Santa Fe
grupo | hotelero

SÚPER EMPRESAS EXPANSIÓN 2015

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HOTEL

Grupo Hotelero Santa Fe Reports Increase of 35% in Total Revenue and 58% EBITDA for 2Q15

Mexico City, July 23, 2015 – Grupo Hotelero Santa Fe S. A. B. de C. V. (BMV: HOTEL) ("HOTEL" or "the Company"), announced today its consolidated results for the second quarter period ended June 30, 2015 ("2Q15"). Figures are expressed in Mexican Pesos, are unaudited and are in accordance with International Financial Reporting Standards ("IFRS").

Highlights for 2Q15

- Total Revenue for 2Q15 reached Ps. 218.7 million, 35.2% higher compared to 2Q14, driven by increases of 41.7% in Room Revenue, 43.2% in Food and Beverages and 3.5% in Other Revenue.

- EBITDA[1] reached Ps. 63.8 million, 57.9% higher than the figure reported in 2Q14. EBITDA margin increased 4.2 percentage points versus 2Q14, reaching 29.2% for 2Q15.

- Net income decreased from Ps. 17.5 million in 2Q14 to a loss of Ps. 51 thousand in 2Q15, primarily driven by non-recurring expenses and the foreign exchange loss from the depreciation of the Mexican peso versus the U.S. dollar during the period.

- Dollar revenue accounted for 29.3% of total revenue of 2Q15, thereby maintaining a natural hedge of the dollarized debt.

- Operating cash flow reached Ps. 62.1 million, compared to the Ps. 42.3 million reported in 2Q14, representing an increase of 46.9%, mainly driven by an EBITDA increase.

- The number of total rooms in operation at the end of 2Q15 reached 3,722, a 13.0% growth compared to the 3,295 rooms the Company operated at the end of 2T14, mainly driven by recent acquisitions.

- RevPAR[2] of Company-owned hotels grew 18.5% vs 2Q14, driven by an ADR[2] increase of 10.9%.

- In line with its expansion plan, during 2Q15, the Company acquired a 215-room, five star hotel for Ps. 266.0 million. From its acquisition, the Company operates the hotel under the Krystal brand, under the name: *Krystal Satelite Maria Barbara*.

	Second Quarter			6 months ended June		
Figures in thousand Mexican Pesos	2015	2014	% Var.	2015	2014	% Var.
Total Revenue	218,648	161,671	*35.2*	455,319	360,065	*26.5*
EBITDA	63,817	40,428	*57.9*	152,104	101,720	*49.5*
EBITDA Margin	*29.2%*	*25.0%*	*4.2 pt*	*33.4%*	*28.3%*	*5.2 pt*
Operating Income	32,294	24,519	*31.7*	96,338	60,428	*59.4*
Net Income	(51)	17,466	*(100.3)*	16,167	38,170	*(57.6)*
Net Income Margin	*(0.0%)*	*10.8%*	*(10.8 pt)*	*3.6%*	*10.6%*	*(7.1 pt)*
Occupancy	62.0%	58.0%	*4.0 pt*	63.5%	61.5%	*2.0 pt*
ADR (Pesos)	1,151	1,038	*10.9*	1,221	1,122	*8.9*
RevPAR (Pesos)	714	602	*18.5*	776	690	*12.5*

[1] EBITDA is calculated by adding Operating Income, Depreciation and Total Non-recurring expenses.
[2] RePAR: Revenue per Available Room; ADR: Average Daily Rate.

Comments from the Chief Executive Officer

Mr. Francisco Zinser, stated:

The first half of the year was certainly extraordinary for the hotel industry and our Company. According to DATATUR, in the period from January to May 2015 compared to the same period of 2014, the number of domestic tourists reached 21.9 million, representing an increase of 3.3%; likewise in the case of international travelers it reached 13.0 million, representing an increase of 7.2%. In HOTEL, the growth of our portfolio was 7.0% taking into account the combination of domestic and international travelers, growing above the industry average. In the following years the hotel demand is expected to keep growing, there is a clear trend among travelers looking to stay in hotels affiliated to prestigious brands to ensure consistency and quality is observed.

Derived from the above, our brand Krystal® is in a unique position to consolidate given these opportunities, and turn unaffiliated hotels to our brand; clear examples are *Krystal Urban Cancun Centro* and *Krystal Satelite Maria Barbara* hotels that have been recently acquired.

We had a 2Q15 with outstanding results compared to 2Q14. The growth in Total Revenue and EBITDA was 35.2% and 57.9%, respectively. This is mainly due to our RevPAR growth which was higher by 18.5% out of which a 59.0% was driven by ADR growth and the rest by a 4.0 percentage points improvement in our hotels' occupancy. In the period from January to June 2015, our Total Revenue and EBITDA growth compared to the same period of 2014 was 26.5% and 49.5%, respectively. This is due to a 12.5% RevPAR growth out of which a 71.2% was driven by ADR growth. It is noteworthy that RevPAR growth via ADR is the most profitable.

During the 2Q15 we continued with the integration of *Krystal Urban Cancun Centro* and *Krystal Satelite Maria Barbara* hotels in which we are carrying out various initiatives including renovation of the main areas to comply with brand standards and the implementation of strategic business and marketing plans to incorporate our corporate agreements. Furthermore, we continued to carry out costs and expenses analysis to bring these properties to the efficiency levels of the group. In parallel, we are also implementing a processes' reengineering and a staff training program. We are beginning to see the outcome of these actions in the main indicators of these hotels.

We continue working for our next openings: Krystal Urban Guadalajara in 4Q15, Hilton Garden Inn Monterrey Airport and Hampton Inn & Suites Tabasco in 3Q15. These properties have prime locations, in line with our strategy.

