	0%
Vietnam	0%	40%	100%	100%	60%	0%
TOTAL	78%	83%	82%	22%	17%	18%

* Owned, leased and managed SAVE Spanish and international hotels, excluding those in Bulgaria, Croatia and Egypt, totalling 180 in 2012. The value reported in 2011 has been recalculated for this scope. Data for 2010 only included hotels in Spain (130).

TABLEVH13 - WOMEN IN POSITIONS OF RESPONSIBILITY BY REGION – CORPORATE

< LA13

	MEN		WOMEN	
	2012	2011	2012	2011
Germany	2%	2%	1%	0%
Brazil	3%	2%	1%	0%
Bulgaria	1%	NA	1%	NA
China	1%	NA	0%	0%
Croatia	2%	NA	1%	NA
USA	7%	10%	4%	0%
Spain	52%	63%	19%	20%
France	1%	NA	1%	NA
Hong Kong	2%	1%	1%	0%
Italy	0%	NA	0%	NA
United Kingdom	0%	NA	1%	NA
Mexico	0%	1%	0%	0%
Panama	2%	NA	1%	NA
TOTAL	72%	80%	28%	20%

*Includes EVP (Executive Vice President), SVP (Senior Vice President) and VP (Vice President). NA= Not Available

TABLE VH14 - STAFF BY NATIONALITIES (%)

< LA13-2

	2012	2011	2010		2012	2011	2010
Afghanistan	0.004%	0.006%	0.008%	Iceland	0.001%	0.001%	0.000%
Albania	0.008%	0.008%	0.015%	Israel	0.000%	0.002%	0.005%
Germany	3.753%	3.664%	3.648%	Italy	1.558%	1.442%	1.347%
Algeria	0.050%	0.039%	0.043%	Jamaica	0.017%	0.008%	0.004%
United States	2.676%	3.473%	0.880%	Japan	0.000%	0.001%	0.014%
Angola	0.004%	0.004%	0.006%	Jordan	0.004%	0.004%	0.004%
Argentina	1.051%	1.032%	1.039%	Kazakhstan	0.000%	0.002%	0.000%
Armenia	0.002%	0.002%	1.750%	Kenya	0.098%	0.005%	0.000%
Aruba	0.004%	0.013%	0.020%	Kyrgyzstan	0.000%	0.001%	0.004%
Australia	0.014%	0.007%	0.000%	Latvia	0.031%	0.024%	0.013%
Austria	0.015%	0.021%	0.027%	Lebanon	0.004%	0.004%	0.005%
Bahamas	0.008%	0.005%	0.000%	Lithuania	0.057%	0.032%	0.024%
Bangladesh	0.042%	0.027%	0.042%	Luxembourg	0.022%	0.029%	0.033%
Barbados	0.005%	0.001%	0.000%	Macedonia	0.008%	0.008%	0.011%
Belgium	0.095%	0.112%	0.117%	Malaysia	0.650%	0.734%	0.418%
Belize	0.003%	0.000%	0.004%	Madagascar	0.003%	0.003%	0.000%
Belarus	0.005%	0.005%	0.005%	Malta	0.000%	0.000%	0.000%
Myanmar	0.051%	0.000%	0.008%	Mali	0.007%	0.007%	0.012%
Guinea Bissau	0.000%	0.000%	0.009%	Ivory Coast	0.013%	0.014%	0.017%
Bolivia	0.088%	0.096%	0.089%	Morocco	0.319%	0.354%	0.367%
Bosnia	0.008%	0.009%	0.014%	Mauritius	0.048%	0.000%	0.007%
Botswana	0.008%	0.008%	0.000%	Mauritania	0.006%	0.045%	0.575%
Brazil	4.496%	4.715%	4.452%	Mayotte	0.005%	0.001%	0.000%
Great Britain	0.410%	0.268%	0.266%	Mexico	13.620%	13.115%	13.529%
Bulgaria	0.159%	0.122%	0.097%	Micronesia	0.008%	0.002%	0.000%
Burkina Faso	0.004%	0.004%	0.000%	Moldova	0.016%	0.018%	0.016%
Cape Verde	0.933%	0.523%	0.007%	Mongolia	0.000%	0.001%	0.000%
Cambodia	0.004%	0.004%	0.004%	Montenegro	0.019%	0.011%	0.000%
Cameroon	0.029%	0.025%	0.029%	New Zealand	0.002%	0.000%	0.000%
Canada	0.019%	0.019%	0.027%	Nepal	0.038%	0.010%	0.009%
Sri Lanka	0.088%	0.056%	0.030%	Nicaragua	0.007%	0.012%	0.102%
Czech Republic	0.041%	0.034%	0.024%	Nigeria	0.046%	0.045%	0.043%
Chile	0.054%	0.070%	0.066%	Norway	0.001%	0.000%	0.000%
China	2.243%	2.023%	2.374%	Pakistan	0.069%	0.042%	0.036%
Cyprus	0.013%	0.012%	0.012%	Panama	1.153%	1.104%	0.000%
Colombia	0.460%	0.531%	0.568%	Paraguay	0.037%	0.037%	0.050%
Congo	0.052%	0.046%	0.046%	Peru	0.879%	0.993%	0.921%
Costa Rica	0.037%	0.034%	2.414%	Poland	0.240%	0.198%	0.181%
Croatia	0.116%	0.081%	0.030%	Portugal	0.270%	0.263%	0.517%
Cuba	0.400%	0.424%	0.296%	Puerto Rico	0.290%	0.000%	0.004%
Denmark	0.002%	0.000%	0.000%	Rwanda	0.125%	0.001%	0.004%
Dominican Republic	16.686%	16.269%	16.812%	Rumania	0.000%	0.281%	0.258%
Ecuador	0.323%	0.375%	0.404%	Russia	0.000%	0.113%	0.097%
Egypt	0.041%	0.027%	0.010%	Western Sahara	0.000%	0.000%	0.020%
United Arab Emirates	0.005%	0.000%	0.000%	Solomon Islands	0.004%	0.001%	0.000%
Eritrea	0.004%	0.004%	0.004%	El Salvador	0.006%	0.008%	0.000%
Slovakia	0.065%	0.054%	0.052%	Senegal	0.064%	0.067%	0.070%
Slovenia	0.010%	0.007%	0.007%	Serbia	0.027%	0.010%	0.006%
Spain	31.744%	34.062%	35.399%	Sierra Leone	0.010%	0.012%	0.018%
Estonia	0.013%	0.003%	0.005%	Syria	0.008%	0.004%	0.000%
Ethiopia	0.128%	0.001%	0.000%	Somalia	0.004%	0.006%	0.004%
Philippines	0.028%	0.087%	0.069%	Sweden	0.035%	0.027%	0.021%
Finland	0.726%	0.026%	0.030%	Switzerland	0.031%	0.040%	0.035%
France	0.004%	0.777%	0.630%	South Africa	0.027%	0.008%	0.013%
Gabon	0.004%	0.004%	0.004%	Thailand	0.020%	0.013%	0.023%
Gambia	0.018%	0.019%	0.018%	Taiwan	0.004%	0.003%	0.000%
Georgia	0.009%	0.010%	0.014%	Tanzania	1.001%	0.042%	0.000%
Ghana	0.021%	0.014%	0.011%	Togo	0.004%	0.003%	0.000%
Greece	0.350%	0.216%	0.241%	Trinidad	0.008%	0.007%	0.000%
Guatemala	0.018%	0.020%	0.005%	Tunisia	0.020%	0.036%	0.046%
Guyana	0.004%	0.004%	0.004%	Turkey	0.060%	0.062%	0.046%
Guinea	0.046%	0.038%	0.020%	Ukraine	0.128%	0.126%	0.134%
Haiti	0.241%	0.269%	0.241%	Uganda	0.005%	0.004%	0.006%
India	0.072%	0.050%	0.062%	Uruguay	0.348%	0.334%	0.124%
Holland	0.098%	0.106%	0.098%	Uzbekistan	0.002%	0.000%	0.000%
Honduras	0.013%	0.016%	0.021%	Venezuela	2.363%	2.296%	2.138%
Hungary	0.069%	0.044%	0.043%	Vietnam	1.439%	1.414%	0.008%
Indonesia	6.457%	6.456%	5.922%	Yemen	0.004%	0.004%	0.000%
Iran	0.000%	0.003%	0.000%	Djibouti	0.004%	0.000%	0.000%
Iraq	0.015%	0.008%	0.010%	Yugoslavia	0.012%	0.005%	0.000%
Ireland	0.020%	0.016%	0.012%				

