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M.7516 - STARWOOD CAPITAL GROUP / MELIA HOTELS INTERNATIONAL / SOL AND MELIA HOTEL PORTFOLIO

SECTION 1.2

Description of the concentration

1. Starwood Capital Group (“**SCG**”) and Melia Hotels International (“**Melia Group**”) intend to acquire joint control over six hotels in Spain.
2. SCG is a private, U.S.-based investment firm with a core focus on global real estate. SCG invests in a number of asset classes – including multifamily, office, retail, hotel, industrial, residential and commercial land, senior housing, mixed-use and golf, and in all levels of the capital structure – including equity, preferred equity, mezzanine debt and senior debt, depending on the risk-reward profile.
3. Melia Group is a hotel company and the largest hotel chain in Spain in both resort and city hotels. The company currently operates more than 350 hotels in 35 countries.
4. The six target hotels brought together in one portfolio (“**Sol & Melia Hotel Portfolio**”) comprise the following vacation destination hotels in Spain:
 - Costa del Sol: one four star hotel (Sol Principe);
 - Fuerteventura: one four star hotel (Melia Gorriones);
 - Lanzarote: one four star hotel (Sol Lanzarote);
 - Mallorca: one three star hotel (Sol Mirlos Tordos);
 - Ibiza: one three star hotel (Sol Pinet Playa) and one four star hotel (Sol Ibiza).
5. Joint control of the Sol & Melia Hotel Portfolio derives from provisions in both the Joint Venture Agreement and the Hotel Management Agreement which, when combined together, have for effect that both SCG and Melia Group could be deemed to hold joint control of the Sol & Melia Hotel Portfolio.