It is important to mention that, in order continue with our Krystal® brand positioning and development, during the past 24 months an amount of over Ps. 2.2 billion, of own and third-party resources, has been invested in our brand and thus we have added more than 1,200 rooms under the Krystal® brand to our portfolio. Hence, we see an opportunity to continue to grow by means of third-party operating contracts primarily with our brand. We are about to launch a campaign to position our newly created brand "Krystal Grand" which addresses the luxury sector. The pace of affiliations to our Krystal Rewards® loyalty program has exceeded our expectations, denoting the great interest of our guests by strengthening their relationship with the Krystal® brand.

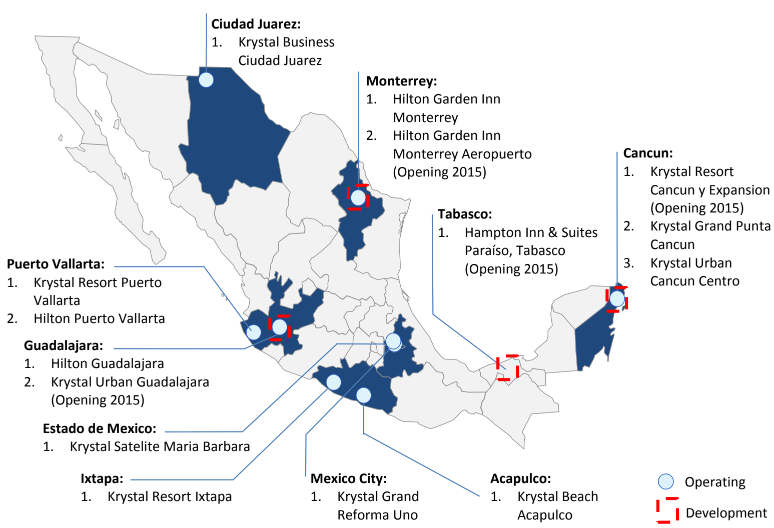
We thank our investors' confidence; we are proud to continue to generate extraordinary financial results for them and to offer our guests the quality of the Krystal® brand as a result of our employees' passion. The features of our offer are based on irreplaceable locations that have a superior product and service that exceeds our customers' expectations and drives value creation that will make us the leading hotel operator in the country.

Portfolio of Hotel Properties

No.	Hotel Name	Total Rooms	Ownership	Type	Category	Stabilized	City	State
1	Hilton Guadalajara	450	100%	Urban	Grand Tourism	Yes	Guadalajara	Jalisco
2	Hilton Garden Inn Monterrey	150	100%	Urban	4 stars	Yes	Monterrey	Nuevo León
3	Krystal Business Cd. Juarez	120	100%	Urban	4 stars	Yes	Ciudad Juarez	Chihuahua
4	Krystal Grand Reforma Uno	489	-	Urban	Grand Tourism	In Process	Distrito Federal	Distrito Federal
5	Krystal Urban Cancun	212	100%	Urban	4 stars	In Process	Cancún	Quintana Roo
6	Krystal Satélite María Bárbara	215	100%	Urban	5 stars	In Process	Estado de México	Estado de México
Subtotal Urban		**1,636**						
7	Krystal Resort Cancún	457	-	Resort	5 stars	Yes	Cancún	Quintana Roo
8	Krystal Resort Ixtapa	255	-	Resort	5 stars	Yes	Ixtapa	Guerrero
9	Krystal Resort Puerto Vallarta	420	-	Resort	5 stars	Yes	Vallarta	Jalisco
10	Krystal Grand Punta Cancún	295	100%	Resort	Grand Tourism	In Process	Cancún	Quintana Roo
11	Hilton Puerto Vallarta Resort	259	100%	Resort	Grand Tourism	In Process	Vallarta	Jalisco
12	Krystal Beach Acapulco	400	100%	Resort	4 stars	In Process	Acapulco	Guerrero
Subtotal Resorts		**2,086**						
Total in Operations		**3,722**						
13	Hilton Garden Inn Monterrey Airport	134	15%	Urban	4 stars		Monterrey	Nuevo León
14	Hampton Inn & Suites Paraíso Tabasco	117	-	Urban	4 stars		Paraíso	Tabasco
15	Krystal Urban Guadalajara	140	100%	Urban	4 stars		Guadalajara	Jalisco
	Expansion - Krystal Resort Cancún	46	-	Resort	5 stars		Cancún	Quintana Roo
Total Under Development		**437**						
Total		**4,159**						

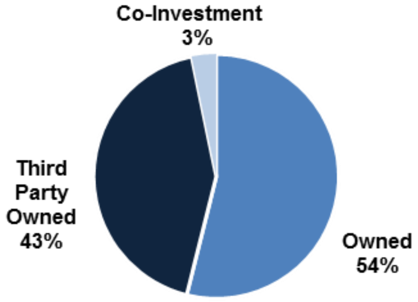
At 2Q15, HOTEL had a total of 12 properties under operation, of which 8 are company-owned and the remaining 4 are third-party owned. This represents two additional properties compared to the 10 hotels, which the Company had in operation at 2Q14. The total number of rooms under operation in 2Q15 was 3,722, a 13.0% increase compared to 3,295 for the same period of the previous year.