* Cuba, Egypt and Bulgaria are not included

< EC7-3

TABLEVH15 - LOCAL MANAGERS BY COUNTRY

	EXPATRIATE			LOCAL			TOTAL		
	2012	2011	2010	2012	2011	2010	2012	2011	2010
Germany	4	3	0	19	18	22	23	21	22
Men	3	3	0	12	11	17	15	14	17
Women	1	0	0	7	6	5	8	7	5
Argentina	1	1	0	3	3	3	4	4	3
Men	1	1	0	2	2	2	3	3	2
Women	0	0	0	1	1	1	1	1	1
Brazil	3	3	1	10	9	12	13	12	13
Men	2	2	1	6	5	7	8	7	8
Women	1	1	0	4	4	5	5	5	5
Bulgaria	0	0	1	4	2	4	4	2	5
Men	0	0	1	3	2	4	3	2	5
Women	0	0	0	1	0	0	1	0	0
Cape Verde	1	1	0	0	0	0	1	1	0
Men	1	1	0	0	0	0	1	1	0
Women	0	0	0	0	0	0	0	0	0
China	0	1	1	0	0	0	0	1	1
Men	0	1	1	0	0	0	0	1	1
Women	0	0	0	0	0	0	0	0	0
Croatia	2	0	0	9	0	17	11	0	17
Men	2	0	0	2	0	11	4	0	11
Women	0	0	0	7	0	6	7	0	6
Cuba	25	22	23	0	0	0	25	22	23
Men	25	22	22	0	0	0	25	22	22
Women	0	0	1	0	0	0	0	0	1
United Arab Emirates	1	1	0	0	0	0	1	1	0
Men	1	1	0	0	0	0	1	1	0
Women	0	0	0	0	0	0	0	0	0
USA	2	1	1	0	0	0	2	1	1
Men	2	1	1	0	0	0	2	1	1
Women	0	0	0	0	0	0	0	0	0
Egypt	0	1	0	2	1	4	2	2	4
Men	0	1	0	2	1	4	2	2	4
Women	0	0	0	0	0	0	0	0	0
Spain	14	7	1	154	115	148	169	122	149
Men	10	5	1	124	98	125	133	103	126
Women	5	2	0	31	17	23	36	19	23
France	4	3	1	3	4	6	7	7	7
Men	0	0	0	2	2	2	2	2	2
Women	4	3	1	1	2	4	5	5	5
Greece	0	0	0	3	1	3	3	1	3
Men	0	0	0	3	1	3	3	1	3
Women	0	0	0	0	0	0	0	0	0
Indonesia	4	3	4	2	2	0	6	5	4
Men	4	3	4	2	2	0	6	5	4
Women	0	0	0	0	0	0	0	0	0
Italy	0	1	0	4	2	3	4	3	3
Men	0	1	0	4	2	3	4	3	3
Women	0	0	0	0	0	0	0	0	0
Luxembourg	1	1	1	0	0	0	1	1	1
Men	1	1	1	0	0	0	1	1	1
Women	0	0	0	0	0	0	0	0	0
Malaysia	1	1	1	0	1	0	1	2	1
Men	1	1	1	0	1	0	1	2	1
Women	0	0	0	0	0	0	0	0	0
Mexico	4	3	0	4	5	8	8	8	8
Men	4	3	0	4	5	8	8	8	8
Women	0	0	0	0	0	0	0	0	0
Peru	1	1	0	0	0	0	1	1	0
Men	0	1	0	0	0	0	1	1	0
Women	1	0	0	0	0	0	0	0	0
Puerto Rico	0	1	1	2	0	0	2	1	1
Men	0	1	1	1	0	0	1	1	1
Women	0	0	0	1	0	0	1	0	0
United Kingdom	1	2	1	0	0	0	1	2	1
Men	1	1	1	0	0	0	1	1	1
Women	0	1	0	0	0	0	0	1	0
Dominican Rep.	5	4	2	2	1	3	6	5	5
Men	5	4	2	1	1	3	5	5	5
Women	0	0	0	1	0	0	1	0	0
Tanzania	1	1	0	0	0	0	1	1	0
Men	1	1	0	0	0	0	1	1	0
Women	0	0	0	0	0	0	0	0	0
Uruguay	0	0	0	1	1	1	1	1	1
Men	0	0	0	1	1	1	1	1	1
Women	0	0	0	0	0	0	0	0	0
Venezuela	1	0	1	1	1	0	2	1	1
Men	1	0	0	1	1	0	2	1	1
Women	0	0	0	0	0	0	0	0	0
Vietnam	0	0	1	1	2	0	1	2	1
Men	0	0	1	0	1	0	0	1	1
Women	0	0	0	1	1	0	1	1	0
TOTAL	76	60	41	224	168	248	299	228	289

TABLEVH16 - EMPLOYEES WITH PERFORMANCE REVIEW

< LA12

	SPAIN						REST OF EMEA *						AMERICA						ASIA						TOTAL	
	MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		2012	2011
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011		
Corporate	253	249	221	235	474	484	14	12	23	20	37	31	25	51	35	46	60	96	1	1	2	2	3	3	573	615
Hotel	825	619	517	388	1,342	1,007	199	175	193	205	392	380	231	91	151	63	382	154	628	0	330	0	958	0	3,074	1,542
General Manager	126	80	34	21	159	100	23	20	13	13	36	33	17	6	5	1	22	7	2	0		0	2	0	219	140
Heads of Department	646	485	416	297	1,062	782	73	48	56	43	129	91	188	66	126	49	314	115	58	0	24	0	82	0	1,587	987
General Staff	53	55	67	70	120	125	103	108	124	149	227	256	26	19	20	14	46	33	568	0	306	0	874	0	1,267	414
TOTAL	1,077	868	738	623	1,815	1,491	213	187	216	225	429	412	255	142	186	109	441	251	629	1	332	2	961	3	3,647	2,157

* EMEA: Europe, Middle East & Africa. Does not include Bulgaria, Cuba and Egypt.

TABLE VH I 7 MINIMUM MONTHLY GROSS SALARY: MELIÁ HOTELS INTERNATIONAL VS. LEGAL MINIMUM SALARY

< EC5-I

EMEA* (€)	MHI MINIMUM			AMERICA (\$)	MHI MINIMUM			ASIA (\$)	MHI MINIMUM		
	2012	2011	2010		2012	2011	2010		2012	2011	2010
Germany	Not Applicable	Not Applicable	Not Applicable	Argentina	29%	0%	15%	China	Not Available	Not Available	Not Available
Bulgaria	21%	50%	108%	Brazil	30%	48%	36%	Indonesia	0%	0%	18%
Egypt	0%	0%	205%	USA	0%	0%	0%	Malaysia	Not Applicable	Not Applicable	Not Applicable
Spain	34%	23%	82%	Mexico	6%	0%	0%	Vietnam	0%	0%	67%
France	0%	0%	0%	Panama	Not Available	Not Available	Not Available				
Greece	48%	24%	22%	Peru	0%	0%	0%				
Italy	1%	Not Applicable	Not Applicable	Puerto Rico	0%	0%	0%				
Luxembourg	0%	0%	0%	Dominican Republic	0%	0%	0%				
United Kingdom	0%	0%	Not Available	Uruguay	45%	42%	Not Available				
Tanzania	142%	32%	0%	Venezuela	0%	0%	31%				
Cape Verde	Not Applicable	Not Applicable	Not Applicable	In the case of the USA the reference used was the minimum federal wage							

* EMEA: Europe, Middle East & Africa

TABLE VH I 8 - AVERAGE SALARY DIFFERENCE BY GENDER (MEN VS. WOMEN)

