



HOTEL reports 49% and 50% increases in Total Revenues and EBITDA respectively for 1Q18

Mexico City, April 19th, 2018 – Grupo Hotelero Santa Fe S.A.B. de C.V. (BMV: HOTEL) (“HOTEL” or “the Company”), announced its consolidated results for the first quarter (“1Q18”) ended March 31th, 2018. Figures are expressed in Mexican Pesos, are unaudited and are in accordance with International Financial Reporting Standards (“IFRS”) and may vary due to rounding.

Highlights

- On February 23th, the Company announced its 2018 Guidance, anticipating: i) Total Revenue of Ps. 2,250 million, and ii) EBITDA of Ps. 803 million. This guidance was prepared using an average USD/MXN exchange rate of 19.00.
- 1Q18 EBITDA¹ reached Ps. 225.6 million, a 49.8% increase compared to 1Q17 driven by revenue growth and efficiencies from operating leverage achieved in the quarter. 1Q18 EBITDA margin increased to 39.2%.
- 1Q18 Total Revenue reached Ps. 575.0 million, a 48.6% increase compared to 1Q17, driven by the following increases: i) 43.8% in Room Revenue, ii) 91.8% in Food and Beverages Revenue, and iii) 8.1% in Other Hotel Revenue, which more than offset a 27.7% decline in Third-party Hotels’ Management Fees.
- 1Q18 Net Income reached Ps. 204.9 million, a 10.8% increase compared to the Ps. 184.9 million to 1Q17. This increase was mainly due to higher operating income which was partially offset by higher income taxes. 1Q18 net income margin was 35.6%.
- 1Q18 Net operating cash flow was Ps. 195.7 million, an increase of 23.9% compared to the Ps. 157.9 million reported in 1Q17. This increase was driven by a higher EBITDA that more than compensated the exit of working capital due to the inclusion of *Krystal Grand Los Cabos* and *Krystal Grand Nuevo Vallarta*.
- Net Debt/EBITDA (LTM) ratio was 3.2x at the end of 1Q18. Operating cash flow in dollars represented 94.3% of total operating cash flow, thereby providing a natural hedge of the dollarized financial debt.
- HOTEL’s total portfolio at the end of 1Q18 reached 5,701 rooms in operation, a 11.2% increase compared to the 5,124 rooms at end of 1Q17.
- RevPAR² for the Company-owned hotels decreased by 2.3% in 1Q18 compared to 1Q17, driven by a slight decrease in both Occupancy and ADR² due to the inclusion of new properties in the initial stages of stabilization.

Figures in thousand Mexican Pesos	First Quarter				3 months ended March 31			
	2018	2017	Var.	% Var.	2018	2017	Var.	% Var.
Total Revenue	574,968	387,041	187,928	48.6	574,968	387,041	187,928	48.6
EBITDA	225,634	150,646	74,988	49.8	225,634	150,646	74,988	49.8
EBITDA Margin	39.2%	38.9%	0.3 pt	0.3 pt	39.2%	38.9%	0.3 pt	0.3 pt
Operating Income	171,359	110,336	61,023	55.3	171,359	110,336	61,023	55.3
Net Income	204,949	184,926	20,023	10.8	204,949	184,926	20,023	10.8
Net Income Margin	35.6%	47.8%	(12.1 pt)	(12.1 pt)	35.6%	47.8%	(12.1 pt)	(12.1 pt)
Operating Cashflow	195,657	157,932	37,725	23.9	195,657	157,932	37,725	23.9
Occupancy	68.7%	70.3%	(1.5 pt)	(1.5 pt)	68.7%	70.3%	(1.6 pt)	(1.6 pt)
ADR	1,493	1,493	(1)	(0.1)	1,493	1,493	(1)	(0.1)
RevPAR	1,026	1,049	(24)	(2.3)	1,026	1,049	(24)	(2.3)

Note: operating figures include hotels with 50%+ ownership.

¹EBITDA is calculated by adding Operating Income, Depreciation and Total Non-recurring expenses.

²Revenue per Available Room (“RevPAR”) and Average Daily Rate (“ADR”).

Comments from the Chief Executive Officer

Mr. Francisco Zinser, stated:

This first quarter marked the beginning for a great 2018 for HOTEL; as the results achieved were in line with our expectations. In Mexico, the tourist activity continues to post robust growth with solid underlying fundamentals. We have seen an increase in both national and international travelers as reported in the public monthly airport data.

Moving on to our quarterly results, we achieved solid numbers: Revenue totaled Ps. 575.0 million and EBITDA was Ps. 225.6 million, up 49% and 50%, respectively, compared to the figures recorded in 1Q17. Regarding company-owned hotels, RevPAR decreased by 2.3%, due to a slight decrease in ADR and Occupancy due to the inclusion of new properties in the initial stages of stabilization.