Additionally, HOTEL has 251 rooms under construction in the cities of Monterrey and Paraíso Tabasco, 140 under conversion in Guadalajara, as well as the expansion of 46 additional rooms in the *Krystal Cancun* hotel, for a total of 15 hotels and 4,159 rooms. The hotel portfolio is geographically distributed as follows:

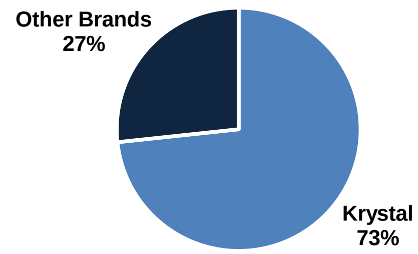


In terms of rooms under operation and rooms under development (including rooms under construction and conversion), by the end of 2Q15 the hotel portfolio was composed as following:

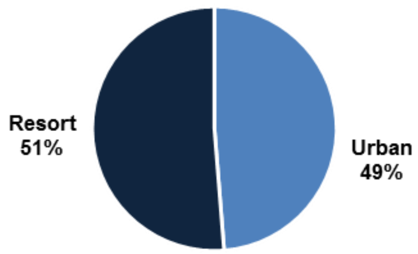
Ownership



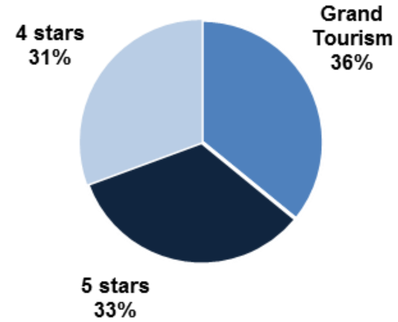
Brand



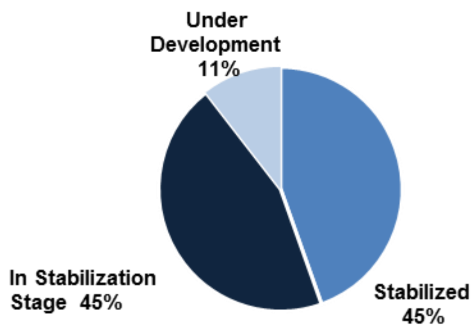
Segment



Category



Stabilization Stage



Hotel Classification

For comparison purposes, the hotel portfolio is classified between (i) company-owned hotels and (ii) those owned by third parties that are managed by HOTEL. This rationale for this classification is that the majority of revenue is driven by company-owned hotels. While commercially important and relevant for the hotel platform, hotels under management only generate management fees for the Company, which are shown in the P&L under Other Income.

Company-owned hotels are classified according to the stage in the stabilization cycle for each hotel. As a result of this classification, hotels that have been in operation for at least 36 months are considered mature or stabilized, while hotels that have been in operation for less than 36 months are considered in their stabilization stage or in their maturing period.

At the close of 2Q15, there were 8 company-owned hotels: 3 stabilized hotels and 5 hotels still in their maturing stage. There are also 4 third-party owned hotels under management.

The operating indicators for 2Q15 include 3,179 hotel rooms under operation out of a total of 3,722 rooms, excluding 281 rooms, which are part of Vacation Club[3] and 181 rooms that are under renovation (152 rooms in *Krystal Grand Reforma Uno*, 20 in *Krystal Urban Cancun Centro* and 9 in *Krystal Satelite Maria Barbara*). In addition, the indicators include the impact of 81 fewer rooms during the period, considering that 215 rooms of the *Krystal Satelite Maria Barbara* hotel were not available during the totality of the period, since that hotel was acquired in May 2015.

The operating indicators for the 6 month period of January to June 2015 included 3,112 hotel rooms under operation out of a total of 3,722 rooms, excluding 281 rooms, which are part of Vacation Club, 186 rooms under renovation (157 rooms in *Krystal Grand Reforma Uno*, 20 in *Krystal Urban Cancun Centro* and 9 in *Krystal Satelite Maria Barbara*). In addition, the indicators include the impact of 143 fewer rooms during the period, considering that 215 rooms of the *Krystal Satelite Maria Barbara* hotel were not available during the totality of the period, since that hotel was acquired in May 2015.

The following table is a summary of the main operating indicators compared to 2014, including detail of the operating indicators in accordance with each classification:

[3] *281 rooms are part of Vacation Club, of which 53 rooms are company-owned, and 228 rooms are third-party owned under the Company's management. Vacation Club revenue is included in the P&L under Other Income, and is, therefore, excluded from this analysis.*

Figures in Pesos	Second Quarter			3 months ended June		
Hotel Classification	**2015**	**2014**	**%Var.**	**2015**	**2014**	**%Var.**
Stabilized Owned Hotels	**3**	**3**	***0.0***	**3**	**3**	***0.0***
Number of rooms	720	720	*0.0*	720	720	*0.0*
Occupancy	61.4%	55.9%	*5.5 pt*	59.8%	56.7%	*3.1 pt*
ADR	1,058	954	*10.9*	1,114	1,014	*9.8*
RevPAR	650	534	*21.8*	666	575	*15.7*
Owned Hotels in Stabilization Stage	**5**	**3**	***66.7***	**5**	**3**	***66.7***
Number of rooms	1,218	901	*35.1*	1,156	901	*28.3*
Occupancy	62.4%	59.7%	*2.7 pt*	65.9%	65.3%	*0.6 pt*
ADR	1,204	1,100	*9.5*	1,282	1,197	*7.1*
RevPAR	752	657	*14.4*	844	781	*8.1*
Total Owned Hotels	**8**	**6**	***33.3***	**8**	**6**	***33.3***
Number of rooms	1,938	1,621	*19.5*	1,876	1,621	*15.7*
Occupancy	62%	58.0%	*4.0 pt*	63.5%	61.5%	*2.0 pt*
ADR	1,151	1,038	*10.9*	1,221	1,122	*8.9*
RevPAR	714	602	*18.5*	776	690	*12.5*
Third-party Hotels Under Management	**4**	**4**	***0.0***	**4**	**4**	***0.0***
Number of rooms	1,241	1,389	*(10.6)*	1,236	1,389	*(11.0)*
Occupancy	76.8%	68.5%	*8.3 pt*	80.0%	70.2%	*9.7 pt*
ADR	1,179	1,116	*5.7*	1,227	1,139	*7.8*
RevPAR	906	765	*18.5*	982	800	*22.7*
Total Hotels in Operation	**12**	**10**	***20.0***	**12**	**10**	***20.0***
Number of rooms	3,179	3,010	*5.6*	3,112	3,010	*3.4*
Occupancy	67.8%	62.9%	*4.9 pt*	70.1%	65.5%	*4.5 pt*
ADR	1,163	1,077	*8.0*	1,224	1,130	*8.3*
RevPAR	789	677	*16.5*	858	740	*15.8*