< LA14

	SPAIN			MX			DR		
	2012 (%)	2011 (%)	2010 (%)	2012 (%)	2011 (%)	2010 (%)	2012 (%)	2011 (%)	2010 (%)
CORPORATE									
EVP	Not Applicable	Not Applicable	Not Available	Not Applicable (Position does not exist)	Not Applicable (Position does not exist)	Not Available	Not Applicable (Position does not exist)	Not Applicable (Position does not exist)	Not Available
SVP	50	47	Not Available	Not Applicable (Position does not exist)	Not Applicable (Position does not exist)	Not Available	Not Applicable (Position does not exist)	Not Applicable (Position does not exist)	Not Available
VP	14	16	Not Available	Not Applicable (Position does not exist)	Not Applicable (Position does not exist)	Not Available	Not Applicable (Position does not exist)	Not Applicable (Position does not exist)	Not Available
Director	14	12	Not Available	13	18	Not Available	Not Applicable (Only men)	Not Applicable (Only men)	Not Available
Manager	17	16	Not Available	51	107	Not Available	Not Applicable (Only women)	Not Applicable (Only women)	Not Available
Executive	17	16	Not Available	24	Not Applicable (Only men)	Not Available	Not Applicable (Only women)	Not Applicable (Only women)	Not Available
Assistant	-6	-4	Not Available	-63	19	Not Available	-6	25	Not Available
HOTEL									
Director	15	14	19	Not Applicable (Only men)	Not Applicable (Only men)	Not Available	Not Applicable (Only men)	Not Applicable (Only men)	Not Available
Assistant Manager	1	-1	1.7	Not Applicable (Position does not exist)	Not Applicable (Position does not exist)	Not Available	Not Applicable (Position does not exist)	Not Applicable (Position does not exist)	Not Available
Heads of Department	13	11	12	33	30	Not Available	-7	-10,8	Not Available
General Staff	4	3	4	-4	-2	Not Available	1	1.1	Not Available

TABLE VH I 9 - DPHD (DEVELOPMENT PLAN FOR HEADS OF DEPARTMENT) BY GENDER (MEN VS. WOMEN)

	EUROPA	AMÉRICA	ASIA
Men	5	0	0
Women	3	0	0
TOTAL	8	0	0

TABLE VH20 - VDP (VERTICAL DEVELOPMENT PLAN)

	EUROPE	AMERICA	ASIA
VDPS GENERAL STAFF 2011			
Men	25	0	0
Women	7	0	0
TOTAL	32	0	0
VDPS GENERAL STAFF 2011			
Men	33	0	0
Women	36	0	0
TOTAL	69	0	0

TABLE VH21 - DEVELOPMENT PROGRAMMES FOR MANAGERS						
	EUROPE		AMERICA		TOTAL	
	2011	2010	2011	2010	2011	2010
Men	41	45	14	16	55	61
Women	12	10	3	3	15	13
TOTAL	53	55	17	19	70	74

TABLE VH22 - DEVELOPMENT PROGRAMMES FOR ASSISTANT MANAGERS								
	EUROPE		AMERICA		ASIA		TOTAL	
	2011	2010	2011	2010	2011	2010	2011	2010
Men	15	13	0	2	0	3	15	18
Women	17	17	0	0	0	1	17	18
TOTAL	32	30	0	2	0	4	32	36

TABLE VH23 - TRAINING ACTIONS – SPAIN												
	Actions		Courses		Participants		Average hours/participant		Average hour/employee		Total hours	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Paid training	88	131	421	837	4,825	8,057	8.67	9.45	4.60	7.93	41,833	76,139
Unpaid training	7	12	145	96	2,213	1,620	2.94	8.81	0.71	1.49	6,506	14,275
TOTAL	95	143	566	933	7,038	9,677	6.86	9.34	5.31	9.42	48,339	90,414

< LA10

TABLE VH24 - TABLE OF WORKPLACE HEALTH INDEXES - SPAIN										
	Incidence		Frequency *		Seriousness		Average Duration **		Absenteeism	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Men	42.55	59.08	24.26	33.69	0.39	0.73	16.05	21.64	2.12	2.94
Women	60.40	77.25	34.47	44.43	0.66	0.74	19.17	16.58	2.40	4.33
TOTAL	51.48	67.87	29.36	38.87	0.53	0.73	17.61	18.85	2.25	3.61

< LA7-3, 5, 7 y 9

* With and without inclusion of commuting accidents. ** In natural days.

TABLE VH25 - OTHER TRAINING PROGRAMMES		
	2012	2011
Basic level courses (30 h)	54	38
Basic level courses (50 h)	47	29
Job-specific WAP (Workplace Accident Prevention)	83	295
Fire training	31	107
Emergency team training	56	63
TOTAL	271	532

< LA8

TABLEVH26 - OPERATIONS AUDITED FOR HUMAN RIGHTS, CORRUPTION, PRODUCT SAFETY AND HEALTH AND INFORMATION REQUIREMENTS BY COUNTRY

< HR10, SO2-I

	No. AUDITED OPERATIONS		TOTAL No. AUDITED OPERATIONS		% AUDITED OVER TOTAL AUDITS	
	2012	2011	2012	2011	2012	2011
Germany	11	10	13	11	84.6%	90.9%
Argentina	3	0	3	1	100.0%	0.0%
Brazil	4	0	7	0	57.1%	0.0%
Cape Verde	0	0	0	1		0.0%
China	0	1	0	1		100.0%
USA	2	1	4	3	50.0%	33.3%
Spain	68	81	147	125	46.3%	64.8%
France	2	3	4	3	50.0%	100.0%
Greece	0	1	0	2		50.0%
Indonesia	2	2	2	2	100.0%	100.0%
Italy	2	0	5	1	40.0%	0.0%
Luxembourg	0	0	2	0	0.0%	0.0%
Malaysia	0	0	0	0		0.0%
Mexico	6	5	24	16	25.0%	31.3%
Peru	1	1	2	2	50.0%	50.0%
Portugal	0	0	0	1		0.0%
Puerto Rico	0	1	0	1		100.0%
United Kingdom	0	0	1	0	0.0%	0.0%
Dominican Republic	2	1	7	8	28.6%	12.5%
Tanzania	1	0	1	0	100.0%	0.0%
Uruguay	0	0	0	1		0.0%
Venezuela	1	0	2	0	50.0%	0.0%
Vietnam	1	0	2	0	50.0%	0.0%
TOTAL	106	107	226	179	46.9%	59.8%

LA5 >

TABLEVH27 - MINIMUM NOTICE PERIOD ORGANISATIONAL CHANGES

	2012	2011
EUROPE		
Germany	14	14
Bulgaria	30	0
Egypt	0-15	0
Spain	15	15
France	30	30
Greece	0	0
Italy	15	15
Luxembourg	60	60
United Kingdom	7	7
Tanzania	14	14
Cape Verde	10	
AMERICA		
Argentina	30	15
Brazil	30	30
USA	0	0
Mexico	0	0
Panama	NA	NA
Peru	6	6
Puerto Rico	90	60
Dominican Republic	7	7
Uruguay	0	0
Venezuela	7	7
ASIA		
China	30	30
Indonesia	90	90
Malaysia	30	60
Vietnam	0	1

*The sources of this information are the minimum notice period stipulated in the labour legislation of the respective countries.

TABLEVH28 - NUMBER OF EMPLOYEES WITH THE RIGHT TO PARENTAL LEAVE BY GENDER

< LA15-I

	2012	2011
Men	4,694	4,920
Women	4,405	4,681
TOTAL	9,099	9,601

TABLE VH29 - NUMBER OF PARENTAL LEAVES TAKEN BY GENDER

< LA15-2

	SPAIN		REST OF EMEA		AMERICA		TOTAL	
	2012	2011	2012	2011	2012	2011	2012	2011
Men	98	106	13	8	4	0	114	114
Women	136	123	53	49	144	135	333	307
TOTAL	234	229	66	57	148	135	447	421

*EMEA: Europe, Middle East & Africa. Does not include Bulgaria, Cuba, Egypt, Asia and Brazil

TABLE VH30 - NUMBER OF RETURNS TO WORK FOLLOWING END OF PARENTAL LEAVE STILL WITH THE COMPANY 12 MONTHS LATER

< LA15-4

	SPAIN		REST OF EMEA		AMERICA		TOTAL	
	2012		2012		2012		2012	
Men	101		7		0		108	
Women	102		41		113		256	
TOTAL	203		48		113		364	

*EMEA: Europe, Middle East & Africa. Does not include Bulgaria, Cuba, Egypt and Brazil