A couple of weeks ago, we announced the opening of the expansion of *Hilton Puerto Vallarta* named “*The Hacienda*”. The expansion is “adults only” and has 192 suites. The investment in the project was in line with our budget of Ps. 520 million pesos and was inaugurated in the 1T18, as scheduled. In the first quarter, we also announced the signing of a new management contract for a third-party owned 4-star hotel, the *Hyatt Place Aguascalientes* with 144 rooms, located in Aguascalientes, Aguascalientes. With the incorporation of this property, we are reaching 12 hotels under a third-party Management Contract that have been added to the Company’s portfolio, clearly showing the confidence real estate investors put in the know-how, experience and dedication of HOTEL.

We feel comfortable achieving the estimates set out in our 2018 Guidance, in which we expect to post growth rates of 42% and 52% for Revenue and EBITDA, respectively. This growth will be largely fueled by the recently opened properties, including *Krystal Grand Los Cabos*, *Altitude Tower of Krystal Grand Punta Cancun*, “*The Hacienda*” of *Hilton Puerto Vallarta*, *Krystal Grand Nuevo Vallarta* and *Krystal Grand Suites* in Mexico City. It is important to emphasize that the “*The Hacienda*” at *Hilton Puerto Vallarta* operations will start contributing to results in the second quarter of this year.

HOTEL is on the right track to become the leading hotel company in Mexico. Our top management team and associates, which are recognized for their passion and commitment, combined with high efficiency levels and profitable growth will enable us to meet our goals. As always, we are thankful for the trust and support of our shareholders.

Portfolio of Properties

No.	Property	Total Rooms	Ownership	Type	Category	Months in Operation	Stabilized	City	State
1	Hilton Guadalajara	450	100%	Urban	Grand Tourism	>36	Yes	Guadalajara	Jalisco
2	Hilton Garden Inn Monterrey	150	100%	Urban	4 stars	>36	Yes	Monterrey	Nuevo Leon
3	Krystal Urban Cd. Juarez	120	100%	Urban	4 stars	>36	Yes	Ciudad Juarez	Chihuahua
4	Krystal Urban Cancun	245	100%	Urban	4 stars	>36	In Process	Cancun	Quintana Roo
5	Krystal Satelite Maria Barbara	215	100%	Urban	5 stars	35	In Process	Estado de Mexico	Estado de Mexico
6	Hilton Garden Inn Monterrey Aeropuerto	134	15%	Urban	4 stars	31	In Process	Monterrey	Nuevo Leon
7	Hampton Inn & Suites Paraíso Tabasco	117	-	Urban	4 stars	30	In Process	Paraíso	Tabasco
8	Krystal Urban Aeropuerto Ciudad de Mexico	96	-	Urban	4 stars	27	In Process	Mexico City	Mexico City
9	Krystal Urban Guadalajara	140	100%	Urban	4 stars	25	In Process	Guadalajara	Jalisco
10	Krystal Monterrey	207	-	Urban	5 stars	21	In Process	Monterrey	Nuevo Leon
11	Krystal Pachuca	124	-	Urban	4 stars	14	In Process	Pachuca	Hidalgo
12	Ibis Irapuato	140	-	Urban	3 stars	10	In Process	Irapuato	Guanajuato
13	Krystal Grand Suites Insurgentes	150	50%	Urban	Grand Tourism	5	In Process	Mexico City	Mexico City
Subtotal Urban		2,288							
14	Krystal Resort Cancun	502	-	Resort	5 stars	>36	Yes	Cancun	Quintana Roo
15	Krystal Resort Ixtapa	255	-	Resort	5 stars	>36	Yes	Ixtapa	Guerrero
16	Krystal Resort Puerto Vallarta	476	-	Resort	5 stars	>36	Yes	Puerto Vallarta	Jalisco
17	Hilton Puerto Vallarta Resort	451	100%	Resort	Grand Tourism	>36	Yes	Puerto Vallarta	Jalisco
18	Krystal Beach Acapulco	400	100%	Resort	4 stars	>36	Yes	Acapulco	Guerrero
19	Krystal Grand Punta Cancun	395	100%	Resort	Grand Tourism	>36	Yes	Cancun	Quintana Roo
20	Krystal Grand Los Cabos	454	50%	Resort	Grand Tourism	10	In Process	Los Cabos	Baja California Sur
21	Krystal Grand Nuevo Vallarta	480	50%	Resort	Grand Tourism	5	In Process	Nuevo Vallarta	Jalisco
Subtotal Resort		3,413							
Total in Operation		5,701							
22	Krystal Grand Insurgentes	250	50%	Urban	Grand Tourism	Expected opening 2H-19		Mexico City	Mexico City
23	AC by Marriott Distrito Armida	168	-	Urban	4 stars	Expected opening 2Q-19		Monterrey	Nuevo Leon
24	Curio Collection Zacatecas	32	-	Urban	Boutique	Expected opening 2H-18		Zacatecas	Zacatecas
25	Hyatt Place Aguascalientes	144	-	Urban	4 stars	Expected opening 1Q-19		Aguascalientes	Aguascalientes
Total in Construction		594							
Total		6,295							

At the end of 1Q18, HOTEL recorded a total of 21 properties in operation of which 12 are Company-owned³, and the remaining 9 are third-party owned⁴. This represents 1 additional property compared to the 20 hotels under operation at the end of 1Q17.