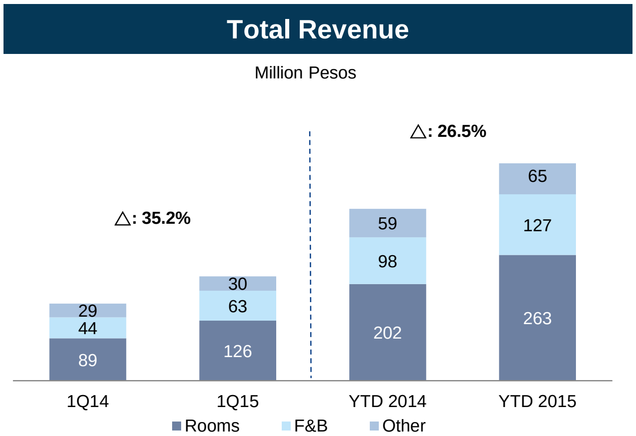
Note: excludes 33 rooms from the Mosquito Beach Playa del Carmen hotel that the Company operated for the first 8 months of 2014, and was closed due to a decision from its owners to redesign the use of the building.

Consolidated Financial Results

Figures in thousand Mexican Pesos	Second Quarter			6 months ended June		
Income Statement	**2015**	**2014**	**%Var.**	**2015**	**2014**	**%Var.**
Room Revenue	125,866	88,837	*41.7*	263,366	202,338	*30.2*
Food and Beverage Revenue	62,825	43,886	*43.2*	127,100	98,230	*29.4*
Other Revenue	29,957	28,948	*3.5*	64,854	59,496	*9.0*
Total Revenue	**218,648**	**161,671**	***35.2***	**455,319**	**360,065**	***26.5***
Cost and Operating Expenses	92,492	75,501	*22.5*	181,263	158,025	*14.7*
Sales and Administrative	58,589	42,721	*37.1*	114,940	94,103	*22.1*
Other Expenses	3,750	3,021	*24.1*	7,013	6,216	*12.8*
Depreciation and Amortization	21,558	16,663	*29.4*	42,587	35,677	*19.4*
Total Costs and Expenses	**176,388**	**137,906**	***27.9***	**345,802**	**294,021**	***17.6***
Total Non Recurring Expenses	**9,966**	**(754)**	***(1421.7)***	**13,179**	**5,616**	***134.7***
EBITDA	**63,817**	**40,428**	***57.9***	**152,104**	**101,720**	***49.5***
EBITDA Margin(%)	*29.2%*	*25.0%*	*4.2 pt*	*33.4%*	*28.3%*	*5.2 pt*
Operating Income	**32,294**	**24,519**	***31.7***	**96,338**	**60,428**	***59.4***
Operating Income Margin (%)	*14.8%*	*15.2%*	*(0.4 pt)*	*21.2%*	*16.8%*	*4.4 pt*
Net Financing Result	**(32,633)**	**(4,308)**	***657.5***	**(76,268)**	**(13,113)**	***481.6***
Total income taxes	(205)	1,983	*(110.3)*	4,042	4,641	*(12.9)*
Minority Interest	0	(602)	*(100.0)*	0	(4,343)	*(100.0)*
Net Income	**(51)**	**17,466**	***(100.3)***	**16,167**	**38,170**	***(57.6)***
Net Income Margin (%)	*(0.0%)*	*10.8%*	*(10.8 pt)*	*3.6%*	*10.6%*	*(7.1 pt)*

Total Revenue

During 2Q15, Total Revenue increased 35.2%, from Ps. 161.7 million in 2Q14 to Ps. 218.7 million, driven by a 41.7% growth in room revenue, 43.2% in food and beverage and 3.5% in other revenue.



Room revenue in 2Q15 had an increase of 41.7% compared to 2Q14 derived from a 19.5% growth in the number of owned rooms and an improvement of 18.5% growth in RevPAR comprised by a 10.9% improvement in ADR and 4.0 percentage points growth in occupancy.

The portfolio of company-owned stabilized hotels reported a solid performance in 2Q15, with a 21.8% growth in room revenue coming from a 10.9% growth in ADR and a 5.5 percentage point increase in occupancy, compared to 2Q14.

Owned hotels in stabilization stage had a growth of 54.6% on room revenue derived from a 14.4% increase in RevPAR and a 35.1% growth in the number of rooms due to the acquisitions of Krystal Urban Cancun Centro in December 2014 and Krystal Satelite Maria Barbara, which was in operations for 55 days during the 2T15.

Food and Beverage revenue increased 43.2%, from Ps. 43.9 million in 2Q14 to Ps. 62.8 million in 2Q15. This growth was mainly driven by the evolution of the stabilization stage presented at the Krystal Grand Punta Cancun and Hilton Puerto Vallarta hotels, as well as the addition of the Krystal Urban Cancun Centro and Krystal Satelite Maria Barbara hotels that during the 2Q14 were not part of our portfolio.

Lastly, Other Income, which includes, income from third-party hotels' management, as well as other hotel income such as parking, laundry, telephone, and leasing of commercial spaces, among others, increased 3.5% from Ps. 28.9 million in 2Q14 to Ps. 29.9 million. The following table illustrates the composition of Other Income:

Figures in thousand Mexican Pesos	Second Quarter			6 months ended June		
Other Revenue Breakdown	**2015**	**2014**	**%Var.**	**2015**	**2014**	**%Var.**
Other Revenue from Hotels	19,462	18,852	*3.2*	41,974	38,851	*8.0*
Third-party Hotels' Management Fees	10,495	10,096	*3.9*	22,880	20,645	*10.8*
Total Other Revenue	**29,957**	**28,948**	***3.5***	**64,854**	**59,496**	***9.0***

While in the 2Q15 RevPAR of hotels under management increased 18.5% compared to 2Q14, the renovation of Krystal Grand Reforma Uno decreased the comparable base of available rooms by 10.6%, with respect to the previous year. As a result, room revenue increased 5.9%, which had an impact on management fee income.