TABLE VH31 - % RETURNS TO WORK/TOTAL NUMBER OF MATERNITY/PATERNITY LEAVES

< LA15-5

	SPAIN		REST OF EMEA		AMERICA		TOTAL	
	2012	2011	2012	2011	2012	2011	2012	2011
Men	94	95	92	100	50	0	92	96
Women	84	83	54	89	82	83	78	84
TOTAL	88	89	62	91	81	83	82	87

*EMEA: Europe, Middle East & Africa. No incluye Bulgaria, Cuba, Egipto, Asia y Brasil

TABLE VH32 - NUMBER OF RETURNS TO WORK AND EMPLOYEE RETENTION BROKEN DOWN BY GENDER

< LA15-3

	SPAIN		REST OF EMEA		AMERICA		TOTAL	
	2012	2011	2012	2011	2012	2011	2012	2011
Men	92	106	12	8	2	0	106	114
Women	114	123	29	49	118	135	260	307
TOTAL	206	229	41	57	120	135	366	421

*EMEA: Europe, Middle East & Africa. Does not include Bulgaria, Cuba, Egypt, Asia and Brazil

F.4 SOCIO-CULTURAL VALUE

TABLE VSI - SOLIDARITY DAY PROJECT				
YEAR	PARTICIPATION BY CHILDREN	PARTICIPATION BY ADULTS	PARTICIPATION BY EMPLOYEES	PROCEEDS
2006	3,560	9,462	310	69,398 EUR
2007	4,377	20,434	217	75,407 EUR
2008	4,475	37,529	330	99,250 EUR
2009	2,700	4,486	154	0 EUR
2010	4,215	6,508	202	0 EUR
2011	4,328	12,625	2,650	45,528 EUR
2012	4,682	22,809	2,043	51,832 EUR

< HR6

F.5 COMMERCIAL VALUE

TABLE VCI - GUESTS BY COUNTRY OF ORIGIN			
	2012	2011	2010
Spain	22.96%	24.65%	26.86%
United Kingdom	11.39%	11.93%	11.81%
Germany	11.38%	10.37%	10.12%
USA	8.05%	7.50%	8.44%
Brazil	3.88%	3.83%	3.68%
Russia	4.02%	3.71%	3.37%
Italy	3.43%	3.70%	3.53%
Mexico	3.22%	3.57%	3.50%
Canada	1.85%	2.45%	2.36%
France	2.71%	2.41%	2.29%
Others	27.11%	25.60%	23.80%

TABLE VC2 - MARKET METRIX RESULTS						
BRAND	SATISFACTION LEVEL			VALUE FOR MONEY		
	2012	2011	2010	2012	2011	2010
Paradisus	84.20%	81.10%	85.80%	78.90%	74.00%	80.20%
ME by Meliá	82.40%	83.10%	84.70%	74.70%	77.10%	78.20%
Gran Meliá	83.10%	82.40%	83.80%	77.20%	77.60%	78.40%
INNSIDE	84.20%	83.80%	83.90%	81.90%	81.70%	80.50%
Meliá	81.40%	81.00%	81.20%	78.20%	77.60%	77.60%
TRYP by Wyndham	80.20%	79.70%	79.10%	78.40%	76.20%	76.50%
Sol	81.40%	80.50%	79.80%	77.50%	77.30%	79.80%

< PR5-2

F.6 BUSINESS VALUE

TABLEVN1 – VOLUME OF LOCAL CONTRACTS BY COUNTRY BY NUMBER OF LOCAL SUPPLIERS

< EC6-3

	2012	2011	2010
Germany	246	268	239
Argentina	160	Not Available	123
Brazil	Not Available	239	575
Chile	Not Available	Not Available	Not Available
Costa Rica	Not Available	161	233
Spain	2,262	2,609	2,946
USA	79	15	31
France	91	92	76
Italy	159	106	125
Luxembourg	28	44	29
Mexico	2,057	1,813	2,160
Peru	277	292	278
Puerto Rico	177	214	206
United Kingdom	219	203	126
Dominican Republic	807	633	852
Venezuela	275	272	309
TOTAL	6,837	6,961	8,308

* The countries without these data have ceased to use the MM procurement model for SAP.

TABLEVN2 – VOLUME OF LOCAL CONTRACTS/TOTAL

	TOTAL CONTRACTS VOLUME (EUR)			TOTAL CONTRACTS VOLUME %		
	2012	2011	2010	2012	2011	2010
Germany	8,136,786	7,416,756	4,996,250	97%	97%	94%
Argentina	206,044	-	185,202	100%	-	100%
Brazil	-	328,988	2,202,237	-	100%	100%
Chile	-	-	-	-	-	0%
Costa Rica	-	2,816,360	5,513,588	-	96%	98%
USA	1,340,701	115,057	219,790	96%	100%	100%
Spain	150,164,128	146,786,869	129,862,151	95%	95%	97%
France	968,593	1,082,755	1,574,163	84%	78%	55%
Italy	3,200,917	2,661,334	2,707,156	88%	91%	91%
Luxembourg	739,601	794,076	587,936	52%	48%	61%
Mexico	38,964,519	77,297,753	33,910,526	100%	100%	99%
Peru	973,877	980,544	816,642	100%	100%	100%
Puerto Rico	4,320,468	4,152,886	3,100,847	96%	91%	95%
United Kingdom	5,764,430	36,394,358	3,992,135	57%	82%	95%
Dominican Republic	42,723,525	39,041,580	36,186,208	96%	97%	95%
Venezuela	8,022,896	8,765,082	6,467,685	100%	100%	100%
TOTAL	265,526,486	328,634,399	232,322,517	95%	95%	96%

F.7 PRIZES AND AWARDS RECEIVED BY THE COMPANY AND ITS HOTELS IN 2012

RECIPIENT	ORGANISATION	PRIZES/AWARDS
Palma de Mallorca Headquarters	European Foundation for Health, Research and Education (EFHRE)	Cardio-Safe Space
Gabriel Escarrer Julià	UNWTO Ulysses Awards	Lifetime Achievement
Gabriel Escarrer Julià	European Hospitality Awards	Lifetime Achievement
Meliá Hotels International Brazil	Official Spanish Chamber of Commerce in Brazil	Sustainability Awards
Calvià Beach Resort Project	Spanish Ministry of Industry, Energy and Tourism	Tourism Merit Award











COUNTRY	RECIPIENT	ORGANISATION	PRIZES/AWARDS
Germany	Innside Berlin	HolidayCheck	Quality Selection
	Innside Bremen	HolidayCheck	Quality Selection
		Hotel.de	Top Rated Hotel
	Innside Düsseldorf Derendorf	TripAdvisor	Certificate of Excellence
		Düsseldorf geht aus!	TOP TEN Restaurant VEN place 2 in "Business Class"
		Guide Prince2	Place 2 in "Business Class" top 5 ranking
		HolidayCheck	Top Hotel
		Hotel.de	Top Rated Hotel
		Zoover	Recommended Hotel
	Innside Dresden	American Express	Excellent Service von Service Oase Deutschland
		Expedia	Insiders' Select
		Giffard West Cup	1st place for Germany, 2nd place worldwide
		HolidayCheck	Top Hotel
		Hotel.de	Top Rated Hotel
		Kochsternstunden	1st place
		PRINZ	Top Location
		TripAdvisor	Certificate of Excellence
	Innside Frankfurt Eurotheum	Feinschmecker	Der Feinschmecker
		PRINZ	Top Location
	Innside München Neue Messe	Varta Führer	Der Varta Führer 2012
		Hotel.de	Top Rated Hotel
	Innside Frankfurt Niederrad	Hotel.de	Top Rated Hotel
		TripAdvisor	Certificate of Excellence
	Innside München Parkstadt Schwabing	HolidayCheck	Quality Selection
		Hotel.de	Top Rated Hotel
		TripAdvisor	Travellers' Choice Award - Europe Platz 16
		TripAdvisor	Travellers' Choice Award - Germany Platz 5
	Düsseldorf Seestern	Feinschmecker	Recommended hotel
		HolidayCheck	Top Hotel
		Hotel.de	Top Rated Hotel
		Marcellinos	Recommended Hotel
		TripAdvisor	Travellers' Choice Award
	Meliá Berlin	Zoover	Recommended hotel
		Gault & Milliau	13 out of 20 Points
		HolidayCheck	Top Hotel
		TripAdvisor	Certificate of Excellence
		TripAdvisor	Travellers' Choice
	Meliá Düsseldorf	HolidayCheck	Quality Selection
		hotel.de	Top Rated Hotel
	TRYP Berlin	Booking	Top Hotel
		TripAdvisor	Certificate of Excellence
	TRYP Düsseldorf Airport	TripAdvisor	Certificate of Excellence
Argentina	Meliá Buenos Aires	TripAdvisor	Certificate of Excellence
	Meliá Recoleta Plaza	TripAdvisor	Certificate of Excellence