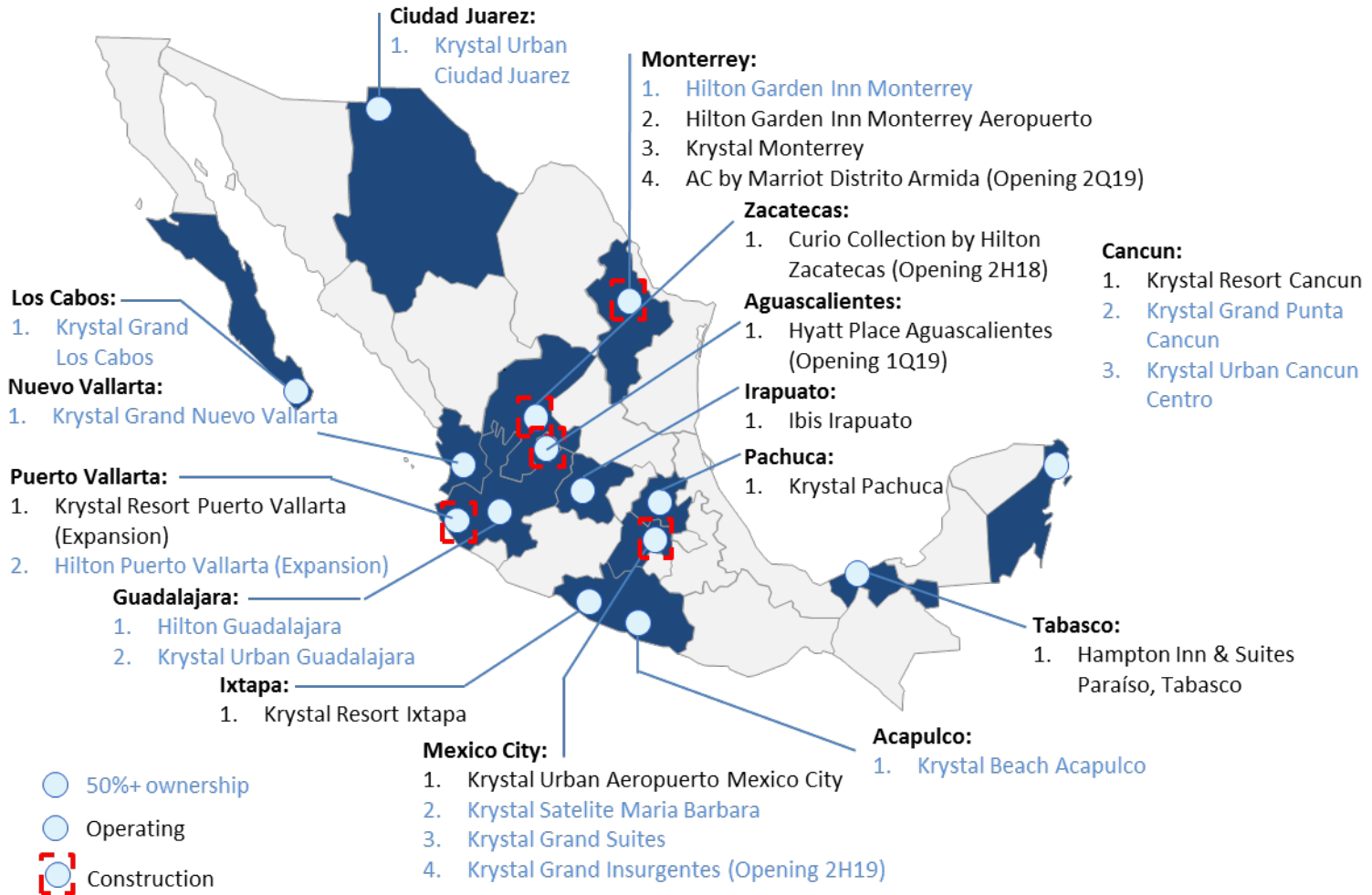
The total number of rooms in operation at the end of 1Q18 was 5,701, a 11.2% increase compared to the 5,124 under operation for the same period last year. Of the 577 net additional rooms, we added 1,077 rooms and have 500 less rooms due to the sale of *Krystal Grand Reforma Uno* by a third-party. Out of the 1,077 rooms we added, 100 rooms are from the opening of *Altitude Tower of Krystal Grand Punta Cancun*, 192 rooms from the expansion of *The Hacienda of Hilton Puerto Vallarta*, 216 rooms from the expansion of *Krystal Puerto Vallarta*, 265 rooms from the expansion of *Krystal Grand Nuevo Vallarta*, 140 rooms from the opening of the *Ibis Irapuato*, 150 rooms from the opening of *Krystal Grand Suites Insurgentes* and 14 rooms from the expansion of *Krystal Urban Cancun*.

Additionally, HOTEL has 594 rooms under construction (owned and third-party) including 250 from *Krystal Grand Insurgentes*, 168 rooms from the *AC by Marriott Distrito Armida*, 32 rooms from the *Curio Collection Zacatecas* and 144 rooms from the *Hyatt Place Aguascalientes* for a total portfolio of 25 hotels and 6,295 rooms.