Additionally, there is a non-comparable effect in 2014 due to the operation of the Mosquito Beach hotel of 33 rooms in Playa del Carmen, which the Company operated for the first 8 months of 2014.

The Company sees an opportunity to continue with its expansion plans by means of third-party operating contracts mainly with the Krystal® brand without significantly impacting its operating structure.

Costs and Expenses

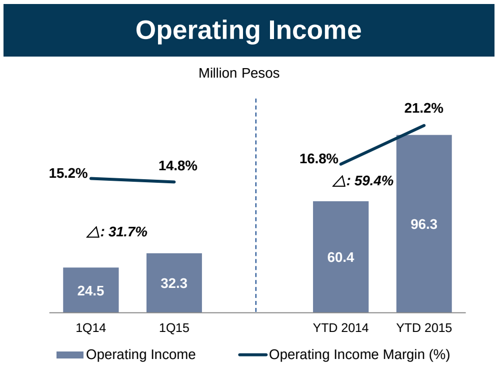
Operating Costs and Expenses increased 22.5%, from Ps. 75.5 million in 2Q15 to Ps. 92.5 million in 2Q15. The increase was mainly in terms of direct costs, which are in proportion to the revenue increase, as well as to an increase in management expenses derived from the addition of *Krystal Urban Cancun Centro* and the *Krystal Satelite Maria Barbara* hotels. However, the Company achieved operating efficiencies of 4.4 percentage points, since in 2Q15 operating costs and expenses represented 42.3% of total revenues compared to 46.7% in 2Q14.

Sales and Administrative Costs and Expenses increased 37.1%, from Ps. 42.7 million in 2Q14 to Ps. 58.6 million in 2Q15. Administrative costs and expenses, as a percentage of total revenue, were in line with or equal to the 26.8% reported during 2Q15, versus the 26.4% reported in 2Q14. The increase was due to the a newly-created reserve for the promotion of the *Krystal Grand* brand to be implemented during the second half of 2015 and to hotel expenses for the *Krystal Urban Cancun Centro* and the *Krystal Satelite Maria Barbara*, which were not yet part of the hotel portfolio during 2Q14.

Operating Income

For 2Q15, Operating Income increased 31.7% from Ps. 24.5 million in 2Q14 to Ps. 32.3 million. The operating margin decreased by 0.4 percentage points, from 15.2% in 2Q14 to 14.8% in 2Q15, driven by an increase in non-recurring expenses.

The increase in Non-recurring Expenses is mainly due to an increase in expenses for hotel expansions and openings related to the acquisition structure of the *Krystal Satelite Maria Barbara.* This transaction that was done as an ongoing business, and according to IFRS, the closing costs and expenses are not capitalized.



EBITDA

For 2Q15, EBITDA reached Ps. 63.8 million, compared to Ps. 40.4 million in 2Q14, an increase of 57.9%. EBITDA margin increased 4.2 percentage points, from 25.0% in 2Q14 to 29.2% in 2Q15.

Figures in thousand Mexican Pesos	2Q15	2Q14	% Var.	Cum. 2015	Cum. 2014	% Var.
Operating Income	32,294	24,519	31.7	96,338	60,428	59.4
(+) Depreciation	21,558	16,663	29.4	42,587	35,677	19.4
(+) Development and hotel opening expenses[4]	6,539	833	822.1	8,106	1,682	449.8
(+) Other non-recurring expenses[5]	3,426	(1,587)	(244.0)	5,073	3,934	(0.0)
EBITDA	63,817	40,428	57.9	152,104	101,720	49.5
EBITDA margin	29.2%	25.0%	4.2 pt	33.4%	28.3%	5.2 pt

Net Financing Result

For 2Q15, Net Financing Result resulted in a loss of Ps. 32.6 million from a loss of Ps. 4.3 million in 2Q14. This variation was mainly derived from an increase in foreign exchange losses that went from a gain of Ps. 4.9 million in 2Q14 to a loss of Ps. 24.2 million in 2Q15. This is due to the depreciation of the peso against the dollar during this period and practically all of the financial debt of the Company is denominated in dollars. This foreign exchange loss is an accounting item which has no impact on operating cash flow, given the maturity profile of long-term debt of the company.

Net Income

Net Income decreased from Ps. 17.5 million during 2Q14 to a net loss of Ps. 51 thousand in 2Q15. The decrease was mainly due to higher non-recurring expenses and foreign exchange losses during the second quarter of 2015. This exchange loss is an accounting item which has no impact on operating cash flow, given the maturity profile of long-term company debt.

Operating Cash Flow

As of 2Q15, Operating Cash Flow reached Ps. 62.1 million, compared to the Ps. 42.3 million reported in 2Q14, mainly driven by the EBITDA increase. Operating cash flow for the first six months of 2015 was Ps. 160.4 million, compared to Ps. 94.3 million during the same period of 2014 that represents a 70.1% increase mainly due to EBITDA growth.