COUNTRY	RECIPIENT	ORGANISATION	PRIZES/AWARDS
Brazil	Meliá Brasil 21	TripAdvisor	Certificate of Excellence
	Meliá Jardim Europa	TripAdvisor	Certificate of Excellence
	TRYP Campinas	TripAdvisor	Certificate of Excellence
	TRYP São Paulo Paulista	TripAdvisor	Certificate of Excellence
Bulgaria	Meliá Grand Hermitage	TripAdvisor	Certificate of Excellence
		Zoover	Recommended hotel
		HolidayCheck	Quality Selection
		REWE	Red Star Award
	Sol Luna Bay Resort	RTK	Hotel Award 2 (Top 100 partners of the RTK travel agencies)
		TripAdvisor	Certificate of Excellence
		Zoover	Travelers Choice Award
	Sol Nessebar Bay	Robinson Tours	Travelers Choise award
		Zoover	Travelers Choice Award
	Sol Nessebar Mare	Zoover	Travelers Choice Award
Cape Verde	Meliá Tortuga	Robinson Tours	Travelers Choise award
		Zoover	Travelers Choice Award
China	Gran Meliá Shanghai	TripAdvisor	Certificate of Excellence
Croatia	Meliá Coral	Expedia	Insiders Select Hotel
	Meliá Istrian Villas	TripAdvisor	Certificate of Excellence
	Sol Aurora	Zoover	Recommended hotel
	Sol Garden Istra	TripAdvisor	Certificate of Excellence
		Tourist Flower Quality for Croatia	Special acknowledgement for innovation and variety of the offer for children
	Sol Umag	Zoover	Recommended hotel
		TripAdvisor	Certificate of Excellence
		TripAdvisor	Certificate of Excellence
Cuba	TRYP Cayo Coco	Zoover	Recommended hotel
Egypt	Sol Sharm	TripAdvisor	Certificate of Excellence
United Arab Emirates	Meliá Dubai	Varli Culinary Awards	Best Indian Restaurant in UAE
	Gran Meliá Colón	TripAdvisor	Certificate of Excellence
	Gran Meliá Don Pepe	Philanthropist Hotel Manager	Philanthropist Hotel Manager
		TripAdvisor	Certificate of Excellence
	Gran Meliá Fénix	HolidayCheck	Quality Selection
		TripAdvisor	Certificate of Excellence
	Gran Meliá Palacio de Isora	Best Sensatori	Gold Medal Best Sensatori
		Canarias Diario	Best Hotel Kitchen
		Conde Nast Traveler	Best National Resort
		Hotel.info	Best Wellness Hotel in Spain
		Traveller	Gold List
		TripAdvisor	Certificate of Excellence
	Gran Meliá Victoria	TripAdvisor	Certificate of Excellence
		Conde Nast Traveler	Gold List
	ME Barcelona	Traveller	Travellers Choice Award
		TripAdvisor	Certificate of Excellence
	ME Madrid	Conde Nast Traveler	Gold List
		TripAdvisor	Certificate of Excellence
	Meliá Alicante	HolidayCheck	Quality Selection
		TripAdvisor	Certificate of Excellence
	Meliá Barajas	TripAdvisor	Certificate of Excellence
	Meliá Barcelona	TripAdvisor	Certificate of Excellence
Spain	Meliá Bilbao	SICTED (Integral System for Destination Tourism Quality)	Top Ten Trivago/Top 2012 - Top rated hotel
		TripAdvisor	Certificate of Excellence
	Meliá Cala D'Or	TripAdvisor	Certificate of Excellence
	Meliá Castila	TripAdvisor	Certificate of Excellence
	Meliá Costa del Sol	TripAdvisor	Certificate of Excellence
		Zoover	Recommended hotel
		Zoover	Best Hotel in Torremolinos









COUNTRY	RECIPIENT	ORGANISATION	PRIZES/AWARDS
Spain	Meliá de Mar	TripAdvisor	Certificate of Excellence
	Meliá Girona	TripAdvisor	Certificate of Excellence
	Meliá Golf Vichy Catalán	HolidayCheck	Quality Selection
		TripAdvisor	Certificate of Excellence
	Meliá Gorriones	RTK	Travel Agents Top Hotel Award
		TripAdvisor	Certificate of Excellence
	Meliá Granada	TripAdvisor	Certificate of Excellence
	Meliá Jardines del Teide	RTK	TOP 100 Partner Hotels RTK Hotel Awards
		Zoover	Recommended hotel
	Meliá La Quinta	TripAdvisor	Certificate of Excellence
	Meliá La Reconquista	TripAdvisor	Certificate of Excellence
	Meliá Las Claras	TripAdvisor	Certificate of Excellence
	Meliá Lebreros	TripAdvisor	Certificate of Excellence
	Meliá Madrid Princesa	TripAdvisor	Certificate of Excellence
	Meliá Maria Pita	TripAdvisor	Certificate of Excellence
	Meliá Palas Atenea	TripAdvisor	Certificate of Excellence
	Meliá Recoletos	HolidayCheck	Quality Selection
		TripAdvisor	Certificate of Excellence
	Meliá Salinas	TripAdvisor	Certificate of Excellence
	Meliá Sancti Petri	TripAdvisor	Certificate of Excellence
	Meliá Sevilla	TripAdvisor	Certificate of Excellence
	Meliá Sierra Nevada	TripAdvisor	Certificate of Excellence
	Meliá Sitges	TripAdvisor	Certificate of Excellence
	Meliá Sol y Nieve	TripAdvisor	Certificate of Excellence
	Meliá Tamarindos	TripAdvisor	Certificate of Excellence
	Meliá Valencia	hotel.de	Top Rated Hotel
	Meliá Valencia	TripAdvisor	Certificate of Excellence
	Meliá Zaragoza	TripAdvisor	Certificate of Excellence
	Sol Alcudia Center Apartamentos	Ayuntamiento de Alcudia	Distintiu Ecoturístic
		TripAdvisor	Certificate of Excellence
		TripAdvisor	Certificate of Excellence
	Sol Aloha Puerto	Zoover	Recommended hotel
		TripAdvisor	Certificate of Excellence
		Booking	Recommended hotel
	Sol Barbacán	HolidayCheck	Quality Selection
		Kids Vakantie	Hotel Recommended for Children
		Q Calidad Turística	Certificate of Commitment to Quality
		TripAdvisor	Certificate of Excellence
		TripAdvisor	Certificate of Excellence
	Sol Cala Blanca	Zoover	Recommended hotel
		TripAdvisor	Certificate of Excellence
		TripAdvisor	Certificate of Excellence
	Sol Cala D'Or	Zoover	Recommended hotel
	Sol Costa Daurada	TripAdvisor	Certificate of Excellence
	Sol Costablanca	TripAdvisor	Certificate of Excellence
	Sol Don Marco	TripAdvisor	Certificate of Excellence
	Sol Don Pablo	TripAdvisor	Certificate of Excellence
	Sol Don Pedro	TripAdvisor	Certificate of Excellence
	Sol Falco	TripAdvisor	Certificate of Excellence
	Sol Gavilanes	TripAdvisor	Certificate of Excellence
		TUI Umwelt	Champion 2012
	Sol Guadalupe	TripAdvisor	Certificate of Excellence
	Sol Ibiza	TripAdvisor	Certificate of Excellence
	Sol La Palma	AECC (Spanish Association against Cancer)	"V de Vida" Award
		Zoover	Recommended hotel
	Sol Lanzarote	TUI	Nordic Blue Spirit Award 2012
		Zoover	Recommended hotel
	Sol Los Fenicios	HolidayCheck	Quality Selection
	Sol Menorca	TUI	Gold Award de TUI UK 4T
		TripAdvisor	Certificate of Excellence