³ The Company operates *Krystal Grand Los Cabos*, *Krystal Grand Nuevo Vallarta* and *Krystal Grand Suites Insurgentes* in which it also has a 50% ownership position. According to IFRS, the results of these properties are consolidated in the Company's financial statements.

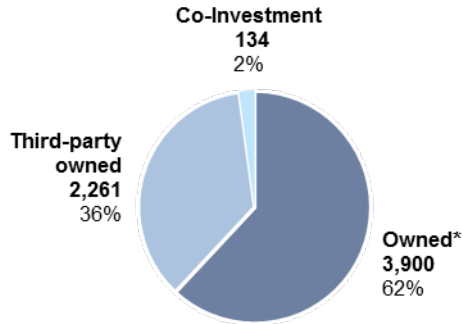
⁴ The Company operates *Hilton Garden Inn Monterrey Aeropuerto* hotel, in which it also has a 15% ownership position. According to IFRS, although the results of this property are not consolidated in the Company's financial statements, third-party hotel's management fees are included as "Other Revenues", given that the property is considered a third-party hotel under management.

The hotel portfolio is geographically distributed as follows:

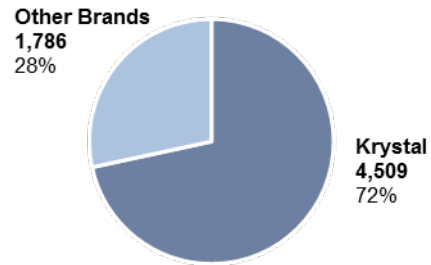


In terms of rooms under operation and rooms under development (including rooms under construction and conversion), at 1Q18 the hotel portfolio was as follows:

Ownership (number of rooms)

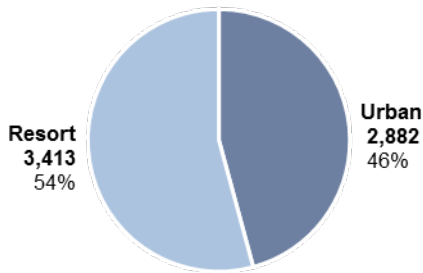


Brand (number of rooms)

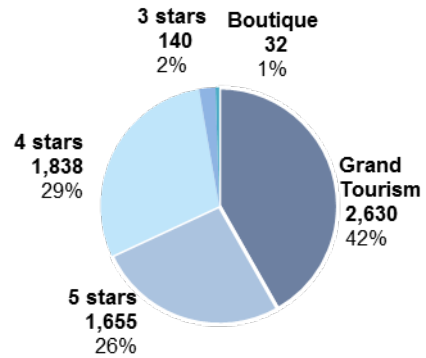


* Includes Krystal Grand Los Cabos, Krystal Grand Vallarta and Krystal Grand Suites Insurgentes of which we own 50% equity, operate and

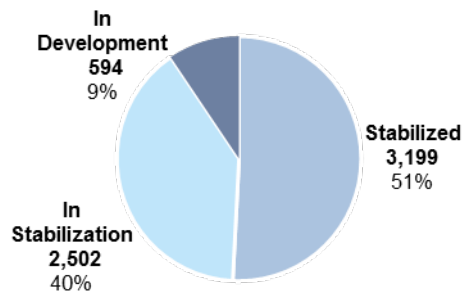
Segment (number of rooms)



Category (number of rooms)



Stabilization Stage (number of rooms)



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. The rationale for this classification is that the majority of revenue is supported 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 profit and loss statement under Third-Party Hotels' Management Fees.

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 end of 1Q18, HOTEL had 12 company-owned hotels and 9 third-party owned hotels under management⁽³⁾.

Of a total 5,701 hotel rooms under operation, the operating indicators for 1Q18 include 5,161 rooms. 540 rooms (137 corresponding to Vacation Club and 403 unavailable rooms) are excluded of the present analysis and are detailed at the end of this report in Appendix 1. The following table is a summary of the main 1Q18 operating indicators compared to the same period of last year, based on the classification. The methodology used to determine the number of rooms considers the total number of available rooms divided by the corresponding number of days in each period.