[4] *Development and hotel opening expenses include expenses made by the development area in connection with acquisitions and the pursuit of acquisition opportunities.*

[5] *Other non-recurring expenses include expenses from layoffs of personnel in the acquired hotels as well as non-recurring legal expenses.*

Balance Sheet Summary

Figures in thousand Mexican Pesos

Balance Sheet Summary	Jun-15	Jun-14	Var $	Var %
Cash and cash equivalents	83,854	35,599	48,255	135.6%
Accounts receivables and other current assets	109,440	85,371	24,069	28.2%
Creditable taxes	87,588	112,874	(25,286)	(22.4%)
Escrow deposit for hotel acquisition	31,800	-	31,800	NA
Total current assets	**312,682**	**233,843**	**78,838**	**33.7%**
Restricted cash	42,882	26,832	16,049	59.8%
Property, furniture and equipment	2,664,963	2,095,325	569,639	27.2%
Other fixed assets	287,719	157,151	130,568	83.1%
Total non-current assets	**2,995,564**	**2,279,308**	**716,256**	**31.4%**
Total Assets	**3,308,246**	**2,513,151**	**795,095**	**31.6%**
Current installments of long-term debt	75,572	105,636	(30,064)	(28.5%)
Ohter current liabilities	150,940	103,117	47,824	46.4%
Total current liabilities	**226,512**	**208,752**	**17,760**	**8.5%**
Long-term debt	863,345	781,611	81,734	10.5%
Other non-current liabilities	85,969	2,296	83,672	3643.5%
Total non-current liabilities	**949,314**	**783,907**	**165,406**	**21.1%**
Total Equity	**2,132,420**	**1,520,492**	**611,929**	**40.2%**
Total Liabilities and Equity	**3,308,246**	**2,513,151**	**795,095**	**31.6%**

Cash and Equivalents

Cash and equivalents for 2Q15 reached Ps. 83.8 million, an increase of Ps. 48.3 million compared to 2Q14.

Trust Deposit for the Hotel Acquisition

As part of the pursuit and analysis of investment opportunities for hotels and real estate properties in order to carry out its expansion plan, during 2Q15, the Company announced that is has signed an acquisition contract for the *Krystal Satellite Maria Barbara*. As part of this acquisition, the Company agreed with the seller to withhold Ps. 31.8 million from the acquisition price to be used as a guarantee deposit to cover any liability or contingency.

Property, Furniture & Equipment

This line item represented Ps. 2,664.9 million for 2Q15, a 27.2% increase compared to 2Q14. The Company has carried out renovation projects in a number of its fixed assets as a matter of course. Despite the fact that during May 2015 the Company acquired *Krystal Satelite Maria Barbara* for Ps. 266.0 million, this amount was offset by the depreciation for the period.

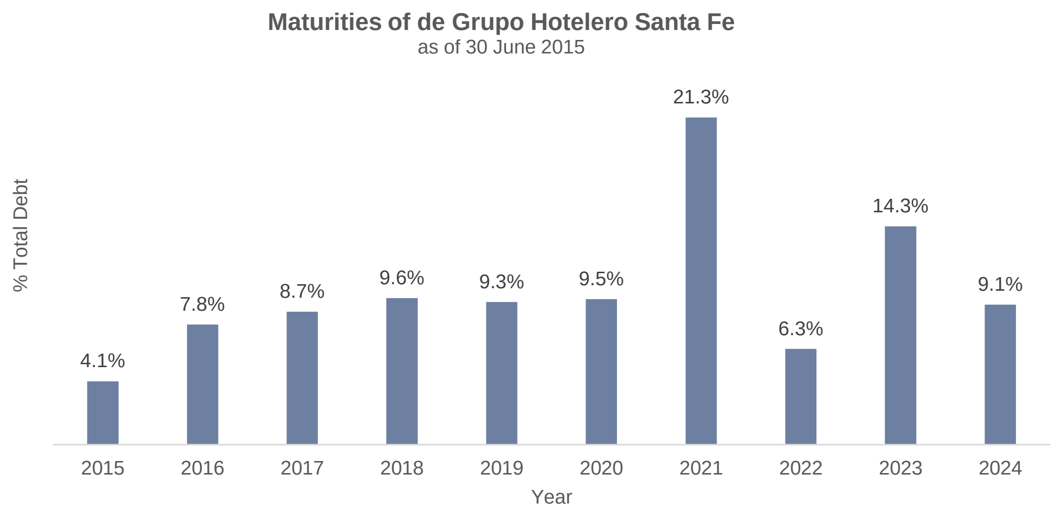
Net Debt

As of 2Q15, the net debt of the Company was Ps. 812 million. The total debt of the Company, which is almost entirely denominated in dollars, has an average cost of 3.39% and 92.0% of its maturity is long term (see table). Additionally, the Company has 42.7% of its position in cash and banks in dollars to meet its financial obligations. A breakdown of debt and cash position of the Company as well as a table of debt maturities are included below.

Figures in thousand Mexican Pesos	Debt [1]			Cash and	Net
Financing	**Short Term**	**Long Term**	**Total**	**Equivalents [2]**	**Debt**
Total	**75,572**	**863,345**	**938,917**	**126,735**	**812,181**
Denomnated in Pesos	773	-	**773**	72,585	**(71,811)**
Denomnated in Dollars	74,798	863,345	**938,143**	54,151	**883,993**
Average Rate	*3.46%*	*3.38%*	*3.39%*		
Net Debt / LTM EBITDA (as of 30 June 2015)					3.10x

1) Included accrued interests and effect of financial instruments related to financial debt.

2) Includes restricted cash.



Currency Hedging

The Company's financial debt is denominated in dollars given a large part of the revenue of the Company are in dollars. During 2Q15, approximately 29.3% of the Company's revenues were in dollars, which generated a dollar denominated cash flow that provided a debt service coverage ratio of 1.63x, in terms of both interest and principal. Furthermore, the Company, hereinafter and subject to foreign exchange revenues of each hotel will balance its debt between pesos and dollars.

Figures in thousand of Mexican Pesos

Currency Hedging Analysis	2Q15	Jan - Jun 15
Revenue denominated in dollars	64,046	121,321
Costs and expenses denominated in dollars	20,765	37,883
Cashflow denominated in dollars	**43,281**	**83,438**
Debt Service Total	**26,632**	**53,459**
Interests	7,586	15,713
Principal	19,046	37,746
Coverage Ratios		
Cashflow in USD / Interests	5.71x	5.31x
Cashflow in USD / Debt Service	1.63x	1.56x

Recent Events

During 2Q15 and up the date of this report, the Company's relevant events include:

- Acquisition of 215-room *Krystal Satellite Maria Barbara* hotel located in the northern Mexico City Metropolitan Area.

