



HOTEL announces the acquisition of 933 rooms in Los Cabos and Nuevo Vallarta

Mexico City, February 15, 2017 - Grupo Hotelero Santa Fe, S.A.B. Of C.V. (BMV: HOTEL) ("HOTEL" or "the Company"), one of the leading companies in the hotel industry in Mexico, announces the acquisition and expansion of two hotels that will be rebranded into Krystal Grand® 5 star hotels, with a total of 933 rooms under the All-Inclusive model. The transaction is expected to close in the following days once the contractual conditions have been met. The Krystal Grand® brand will grow from 2 to 4 hotels, and the Company will grow 16% in number of operated rooms. The hotels are located in Los Cabos and Nuevo Vallarta, two of the most important resorts destinations in Mexico, which are recognized internationally as top tourist destinations with significant connectivity to the main North American and European markets. The total value of the assets is US\$119.8 million, approximately half of which will be financed with debt. HOTEL will contribute US\$29.8 million which represents 50% of the equity and will consolidate both hotels' operations. The other 50% of the equity will remain with the group of private Mexican investors who currently own the hotels.

The Krystal Grand® Los Cabos will be a 454 room all-inclusive resort as of March 1st 2017; currently it has 267 rooms and will be operated by the Company under a different brand until the before mentioned date. Additionally the hotel will have 6 restaurants and bars, a ball room and break out rooms for 1,000 people, all under compliance with Krystal Grand® standards. Los Cabos is one of the most important resort destinations on the Pacific Coast in Mexico with hotel occupancy of 70% in 2016⁽¹⁾. Los Cabos International airport received 4.2 million passengers in 2016, a 25% increase compared to 2015, of which over 70% were international passengers ⁽²⁾.

The Krystal Grand® Nuevo Vallarta will be a 479 room all-inclusive resort as of November 1st 2017; currently it has 230 rooms and will be operated by the Company under a different brand until the before mentioned date. Additionally the hotel will have 6 restaurants and bars, a ball room and break out rooms for 1,000 people, all under compliance with Krystal Grand® standards. Nuevo Vallarta is one of the top destinations of the pacific coast of Mexico with hotel occupancy of 70% in 2016⁽¹⁾. Puerto Vallarta International airport received 4.1 million passengers in 2016, a 16% increase compared to 2015, of which over 65% were international passengers ⁽²⁾.

With these projects, HOTEL will reach 23 operating hotels and 6,493 rooms, of which 3,410 hotel rooms will be in the resort segment, representing 53% of the Company's portfolio. This investment is in line with the Company's expansion strategy, which aims towards growth in the main international resort and urban destinations in Mexico in the 4 star and 5 star categories, through hotels in key locations under our proprietary Krystal® brands. The Company will continue seeking and analyzing investment opportunities in hotels and properties as well as third-party hotel management contracts in the ordinary course of business.

(1) Source: Datatur – Tourism ministry of Mexico

(2) Source: Grupo Aeroportuario del Pacifico Website



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About Grupo Hotelero Santa Fe

Grupo Hotelero Santa Fe is one of the leading companies in the Mexican hotel industry, with Mexican DNA, and is focused on acquiring, converting, developing and operating its own hotels and third party-owned hotels. The Company is well-known for the strategic location and quality of its assets, for its operating efficiency resulting from its unique hotel management model, characterized by the multifunctional efficiency of its employees and a strict expense control. The Company owns the Krystal® brand, which has considerable recognition in the Mexican market. HOTEL is committed to continue offering an excellent place to work and providing excellent services to its guests, respecting the environment and striving to generate high profitability for its investors. The Company has over 2,600 employees in Mexico, is part of the ranking Super Empresas Expansión 2015 and its shares are listed on the Mexican Stock Exchange (BMV: HOTEL). Furthermore, it has been awarded as a Socially Responsible Company (“ESR” or “Empresa Socialmente Responsable”). For additional information, please visit www.gsf-hotels.com

Legal Note:

The information provided in this report contains certain forward-looking statements and information related to Grupo Hotelero Santa Fe, S.A.B. de C.V. and its subsidiaries (jointly “Grupo Hotelero Santa Fe”, “HOTEL”, or the “Company”) which are based in the understanding of its managers, as well as in assumptions and information currently available for the Company. Such statements reflect the current view of Grupo Hotelero Santa Fe in regard to future events subject to a number of risks, uncertainties and assumptions. Several features may cause that the results, performance or current achievements of the Company may differ materially with respect to future results, performance or attainments of Grupo Hotelero Santa Fe that may be included, expressly or implied within such statements in regard to the future, including among others, alterations in the economic general conditions and/or politics, governmental and commercial changes globally or within the countries in which the Company has any business interests, changes in the interests rates and inflation, exchange rates volatility, changes in the demand and regulations of the products marketed by the Company, changes in the price of raw materials and other goods, changes in the business strategies and several other features. If one or more of this of risks or uncertainties are materialized, or if the assumptions used result to be incorrect, the real results may materially differ from those described herein as anticipated, believed, expected or envisioned. Grupo Hotelero Santa Fe undertakes no obligation to update or revise any forward-looking statements.