Figures in Pesos		First Quarter				3 months ended March 31			
Hotel Classification	2018	2017	Var.	% Var.	2018	2017	Var.	% Var.	
Total Hotels in Operation	21	20	1	5.0	21	20	1	5.0	
Number of rooms	5,161	4,360	801	18.4	5,161	4,360	801	18.4	
Occupancy	69.8%	71.6%	(1.8 pt)	(1.8 pt)	69.8%	71.6%	(1.8 pt)	(1.8 pt)	
ADR	1,518	1,568	(49)	(3.1)	1,518	1,568	(49)	(3.1)	
RevPAR	1,059	1,122	(63)	(5.6)	1,059	1,122	(63)	(5.6)	
1 Total Owned Hotels (50%+ ownership)	12	11	1	9.1	12	11	1	9.1	
Number of rooms	3,410	2,382	1,028	43.2	3,410	2,382	1,028	43.2	
Occupancy	68.7%	70.3%	(1.5 pt)	(1.5 pt)	68.7%	70.3%	(1.5 pt)	(1.5 pt)	
ADR	1,493	1,493	(1)	(0.1)	1,493	1,493	(1)	(0.1)	
RevPAR	1,026	1,049	(24)	(2.3)	1,026	1,049	(24)	(2.3)	
1.1 Stabilized Owned Hotels⁽¹⁾	7	6	1	16.7	7	6	1	16.7	
Number of rooms	1,971	1,621	350	21.6	1,971	1,621	350	21.6	
Occupancy	72.8%	69.1%	3.6 pt	3.6 pt	72.8%	69.1%	3.6 pt	3.6 pt	
ADR	1,620	1,636	(16)	(1.0)	1,620	1,636	(16)	(1.0)	
RevPAR	1,179	1,131	48	4.2	1,179	1,131	48	4.2	
1.2 Owned Hotels in Stabilization Stage⁽²⁾	5	5	-	0.0	5	5	-	0.0	
Number of rooms	1,439	761	678	89.1	1,439	761	678	89.2	
Occupancy	63.1%	72.7%	(9.5 pt)	(9.5 pt)	63.1%	72.7%	(9.5 pt)	(9.5 pt)	
ADR	1,291	1,203	88	7.3	1,291	1,203	88	7.3	
RevPAR	815	874	(59)	(6.7)	815	874	(59)	(6.7)	
2 Third-party Hotels Under Management⁽³⁾	9	9	-	0.0	9	9	-	0.0	
Number of rooms	1,751	1,978	(227)	(11.5)	1,751	1,978	(227)	(11.5)	
Occupancy	71.8%	73.1%	(1.3 pt)	(1.3 pt)	71.8%	73.1%	(1.3 pt)	(1.3 pt)	
ADR	1,566	1,653	(87)	(5.3)	1,566	1,653	(87)	(5.3)	
RevPAR	1,125	1,209	(84)	(7.0)	1,125	1,209	(84)	(7.0)	

Note: The number of rooms varies in respect to the number of rooms in the portfolio due to renovations, acquisitions or recent openings in each period.

(1) Variation in hotels and room number is due to the evolution of Krystal Urban Cancun that was reclassified from hotels in stabilization stage to stabilized property combined with the new rooms added from the opening of the Altitude Tower at Krystal Grand Punta Cancun

(2) Variation in hotel and room number is due to the reclassification from note (1) above and the incorporation of Krystal Grand Los Cabos and Krystal Grand Nuevo Vallarta hotels that were not part of the portfolio in 1Q17

(3) The decrease in number of hotels and rooms is due to the sale of Krystal Grand Reforma Uno which was partially compensated by the incorporation of Krystal Pachuca and Ibis Irapuato that were not part of the hotel portfolio during 1Q17

Consolidated Financial Results

Figures in thousand Mexican Pesos

Income Statement	First Quarter				3 months ended March 31			
	2018	2017	Var.	% Var.	2018	2017	Var.	% Var.
Room Revenue	314,670	218,857	95,813	43.8	314,670	218,857	95,813	43.8
Food and Beverage Revenue	200,937	104,785	96,152	91.8	200,937	104,785	96,152	91.8
Other Revenue from Hotels	40,800	37,737	3,063	8.1	40,800	37,737	3,063	8.1
Third-party Hotels' Management Fees	18,561	25,661	(7,100)	(27.7)	18,561	25,661	(7,100)	(27.7)
Total Revenue	574,968	387,041	187,928	48.6	574,968	387,041	187,928	48.6
Cost and Operating Expenses	222,889	135,196	87,694	64.9	222,889	135,196	87,694	64.9
Sales and Administrative	119,365	96,461	22,903	23.7	119,365	96,461	22,903	23.7
Other Expenses	7,080	4,738	2,342	49.4	7,080	4,738	2,342	49.4
Depreciation	44,233	28,497	15,736	55.2	44,233	28,497	15,736	55.2
Total Costs and Expenses	393,568	264,893	128,675	48.6	393,568	264,893	128,675	48.6
Total Non Recurring Expenses	10,042	11,812	(1,770)	(15.0)	10,042	11,812	(1,770)	(15.0)
EBITDA	225,634	150,646	74,988	49.8	225,634	150,646	74,988	49.8
EBITDA Margin (%)	39.2%	38.9%	0.3 pt	0.3 pt	39.2%	38.9%	0.3 pt	0.3 pt
Operating Income	171,359	110,336	61,023	55.3	171,359	110,336	61,023	55.3
Operating Income Margin (%)	29.8%	28.5%	1.3 pt	1.3 pt	29.8%	28.5%	1.3 pt	1.3 pt
Net Financing Result	93,900	98,220	(4,320)	(4.4)	93,900	98,220	(4,320)	(4.4)
Total income taxes	61,219	24,265	36,953	NA	61,219	24,265	36,953	NA
Net Income	204,949	184,926	20,023	10.8	204,949	184,926	20,023	10.8
Net Income Margin (%)	35.6%	47.8%	(12.1 pt)	(12.1 pt)	35.6%	47.8%	(12.1 pt)	(12.1 pt)
Income attributable to:								
Controlling interest	151,504	146,523	4,980	3.4	151,504	146,523	4,980	3.4
Non-controlling interest	53,446	38,403	15,043	39.2	53,446	38,403	15,043	39.2