COUNTRY	RECIPIENT	ORGANISATION	PRIZES/AWARDS
Spain	Sol Mirlos Tordos	TripAdvisor	Certificate of Excellence
	Sol Príncipe	TripAdvisor	Certificate of Excellence
		Zoover	Recommended hotel
	Sol Sancti Petri	TripAdvisor	Certificate of Excellence
	Sol S'Argamassa	TripAdvisor	Certificate of Excellence
	Sol Trinidad	TripAdvisor	Certificate of Excellence
	Sol Vielha	TripAdvisor	Certificate of Excellence
	TRYP Madrid Alameda	TripAdvisor	Certificate of Excellence
	TRYP Madrid Alcala 611	TripAdvisor	Certificate of Excellence
	TRYP Madrid Alameda Aeropuerto	TripAdvisor	Certificate of Excellence
	TRYP Madrid Ambassador	TripAdvisor	Certificate of Excellence
	TRYP Barcelona Apolo	TripAdvisor	Certificate of Excellence
	TRYP Bilbao Arenal	TripAdvisor	Certificate of Excellence
	TRYP Valencia Azafata	TripAdvisor	Certificate of Excellence
		Regional Ministry of Trade, Industry and Energy	Award for Dedication and Commitment to Quality
	TRYP Palma Bellver	Illes Balears Regional Ministry of Tourism	MICE Quality Certificate
		TripAdvisor	Certificate of Excellence
	TRYP Ceuta	SICTED (Integral System for Destination Tourism Quality)	Tour-Spain
	TRYP Madrid Cibeles	TripAdvisor	Certificate of Excellence
		TripAdvisor	Certificate of Excellence
	TRYP Coruña	TripAdvisor	Certificate of Excellence
		TripAdvisor	Certificate of Excellence
	TRYP Jerez	TripAdvisor	Certificate of Excellence
	TRYP Cádiz La Caleta	TripAdvisor	Certificate of Excellence
		Q Calidad Turística	Certificate of Commitment to Quality Tourism
	TRYP León	TripAdvisor	Certificate of Excellence
	TRYP Sevilla Macarena	TripAdvisor	Certificate of Excellence
	TRYP Madrid Menfis	TripAdvisor	Certificate of Excellence
		Q Calidad Turística	Certificate of Commitment to Quality Tourism
	TRYP Salamanca Montalvo	TripAdvisor	Certificate of Excellence
	TRYP Valencia Oceanic	TripAdvisor	Certificate of Excellence
	TRYP Oviedo	TripAdvisor	Certificate of Excellence
	TRYP Palma Centro	TripAdvisor	Certificate of Excellence
		HolidayCheck	Quality Selection
	TRYP Port Cambrils	TripAdvisor	Certificate of Excellence
		SICTED (Integral System for Destination Tourism Quality)	Gijón Calidad - Environment
	TRYP Gijón Rey Pelayo	SICTED (Integral System for Destination Tourism Quality)	Gijón Calidad Turística Hotel
		SICTED (Integral System for Destination Tourism Quality)	Gijón Calidad Turística Cabo Torres Restaurant
		TripAdvisor	Certificate of Excellence
	TRYP Salamanca Centro	TripAdvisor	Certificate of Excellence
	TRYP Santiago	TripAdvisor	Certificate of Excellence
	TRYP Zaragoza	TripAdvisor	Certificate of Excellence
USA	Meliá Orlando	TripAdvisor	Certificate of Excellence
France	Meliá Alexander	The French Government	Cramif (Pair work programme for chambermaids)
	Meliá Colbert	The French Government	Cramif (Pair work programme for chambermaids)
		TripAdvisor	Certificate of Excellence
	Meliá Royal Alma	The French Government	Cramif (Pair work programme for chambermaids)
		TripAdvisor	Certificate of Excellence
	Meliá Vendome	The French Government	Cramif (Pair work programme for chambermaids)
Greece	Tryp Paris Blanche Fontaine	TripAdvisor	Certificate of Excellence
	Tryp Paris François	TripAdvisor	Certificate of Excellence
	Meliá Atenas	Expedia	Best City Hotel Athens
		HolidayCheck	Quality Selection

COUNTRY	RECIPIENT	ORGANISATION	PRIZES/AWARDS
Indonesia	Gran Meliá Jakarta	ASEAN	Green Hotel Award
		Environment by Proper	Blue Certified
	Meliá Bali	ASEAB	Green Hotel Award
		Asia Pacific Annual Conference	Sustainable Development, Best Up-Selling Result and Overall Recognition for the hotel together with Recognition for Business Development for General Manager
		Green Hotel	National Green Hotel Standard
		Indonesia Travel and Tourism Awards	Indonesia's Leading Green Hotel
		Ministry of Manpower and Transmigration of the Republic of Indonesia	Zero Accident Award
		Tri Hita Karana Tourism Awards	Platinum Tourism Awards, Bali's highest sustainable tourism honor
		TripAdvisor	Certificate of Excellence
	Meliá Benoa	ASEAN	Green Hotel Award
		Green Hotel	National Green Hotel Standard
		Tri Hita Karana	Emerald Award
		Tri Hita Karana	Nugraha
		TripAdvisor	Certificate of Excellence
	Meliá Purosani	TripAdvisor	Travellers' Choice
		Agoda	Gold Circle Award
		Green Hotel	Green Hotel Award
		ITTA Foundation	Indonesia Travel Tourism Award (2011-2012)
		Java Sparrow Conservation	Biodiversity Award
Italy	Meliá Milán	TripAdvisor	Certificate of Excellence
	Meliá Roma	TripAdvisor	Certificate of Excellence
Luxembourg	Meliá Luxemburgo	Expedia	Excellence Award
		TripAdvisor	Certificate of Excellence
Malaysia	Meliá Kuala Lumpur	Agoda	Gold Award
		ASEAN	Green Hotel Award
		Super Passionate Club	Bronze Award
		TripAdvisor	Certificate of Excellence
		Preferred	Certification
Mexico	Gran Meliá Cancún	RCI	Cub Meliá - Gold Crown
		TripAdvisor	Certificate of Excellence
		Expedia	Excellence Award
	ME Cancún	Four Diamond	Four Diamond Award
		Travelocity	Best Partner Award
		TripAdvisor	Certificate of Excellence
	Meliá Cabo Real	TripAdvisor	Certificate of Excellence
	Meliá Mexico Reforma	TripAdvisor	Certificate of Excellence
	Meliá Puerto Vallarta	TripAdvisor	Certificate of Excellence
	Paradisus La Esmeralda	TripAdvisor	Certificate of Excellence
Peru	Meliá Lima	TripAdvisor	Certificate of Excellence
Portugal	Meliá Madeira	TripAdvisor	Certificate of Excellence
	Meliá Ria	TripAdvisor	Certificate of Excellence
	TRYP Lisboa Oriente	TripAdvisor	Certificate of Excellence
United Kingdom	Meliá White House	TripAdvisor	Certificate of Excellence
Dominican Republic	Meliá Caribe Tropical	Golden Apple	Golden Apple
		Cristal	Check Safety First® Certificate of Achievement 2012
		Travelocity	Excellence Award
		TripAdvisor	Travelers' Choice (Top Hotels for Families in the Caribbean)
	Paradisus Palma Real	Wedding By Ocean	Luxury Honey
		TripAdvisor	Certificate of Excellence
Tanzania	Meliá Zanzibar	TripAdvisor	Certificate of Excellence
Uruguay	TRYP Montevideo	TripAdvisor	Certificate of Excellence
Venezuela	Gran Meliá Caracas	Cacique de Oro International Organisation	Award for the Most Outstanding Hotel of the Year in Venezuela
Vietnam	Meliá Hanoi	Economic Times	The Guide Award 2011-2012

