

Eduardo García de Palomo, *Global Investor Relations and Development*

Meliá Hotels International

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Dear Marc Italia,

At Meliá Hotels International, we are aware of recent developments within the technology sector, particularly related to digitalization and customer experience, that are heavily impacting the global hospitality industry. Nowadays, *Millennials* not only represent the largest percentage of population, but also the most significant group when it comes to leisure spending, travelling and enjoying unique experiences worldwide. This is why it is critical to properly target them so we can offer hotels and resorts adapted to current needs and why we have been heavily investing in repositioning our properties to enhance the massive opportunity that the *bleisure* and *bluxury* segments represent.

In order to do so, we have seen an increasing interest in membership and loyalty programs, which allow hoteliers to be much more closer to their guests, as well as to know in a much better way critical data, such as where do they want to travel, with who, when and most importantly, which are the most valued services among all the ones provided and how much are they willing to pay for them. However, we have also witnessed, as shown by recent studios, that *Millennials* are not usually tied to a particular brand, hotel chain nor loyalty program, and that they tend to stay in a number of different types of hotels, from typical and charming boutique properties located in unique spots to large urban properties owned and/or managed by global brands.

In this regard, and due to the above mentioned aspects, we believe that initiatives such as Airstayz, which allow guests and travelers to have all their different loyalty programs accounts in one single place, and most importantly, not only to enjoy all the benefits and rewards that they have accumulated on all of them, but also to decide in which hotel or experience they want to spend the points among the many different options they have available, are a fantastic option with a strong potential in an increasing and multi-billion market that is expected to grow exponentially over the following years.

We look forward at monitor the evolution of your business in the upcoming months, as we definitely believe that being part of it will allow hoteliers to properly serve the needs of their guests around the world, as well as to continue providing a tailored service and unique experiences to all of them, which represents the core of our proposition: "*Belonging means more*".

Yours sincerely,

Eduardo García de Palomo

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