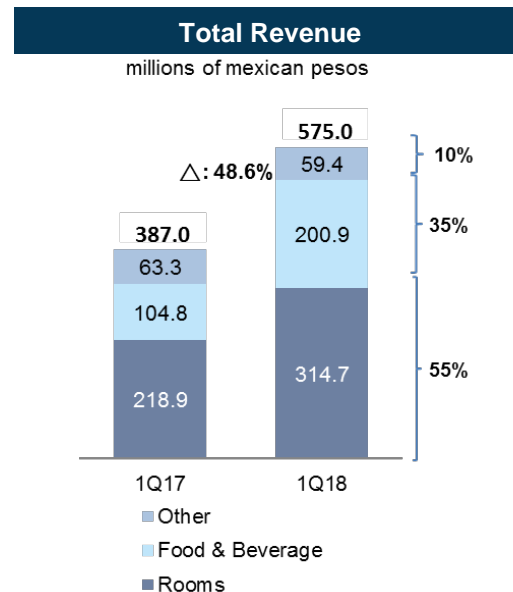
Total Revenue

During 1Q18, Total Revenue increased 48.6%, from Ps. 387.0 million in 1Q17 to Ps. 575.0 million, driven by an 43.8% growth in Room Revenue, 91.8% in Food and Beverage Revenue, and 8.1% in Other Revenue which more than offset the 27.7% decrease in third-party Hotels' Management Fees, attributable to the sale of *Krystal Grand Reforma Uno*.

Room revenue growth was driven by: i) the opening of *Krystal Grand Los Cabos*, *Krystal Grand Nuevo Vallarta* and *Krystal Grand Suites Insurgentes*; ii) the performance of *Krystal Grand Punta Cancun* considering the opening of the new *Altitude Tower*, and iii) the solid performance of stabilized hotels, including *Krystal Beach Acapulco* and *Krystal Urban Ciudad Juarez*.

During 1Q18, Room Revenue increased 43.8% compared to 1Q17, derived from the 43.2% increase in the number of rooms in operation of Company-owned hotels which compensated for a RevPAR decrease of 2.3%, which in turn was comprised of a stable ADR and a slight decrease in occupancy due to the inclusion of *Krystal Grand Los Cabos* and *Krystal Grand Nuevo Vallarta*.

The portfolio of stabilized Company-owned hotels experienced an 21.6% increase in the number of rooms, coupled with a 4.2% increase in RevPAR, driven by a 3.6 percentage points increase in Occupancy, which more than offset a 1.0% decline in ADR. The increase in the number of rooms was due to the incorporation of the *Krystal Urban Cancun* into the portfolio of stabilized Company-owned hotels, having completed its 36-month stabilization stage, combined with the opening of the *Altitude Tower* at *Krystal Grand Punta Cancun*.



Company-owned hotels in the stabilization stage experienced an 89.1% increase in the number of rooms, driven by the inclusion of *Krystal Grand Los Cabos* and *Krystal Grand Nuevo Vallarta* to the portfolio. As a result of the new hotel mix in the portfolio of hotels in the stabilization stage, including the evolution of *Krystal Urban Cancun* from a hotel in stabilization to a stabilized property, RevPAR decreased 6.7%, due to a 9.5 percentage point decrease in occupancy which was partially compensated by a 7.3% ADR increase.

Food and Beverage revenue increased 91.8%, from Ps. 104.8 million in 1Q17 to Ps. 200.9 million in 1Q18, driven by the incorporation of *Krystal Grand Los Cabos* and *Krystal Grand Nuevo Vallarta* which are in the early stages of stabilization, and the performance of *Krystal Grand Punta Cancun* considering the opening of the new *Altitude Tower*.

Other Income, which includes among other items, event room rentals, parking, laundry, telephone, and leasing of commercial spaces, increased 8.1%, from Ps. 37.7 million in 1Q17 to Ps. 40.8 million in 1Q18, driven by increased hotel activity.

Management Fees related to third-party owned hotels decreased by 27.7% compared to 1Q17, due to a 11.5% reduction in the number of rooms under operation during the period combined with lower RevPAR. The 7.0% decrease in RevPAR was driven by the 1.3 percentage points contraction of occupancy combined with an 5.3% reduction in ADR. The number of rooms in operation declined due to the sale of *Krystal Grand Reforma Uno*. The Company sees an opportunity to continue its expansion plans by means of third-party operating contracts, mainly with Krystal® brand without significantly impacting the operating structure.