1.	Strategy and Analysis	Reporting level ⁽¹⁾	Non-reported issues	Reason for omission	Comments	Scope ⁽²⁾	Pages
1.1	Statement from the most senior decision-maker of the organization.	Full					8, 9
1.2	Description of key impacts, risks, and opportunities.	Full					8, 9, 10-12
2.	Organizational Profile	Reporting level ⁽¹⁾	Non-reported issues	Reason for omission	Comments	Scope ⁽²⁾	Pages
2.1	Name of the organization.	Full					6
2.2	Primary brands, products, and/or services.	Full					18-21
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Full					14, 55
2.4	Location of organization's headquarters.	Full					89
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Full					6
2.6	Nature of ownership and legal form.	Full					IF 111
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Full					6
2.8	Scale of the reporting organization.	Full					6, 17
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Full					10-12, 71-77
2.10	Awards received in the reporting period.	Full					116
3.	Report Parameters	Reporting level ⁽¹⁾	Non-reported issues	Reason for omission	Comments	Scope ⁽²⁾	Pages
Profile of the report							
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Full					92, 93
3.2	Date of most recent previous report (FR any).	Full					89
3.3	Reporting cycle (annual, biennial, etc.)	Full					92
3.4	Contact point for questions regarding the report or its contents.	Full					94
Scope and coverage of the scope							
3.5	Process for defining report content.	Full					31, 92
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Full					92
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Partially					92, 130

3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Full			92, 93
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantial	Full			92, 93
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Full			92, 93
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Full			92
Index of GRI content					
3.12	Table identifying the location of the Standard Disclosures in the report.	Full			121-130
Verification					
3.13	Policy and current practice with regard to seeking external assurance for the report.	Full			94

4.	Governance, Commitments and Engagement	Reporting level ⁽¹⁾	Non-reported issues	Reason for omission	Comments	Scope ⁽²⁾	Pages
Governance							
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Full					14, 15, 37, 38
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Full					15
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Full					15
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Full					78
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Full					38, IF 122-124
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Full					38
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Full					IF 128
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Full					35
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agree	Full					22, 24, 35

 Profile Indicator
  Main Indicator
  Additional Indicator

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4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Full			IF 124
Commitments to external initiatives					
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Full			41
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Full			33, 34
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyo	Full			33
Stakeholders' involvement					
4.14	List of stakeholder groups engaged by the organization.	Full			13
4.15	Basis for identification and selection of stakeholders with whom to engage.	Full			31
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Full			31
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Full			31

GRI description	Reporting level ⁽¹⁾	Non-reported issues	Reason for omission	Comments	To be reported on	Pages
Information on the management approach - Disclosure on Management Approach EC						
Economic performance	Full					6, 71, 77
Market presence	Full					6
Indirect economic impacts	Full					82
Information on the management approach - Disclosure on Management Approach EN						
Materials	Full					81
Energy	Full					43
Water	Full					48
Biodiversity	Full					10
Emissions, effluents and waste	Full					44
Products and services	Full					18-21
Compliance	Full					39
Transport	Full					45
Overall	Full					40
Information on the management approach - Disclosure on Management Approach LA						
Employment	Full					57
Labor/management relations	Full					64
Occupational health and safety	Full					62, 63
Training and education	Full					61
Diversity and equal opportunity	Full					64, 65
Diversity and equal opportunity						
Equal remuneration for women and men	Full					55, 56

■ Profile Indicator
 ■ Main Indicator
 ■ Additional Indicator















FR: Financial Report












GRI description	Reporting level ⁽¹⁾	Non-reported issues	Reason for omission	Comments	To be reported on	Pages
Information on the management approach - Human rights - HR						
Investment and procurement practices	Full					80, 81
Non-discrimination	Full					57, 64
Freedom of association and collective bargaining	Full					64
Child labor	Full					63
Prevention of forced and compulsory labor	Full					63, 64
Security practices	Full					62, 87
Indigenous rights	Full					64
Assessment	Full					60
Remediation	Full					64
Information on the management approach - Society - SO						
Local communities	Full					66
Corruption	Full					39
Public policy	Full					33, 34
Anti-competitive behavior	Full					35, 39
Compliance	Full					39
Information on the management approach - Product liability - PR						
Customer health and safety	Full					87
Product and service labelling	Full					87
Marketing communications	Full					88
Customer privacy	Full					88
Compliance	Full					88

















GRI Code	GRI Description	Reporting level ⁽¹⁾	Non-reported issues	Reason for omission	Comments	Scope ⁽²⁾	Pages
Economic performance indicators							
Aspect: Economic performance							
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Full					82
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Partially	Quantitative estimate not published.	Not available.	Note 1		30, 43, 130
EC3	Coverage of the organization's defined benefit plan obligations.	Partially	Information as to whether pension liabilities are fully covered. Details of the degree of cover and reasonableness of the pension plans.	Not available.	No systems for reporting this information are available. The objective is to be in a position to report on this issue at the end of the Strategic Plan 2012-2014.		56
EC4	Significant financial assistance received from government.	Full					82
Aspect: Market presence							
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Partially	Not reported due to type	Not available.	The data collected is global only, not by gender.		56, 110
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Full					81, 115
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Full					57, 109
Aspect: Indirect economic impacts							
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Full					82
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Not reported		Not available.	Note 2		














 Profile Indicator
  Main Indicator
  Additional Indicator

















FR: Financial Report

GRI Code	GRI Description	Reporting level ⁽¹⁾	Non-reported issues	Reason for omission	Comments	Scope ⁽²⁾	Pages
Environmental performance indicators							
Aspect: Materials							
EN1	Materials used by weight or volume.	Partially	Weight or volume of the principal materials used.	Not available.	Note 3		81
EN2	Percentage of materials used that are recycled input materials.	Partially	Weight or volume of the materials of origin assessed over total consumption.	Not available.	Note 3		81
Aspect: Energy							
EN3	Direct energy consumption by primary energy source.	Full					46, 102
EN4	Indirect energy consumption by primary source.	Full					102, 103
EN5	Energy saved due to conservation and efficiency improvements.	Full					46, 102
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Full					46, 102
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Not reported		Not available.	Note 4		
Aspect: Water							
EN8	Total water withdrawal by source.	Partially	Origin-based breakdown of water consumption.	Not available.	Note 5		48
EN9	Water sources significantly affected by withdrawal of water.	Not reported		Not available.	Note 6		48
EN10	Percentage and total volume of water recycled and reused.	Full					49, 103
Aspect: Biodiversity							
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Full					52
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Partially	Major positive and negative, direct and indirect impacts in relation to the areas and species affected.	No detailed analysis of the environmental impact on these hotels has been carried out.	Note 7		50, 51
EN13	Habitats protected or restored.	Partially	Specific information on all hotels. Inclusion of a number of initiatives in the local environmental action charts.	There are no centralised management systems available for the consolidation of reliable data on a group level.	Extend reporting on these initiatives in future editions.		51, 53
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Full					53
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Full					53
Aspect: Emissions, effluents and waste							
EN16	Total direct and indirect greenhouse gas emissions by weight.	Full					45

GRI Code	GRI Description	Reporting level ⁽¹⁾	Non-reported issues	Reason for omission	Comments	Scope ⁽²⁾	Pages
EN17	Other relevant indirect greenhouse gas emissions by weight.	Partially	Other indirect emissions included in the Corporate Value Chain (Scope 3) of the GHG Protocol	There are no centralised management systems available to obtain the data necessary in order to calculate these emissions at a group level.	Note 8		44, 45
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Full					45, 46
EN19	Emissions of ozone-depleting substances by weight.	Not applicable			Meliá Hotels International does not carry out activities related to the production, export or import of substances that destroy the ozone layer.		NA
EN20	NOx, SOx, and other significant air emissions by type and weight.	Full					102
EN21	Total water discharge by quality and destination.	Partially	Waste water quality in relation to COD, BOD5, nitrates, phosphates, pH, conductivity, temperature, dissolved oxygen and suspended solids.	Not available.	Meliá Hotels International does not currently have centralised procedures for water quality reporting. The objective is to be in a position to report on this issue at the end of the Strategic Plan 2012-2014.		48, 49, 103
EN22	Total weight of waste by type and disposal method.	Partially	Waste treatment method.	Not available.	Meliá Hotels International does not currently have standardised procedures for centralised reporting on this issue. The objective is to be in a position to report on this issue at the end of the Strategic Plan 2012-2014.		49, 50, 103
EN23	Total number and volume of significant spills.	Full					49
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not applicable			Meliá Hotels International does not carry out activities related to the production, export or import of substances that destroy the ozone layer.		NA
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not reported		Not available.	To date, Meliá Hotels International has not analysed the bodies of water affected by its activity. The objective is to be in a position to report on this issue at the end of the Strategic Plan 2012-2014.		
Aspect: Products and services							
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Partially	Quantitative information regarding the degree to which the environmental impact of products and services has been mitigated during the period. Methods for calculating impact mitigation.	Not available.	Meliá Hotels International does not have quantitative information regarding the degree to which the environmental impact of its products and services has been mitigated. The objective is to be in a position to report on this issue at the end of the Strategic Plan 2012-2014.		42
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not applicable			Meliá Hotels International does not sell products on the market that use packaging materials.		NA