2Q15 Conference Call Details:

HOTEL will host its earnings webcast (audio + presentation) to discuss results:

Date: Friday, July 24, 2015

Time: 12:00 p.m. Mexico City Time
1:00 p.m. New York Time

To participate in the conference call and Q&A session (audio) please dial:

Telephone: U.S.: 1 800-863-3908 and 1 334-323-7224
México: 01 800-522-0034

Conference password: HOTEL 000

Webcast: The webcast will take place in English. To follow the Power Point presentation, please visit our website at: http://www.gsf-hotels.com/investors/

About Grupo Hotelero Santa Fe

HOTEL is one of the leading companies in the Mexican hotel industry and is focused on acquiring, developing and operating hotels. The Company has a unique business model characterized by its flexibility and adaptability as HOTEL´s experience allows it to operate under different brands, local and foreign, in different segments.

The Company maintains a focus on the strengthening and positioning of its Krystal® brand, which has considerable recognition in the Mexican market. This strategy allows HOTEL to offer different experiences adapted to the specific demand in each market and to maximize the profitability of its investments.

The Company's operating model is characterized by the multi-functionality and efficiency of its personnel, as well as a strict cost control that allows a rapid adaptation and anticipation to the changing necessities of the industry. HOTEL has the capacity to add new hotels to its existing portfolio through acquisition, development and conversion of properties or through the celebration of operating contracts with third parties. The Company considers that its diversified portfolio and its management capacities focused on profitability, in addition to the property of a brand with high recognition in the market, all together help HOTEL to obtain new operating contracts for hotels owned by third parties.

Statement of Comprehensive Income

GRUPO HOTELERO SANTA FE, S.A.B. de C.V.

Consolidated Income Statement

For the three and six-month periods ended 30 June 2015 and 2014

(Figures in thousand Mexican Pesos)

Figures in thousand Mexican Pesos	Second Quarter			6 months ended June		
Income Statement	**2015**	**2014**	**%Var.**	**2015**	**2014**	**%Var.**
Room Revenue	125,866	88,837	*41.7*	263,366	202,338	*30.2*
Food and Beverage Revenue	62,825	43,886	*43.2*	127,100	98,230	*29.4*
Other Revenue	29,957	28,948	*3.5*	64,854	59,496	*9.0*
Total Revenue	**218,648**	**161,671**	***35.2***	**455,319**	**360,065**	***26.5***
Cost and Operating Expenses	92,492	75,501	*22.5*	181,263	158,025	*14.7*
Sales and Administrative	58,589	42,721	*37.1*	114,940	94,103	*22.1*
Other Expenses	3,750	3,021	*24.1*	7,013	6,216	*12.8*
Depreciation and Amortization	21,558	16,663	*29.4*	42,587	35,677	*19.4*
Total Costs and Expenses	**176,388**	**137,906**	***27.9***	**345,802**	**294,021**	***17.6***
Bargain purchase gain*	0	0	NA	0	0	NA
Development and hotel opening expenses	6,539	833	*685.1*	8,106	1,682	*382.0*
Other non-recurring expenses	3,426	(1,587)	*(315.9)*	5,073	3,934	*29.0*
Total Non Recurring Expenses	**9,966**	**(754)**	***(1421.7)***	**13,179**	**5,616**	***134.7***
EBITDA	**63,817**	**40,428**	***57.9***	**152,104**	**101,720**	***49.5***
EBITDA Margin(%)	*29.2%*	*25.0%*	*4.2 pt*	*33.4%*	*28.3%*	*5.2 pt*
Operating Income	**32,294**	**24,519**	***31.7***	**96,338**	**60,428**	***59.4***
Operating Income Margin (%)	*14.8%*	*15.2%*	*(0.4 pt)*	*21.2%*	*16.8%*	*4.4 pt*
Net interest expenses	(8,297)	(8,151)	*1.8*	(13,986)	(15,037)	*(7.0)*
Net foreign currency exchange loss	(24,194)	4,972	*(586.6)*	(61,801)	3,253	*(1999.9)*
Other financial costs	(142)	(1,129)	*(87.4)*	(481)	(1,329)	*(63.8)*
Net Financing Result	**(32,633)**	**(4,308)**	***657.5***	**(76,268)**	**(13,113)**	***481.6***
Undistributed income from subsidiaries, net	83	(160)	NA	139	(160)	NA
Income before taxes	(256)	20,051	*(101.3)*	20,209	47,155	*(57.1)*
Total income taxes	(205)	1,983	*(110.3)*	4,042	4,641	*(12.9)*
Minority Interest	0	(602)	*(100.0)*	0	(4,343)	*(100.0)*
Net Income	**(51)**	**17,466**	***(100.3)***	**16,167**	**38,170**	***(57.6)***
Net Income Margin (%)	*(0.0%)*	*10.8%*	*(10.8 pt)*	*3.6%*	*10.6%*	*(7.1 pt)*

Santa Fe grupo | hotelero

Consolidated Statement of Financial Position

Grupo Hotelero Santa Fe, S.A.B. de C.V.
Consolidated Balance Sheet
As of 30 June 2015 and 2014
(Figures in thousand Mexican Pesos)