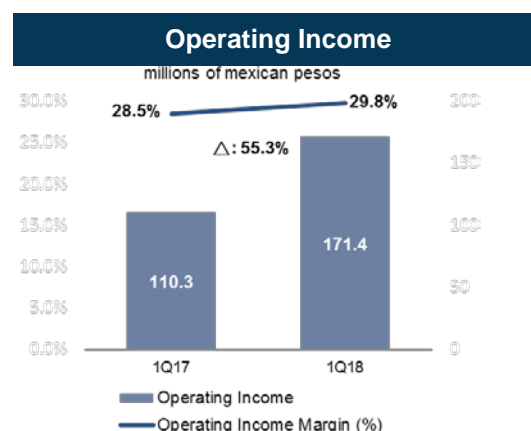
Costs and Expenses

Operating Costs and Operating Expenses increased 64.9%, from Ps. 135.2 million in 1Q17 to Ps. 222.9 million in 1Q18. This increase was mainly in terms of direct costs, and higher department fees derived from the inclusion of *Krystal Grand Los Cabos* and *Krystal Grand Nuevo Vallarta* into the portfolio. These hotels have not reached maturity but already have the majority of its operating costs in place.

Administration and Sales Expenses rose 23.7%, from Ps. 96.5 million in 1Q17 to Ps. 119.4 million in 1Q18. Administration and sales expenses were equal to 20.8% of revenue in 1Q18, compared to 24.9% in 1Q17. This was the result of the continuous efforts of the company to reduce costs and expenses.

Operating Income

During 1Q18, operating income increased 55.3%, from Ps. 110.3 million in 1Q17 to Ps. 171.4 million. This result was driven by the combined effect of revenue growth, the inclusion of *Krystal Grand Los Cabos* and *Krystal Grand Nuevo Vallarta* as Company-owned hotels and the performance of *Krystal Grand Punta Cancun* due to the inclusion of *Altitude Tower*. Operating margin increased by 1.3 percentage points, from 28.5% in 1Q17 to 29.8% in 1Q18 mainly driven by operational efficiencies.



EBITDA

1Q18 EBITDA reached Ps. 225.6 million, compared to Ps. 150.6 million in 1Q17, an increase of 49.8%. 1Q18 EBITDA margin increased by 0.3 percentage points, from 38.9% in 1Q17 to 39.2% in 1Q18.



(Figures in thousand Pesos)	1Q18	1Q17	% Var.	2018	2017	% Var.
Operating Income	171,359	110,336	55.3	171,359	110,336	55.3
(+) Depreciation	44,233	28,497	55.2	44,233	28,497	55.2
(+) Development and hotel opening expenses ⁵	6,126	10,844	(43.5)	6,126	10,844	(43.5)
(+) Other non-recurring expenses ⁶	3,916	968	NA	3,916	968	NA
EBITDA	225,634	150,646	49.8	225,634	150,646	49.8
EBITDA Margin	39.2%	38.9%	0.3 pt	39.2%	38.9%	0.3 pt

Net Financing Result

For 1Q18, Net Financing Result went from a Ps. 98.2 million gain in 1Q17 to a Ps. 93.9 million gain. This result was mainly attributed to the FX gain generated by the effect of the mark-to-market valuation effect of a lower USD/MXN exchange rate applied to our Dollar Denominated Debt.

Net Income

Net Income went from of Ps. 184.9 million in 1Q17 to Ps. 204.9 million in 1Q18, an increase of 10.8%, driven by the previously mentioned foreign exchange (FX) gain and higher income from operations, which were partially offset by higher income taxes driven by a low comparison base in 2017. Net income margin was 35.6% in 1Q18 compared to 47.8% in 1Q17, a decrease of 12.1 percentage points.

⁵ Expenses incurred in hotel expansions and openings, including new developments, and are related to the acquisition and research of acquisition opportunities.

⁶ Other non-recurring expenses, including settlement expenses and consulting fees related to the takeover of hotels acquired.

Cash Flow Summary

Figures in thousand Pesos

Cash Flow Statement	First Quarter				3 months ended March 31			
	2018	2017	Var.	% Var.	2018	2017	Var.	% Var.
Cashflow from operating activities								
Net income	204,949	184,926	20,023	10.8	204,949	184,926	20,023	10.8
Depreciation and amortization	44,233	28,497	15,736	55.2	44,233	28,497	15,736	55.2
Income taxes	61,219	24,265	36,954	NA	61,219	24,265	36,954	NA
Unrealized gain (loss) in foreign currency exchange	(133,177)	(118,908)	(14,269)	12.0	(133,177)	(118,908)	(14,269)	12.0
Net interest expense	29,646	8,693	20,953	NA	29,646	8,693	20,953	NA
Other financial costs	1,534	1,136	398	35.1	1,534	1,136	398	35.1
Minority interest	(909)	(635)	(274)	43.2	(909)	(635)	(274)	43.2
Cashflow before working capital variations	207,495	127,974	79,521	62.1	207,495	127,974	79,521	62.1
Working Capital	(11,838)	29,958	(41,796)	NA	(11,838)	29,958	(41,796)	NA
Net operating cashflow	195,657	157,932	37,725	23.9	195,657	157,932	37,725	23.9
Non recurring	(47,252)	(24,908)	(22,344)	89.7	(47,252)	(24,908)	(22,344)	89.7
Cashflow net from non-recurring items	148,405	133,024	15,381	11.6	148,405	133,024	15,381	11.6
Investment activities	(89,748)	(767,565)	677,817	(88.3)	(89,748)	(767,565)	677,817	(88.3)
Financing activities	(67,302)	(57,701)	(9,601)	16.6	(67,302)	(57,701)	(9,601)	16.6
Net (decrease) increase in cash and cash equivalents	(8,645)	(692,242)	683,597	(98.8)	(8,645)	(692,242)	683,597	(98.8)
Cash and cash equivalents at the beginning of the period	288,015	1,731,587	(1,443,572)	(83.4)	288,015	1,731,587	(1,443,572)	(83.4)
Cash and cash equivalents at the end of the period	279,370	1,039,345	(759,975)	(73.1)	279,370	1,039,345	(759,975)	(73.1)
Cash in business acquisition	-	3,720	(3,720)	NA	-	3,720	(3,720)	NA
Total Cash at the end of the period	279,370	1,043,065	(763,695)	(73.2)	279,370	1,043,065	(763,695)	(73.2)