GRI Code	GRI Description	Reporting level ⁽¹⁾	Non-reported issues	Reason for omission	Comments	Scope ⁽²⁾	Pages
Aspect: Compliance							
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Full					43
Aspect: Transport							
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Partially	Significant environmental impacts of transport for logistic purposes. Impact assessment criteria and methodology.	Not available.	The model for calculating Meliá Hotels International carbon footprint has not yet been included. The objective is to be in a position to report on this issue at the end of the Strategic Plan 2012-2014.		45, 47
Aspect: Overall							
EN30	Total environmental protection expenditures and investments by type.	Full					46, 53, 104
Social performance indicators: labour and work practices							
Aspect: Employment							
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Full					54, 64, 104, 105
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Full					106
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Full					56
LA15	Return to work and retention rates after parental leave, by gender.	Full					112, 113
Aspect: Labor/management relations							
LA4	Percentage of employees covered by collective bargaining agreements.	Full					64
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Full					64, 112
Aspect: Occupational health and safety							
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Full					62
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Full					62, 111
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Full					62, 63, 111
LA9	Health and safety topics covered in formal agreements with trade unions.	Full					62
Aspect: Training and education							
LA10	Average hours of training per year per employee by gender, and by employee category.	Partially	The breakdown of this information by professional category and gender is not provided.	Not available.	The procedure used to record training does not distinguish gender or category. The objective is to be in a position to report on this issue at the end of the Strategic Plan 2012-2014.		61, 111
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Full					57, 59, 61, 110
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Full					55, 56, 109

GRI Code	GRI Description	Reporting level ⁽¹⁾	Non-reported issues	Reason for omission	Comments	Scope ⁽²⁾	Pages
Aspect: Diversity and equal opportunity							
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Full					15, 37, 64, 65, 105, 107, 108
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Full					56, 110
Social performance indicators: human rights							
Aspect: Investment and procurement practices							
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Full					63
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Full					64, 80
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Full					63
Aspect: Non-discrimination							
HR4	Total number of incidents of discrimination and corrective actions taken.	Full					64
Aspect: Freedom of association and collective bargaining							
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Full					23, 63
Aspect: Child labor							
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor; and measures taken to contribute to the effective abolition of child labor.	Full					23, 63, 67, 114
Aspect: Prevention of forced and compulsory labor							
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor; and measures to contribute to the elimination of all forms of forced or compulsory labor.	Full					63
Aspect: Security practices							
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Full					63
Aspect: Indigenous rights							
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Full					64
Aspect: Assessment							
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Full					63, 112
Aspect: Remediation							
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Full					64
Social performance indicators: society							
Aspect: Local communities							
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Partially	Impact assessment programmes during the operation and prior to the Company's departure from these communities. Number and percentage of operations analysed.	Not available.	Note 9		41

GRI Code	GRI Description	Reporting level ⁽¹⁾	Non-reported issues	Reason for omission	Comments	Scope ⁽²⁾	Pages
SO9	Operations with significant potential or actual negative impacts on local communities.	Not reported		Not available.	Note 9		
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Not reported		Not available.	Note 9		
Aspect: Corruption							
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Full					63, 112
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Full					39
SO4	Actions taken in response to incidents of corruption.	Full					39
Aspect: Public policy							
SO5	Public policy positions and participation in public policy development and lobbying.	Full					33
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Full					39
Aspect: Anti-competitive behavior							
SO7	Total number of legal actions for anti-competitive behavior; anti-trust, and monopoly practices and their outcomes.	Full					39
Aspect: Compliance							
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Full					39
Social performance indicators: product liability							
Aspect: Customer health and safety							
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Full					63, 87
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Full					87
Aspect: Product and service labelling							
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Full					63, 87
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Full					88
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Full					85, 86, 114
Aspect: Marketing communications							
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Full					88
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Full					88
Aspect: Customer privacy							
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Full					88
Aspect: Compliance							
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Full					88

Note 1: There is currently no economic quantification of the impact climate change may have on the business. Work is currently in progress to report this indicator as one of the results of the new Strategic Plan 2012-2014.

Note 2: Meliá Hotels International does not have procedures for analysing significant indirect economic impacts. Although the original intention was to include this information in the 2012 report, it will now be reported on completion of the Strategic Plan 2012-2014.

Note 3: The Company's procurement systems do not currently have the necessary functionality in order to contribute reliable data regarding the raw materials consumed in mass or volume units. In this sense, the Company has parameterized its systems to include the entry interface necessary for these data. Although the records of historic products have not been updated, all the products included on the system in 2013 will include this information.

Note 4: Meliá Hotels International has the global information regarding reductions in energy consumption, but no specific details for each initiative. Although it initially undertook to include details of this indicator in the 2011 report, to date it has not been possible to implement this procedure. The objective is to be in a position to report on this issue at the end of the Strategic Plan 2012-2014.

Note 5: Meliá Hotels International does not currently have standardised procedures in order to measure capture by sources. Although it initially undertook to include details of this indicator in the 2011 report, to date it has not been possible to implement this procedure. The objective is to be in a position to report on this issue at the end of the Strategic Plan 2012-2014.

Note 6: Meliá Hotels International does not currently have standardised procedures in order to identify the affected water sources. Although it initially undertook to include details of this indicator in the 2011 report, to date it has not been possible to implement this procedure. The objective is to be in a position to report on this issue at the end of the Strategic Plan 2012-2014.

Note 7: Meliá Hotels International is unable to report on specific impacts on the affected species or areas for the hotels located in protected natural spaces, as no detailed analyses to this effect have been carried out. The objective is to be in a position to report on this issue at the end of the Strategic Plan 2012-2014.

Note 8: Meliá Hotels International intends to continue to expand the reporting perimeter for the indirect emissions of its carbon footprint. The objective is to be in a position to report on this issue at the end of the Strategic Plan 2012-2014.

Note 9: There is no system for assessing the impacts associated with the Company's operation and departure phases in communities. Although it initially undertook to include details of this indicator in the 2012 report, to date it has not been possible to implement this procedure. The objective is to be in a position to report on this issue at the end of the Strategic Plan 2012-2014.

(1) **Full reporting:** includes details of all aspects in accordance with the protocol indicator of the Global Reporting Initiative. See 3.1.

Partial reporting: a number of aspects are not reported in accordance with the protocol indicator of the Global Reporting Initiative. See 3.1.

Not available: no details are provided for those indicators where the lack of data or reliability thereof has led to the decision to exclude them.

(2) This information was provided by Meliá Hotels International in order to clarify the scope of each indicator with the overall scope of the Sustainability Report and is not included in the review carried out by PwC. The criterion used by Meliá Hotels International to reflect the scope of each indicator was the number of rooms for each hotel, included in the aforementioned indicator, regarding the total number of rooms included within the scope of the Sustainability Report. According to this criterion, a series of four strands have been drawn up to describe the scope of each indicator:

The Report's global scope refers to owned and leased hotels, as well as those managed by Meliá Hotels International, a total of 235. Franchises have not been included within the Report scope. Three geographical areas have also been excluded (Cuba, Egypt and Bulgaria).

75-100% Scope 50-75% Scope 25-50% Scope 1-25% Scope

Profile Indicator Main Indicator Additional Indicator

FR: Financial Report

MELIÄ HÔTELS
INTERNATIONAL

GRAN MELIÄ
HOTELS & RESORTS

ME
HOTELS

RESORTS
RESORTS

MELIÄ
HOTELS & RESORTS

INSIDE
HOTELS



Hotels
Hotels

CLUB MELIÄ