	2015	2014	Var $	Var %
ASSETS				
Current Assets				
Cash and cash equivalents	83,854	35,599	48,255	136%
Restricted cash	-	-	-	100%
Accounts receivables from clients	64,076	49,176	14,900	30%
Accounts receivables from related parties	4,010	2,272	1,738	77%
Creditable taxes	87,588	112,874	(25,286)	(22%)
Other current assets	41,354	33,923	7,431	22%
Escrow deposit for hotel acquisition	31,800	-	31,800	100%
Total current assets	**312,682**	**233,843**	**78,838**	**34%**
Non-current Assets				
Restricted cash	42,882	26,832	16,049	60%
Property, furniture and equipment	2,664,963	2,095,325	569,639	27%
Other assets	55,003	69,634	(14,631)	(21%)
Investment in subsidiaries	28,033	10,511	17,522	167%
Deferred income taxes	86,160	31,142	55,017	177%
Goodwiil	118,523	45,864	72,659	158%
Total non-current assets	**2,995,564**	**2,279,308**	**716,256**	**31%**
Total assets	**3,308,246**	**2,513,151**	**795,095**	**32%**
LIABILITIES AND SHAREHOLDERS EQUITY				
Current liabilities				
Current installments of long-term debt	75,572	105,636	(30,064)	(28%)
Suppliers	26,774	24,029	2,745	11%
Accrued liabilities	79,235	32,386	46,849	145%
Provision for early termination of operation agreement	-	-	-	0%
Accounts payable to related parties	326	4,410	(4,084)	100%
Payable taxes	21,057	22,700	(1,643)	(7%)
Shareholder loans	-	-	-	0%
Client advanced payments	23,549	19,592	3,957	20%
Total current liabilities	**226,512**	**208,752**	**17,760**	**8.5%**
Non-current liabilities				
Long-term debt	863,345	781,611	81,734	10%
Other non-current liabilities	85,969	2,296	83,672	3644%
Total non-current liabilities	**949,314**	**783,907**	**165,406**	**21%**
Total liabilities	**1,175,826**	**992,659**	**183,166**	**18%**
Equity				
Capital stock	1,632,812	952,467	680,345	71%
Legal reserve	190,493	190,493	-	0%
Premium on subscription of shares	80,000	80,000	-	0%
Net income	16,167	38,170	(22,003)	(58%)
Retained earnings	212,948	229,097	(16,149)	(7%)
Shareholder's Equity	**2,132,420**	**1,490,228**	**642,193**	**43%**
Non-controlling interest	-	30,264	(30,264)	(100%)
Total Equiy	**2,132,420**	**1,520,492**	**611,929**	**40%**
Total liabilities and equity	**3,308,246**	**2,513,151**	**795,095**	**32%**

Consolidated Statement of Cash Flows

Grupo Hotelero Santa Fe, S.A.B. de C. V.
Consolidated Cash Flow
For the three and six-month period ended 30 June 2015 and 2014

Figures in thousand Pesos	Second Quarter		6 months ended June	
Cash Flow Statement	**2015**	**2014**	**2015**	**2014**
Cashflow from operating activities				
Net income	(51)	17,466	16,167	38,170
Depreciation and amortization	21,558	16,663	42,587	35,677
Income taxes	(205)	1,983	4,042	4,641
Unrealized gain (loss) in foreign currency exchange	18,106	(6,735)	55,620	(5,770)
Net interest expense	8,297	8,151	13,986	15,037
Other financial costs	142	1,129	481	1,329
Minority interest	-	602	-	4,343
Cashflow before working capital variations	**47,847**	**39,259**	**132,882**	**93,427**
Accounts receivable from clients	16,309	9,015	(3,488)	(1,165)
Accounts receivable from related parties	2,264	6,508	870	1,449
Other current assets	(13,894)	(3,830)	(22,742)	(16,473)
Creditable taxes	16,638	(7,615)	61,722	(5,235)
Suppliers	901	(6,271)	1,447	(8,520)
Accrued liabilities	4,216	8,052	5,543	35,604
Accounts payable to related parties	(574)	4,410	57	2,602
Downpayments from clients	3,418	(7,037)	8,861	3,891
Payable taxes	(15,019)	(198)	(24,775)	(11,279)
Net operating cashflow	**62,106**	**42,291**	**160,377**	**94,301**
Partidas No Recurrentes				
Pasivos Acumulados	31,800	(45,374)	31,800	(45,374)
Early termination provision of operating contract	-	(45,864)	-	(45,864)
Flujos netos de efectivo de partidas no recurrentes	**93,906**	**(48,947)**	**192,177**	**3,063**
Investment activities				
Cambio en efectivo restringido	186,720	172	185,279	(6,128)
Acquisition of property, furniture and equipment	(94,294)	(73,640)	(119,034)	(79,576)
Business acquisition (Maria Barbara hotel)	(185,921)	-	(185,921)	-
Escrow deposit for hotel acquisiton	162,860	-	(31,800)	-
Investment in subsidiary	(6,447)	(5,832)	(6,503)	(8,861)
Other net assets and labilities	6,325	15,057	5,572	(56,760)
Cashflow from investment activities	**69,242**	**(64,242)**	**(152,406)**	**(151,325)**
Financing activities				
Repurchase of shares	(1,991)	-	(11,450)	-
Obtained loans	-	-	-	233,634
Payment of interet and loan amortization	(269,303)	(22,461)	(293,696)	(29,156)
Obtained loans from shareholders	-	(111,589)	-	(55,612)
Cashflow form financing activities	**(271,294)**	**(134,050)**	**(305,146)**	**148,866**
Net (decrease) increase in cash and cash equivalents				
0	**(108,146)**	**(247,239)**	**(265,376)**	**604**
Cash and cash equivalents at the beginning of the period	190,903	282,838	348,133	34,995
Cash and cash equivalents at the end of the period	**82,757**	**35,599**	**82,757**	**35,599**
Efectivo en adquisición de negocio	1,097	-	**1,097**	**-**
Total Cash at the end of the period	**83,854**	**35,599**	**83,854**	**35,599**

Contact Information

Enrique Martínez Guerrero
Chief Financial Officer
inversionistas@gsf-hotels.com

Miguel Bornacini R.
Head of Investor Relations
inversionistas@gsf-hotels.com

For more information please visit our website: www.gsf-hotels.com