By the end of 1Q18, operating cash flow reached Ps. 195.6 million, compared to Ps. 157.9 million reported in 1Q17, a 23.9% increase driven by a higher EBITDA that more than compensated the exit of working capital due to the inclusion of *Krystal Grand Los Cabos* and *Krystal Grand Nuevo Vallarta*.

Balance Sheet Summary

Figures in thousand Mexican Pesos

Balance Sheet Summary	Marzo-18	Marzo -17	Var.	Var %
Cash and cash equivalents	279,370	1,043,065	(763,696)	(73.2%)
Accounts receivables and other current assets	238,979	158,042	80,937	51.2%
Creditable taxes	340,566	260,069	80,497	31.0%
Escrow deposit for hotel acquisition	22,472	11,621	10,851	93.4%
Total current assets	881,387	1,472,797	(591,411)	(40.2%)
Restricted cash	97,245	67,429	29,816	44.2%
Property, furniture and equipment	6,754,213	5,096,520	1,657,693	32.5%
Non-productive fixed assets (In-process developments)	898,427	928,535	(30,108)	(3.2%)
Other fixed assets	491,580	295,492	196,088	66.4%
Total non-current assets	8,241,465	6,387,975	1,853,489	29.0%
Total Assets	9,122,851	7,860,773	1,262,078	16.1%
Current installments of long-term debt	169,525	126,622	42,904	33.9%
Other current liabilities	424,776	1,292,922	(868,145)	(67.1%)
Total current liabilities	594,301	1,419,543	(825,242)	(58.1%)
Long-term debt	2,160,367	1,405,874	754,492	53.7%
Other non-current liabilities	824,823	84,981	739,842	NA
Total non-current liabilities	2,985,189	1,490,855	1,494,334	NA
Total Equity	5,543,360	4,950,375	592,985	12.0%
Total Liabilities and Equity	9,122,851	7,860,773	1,262,078	16.1%

Cash and Equivalents

By the end of 1Q18, the Company's cash and cash equivalents reached Ps. 279.4 million. Of this figure, Ps. 543.1 million are peso-denominated and Ps. 112.6 million are dollar-denominated.

Accounts Receivable and Other Current Assets

This line item increased 51.2%, from Ps. 158.0 million in 1Q17 to Ps. 239.0 million in 1Q18, driven by the inclusion of *Krystal Grand Los Cabos* and *Krystal Grand Nuevo Vallarta*.

Property, Furniture & Equipment

This line item was equal to Ps. 6,754.2 million at the end of 1Q18, a 32.5% increase compared to Ps. 5,096.5 million at the end of 1Q17. This increase was mainly driven by the inclusion of the *Altitude Tower of Krystal Grand Punta Cancun* and *The Hacienda at Hilton Puerto Vallarta*. In addition, the Company continues to carry out routine improvements, remodeling and renovation projects in its fixed assets. Notably, hotels that underwent renovations include *Hilton Garden Inn Monterrey Aeropuerto*, *Hilton Guadalajara*, *Krystal Urban Cancun* and *Krystal Urban Ciudad Juarez*.

Figures in thousand Mexican Pesos

Capex for the period	1Q18		YTD'18	
	1Q18	% Total	1Q18	% Total
Hotels in development	88,346	83.1%	88,346	83.1%
Improvements in owned hotels	2,404	2.3%	2,404	2.3%
Ordinary capex	15,565	14.6%	15,565	14.6%
Total Capex	106,314	100.0%	106,314	100.0%

Net Debt and Maturity

Net Debt was Ps. 1,953.3 million at the end of 1Q18, which represented a Total Debt / EBITDA (LTM) ratio equal to 3.2x. 84.2% of Total Debt is U.S.-dollar denominated and has an average cost of 4.36%. The remaining 15.8% is peso-denominated, with an average weighted cost of 10.42%. In addition, 94.4% of debt maturities are long-term.

During 1Q18, the Mexican peso appreciated 7.0% by the end of the quarter, from Ps. 19.7374 as of December 2017, to Ps. 18.3445 as of March 31, 2018, having a positive impact on the financial cost of the Company. The short U.S. dollar position of the Company by the close of 1Q18 was US\$93.1 million, equal to Ps. 1,708.5 million.

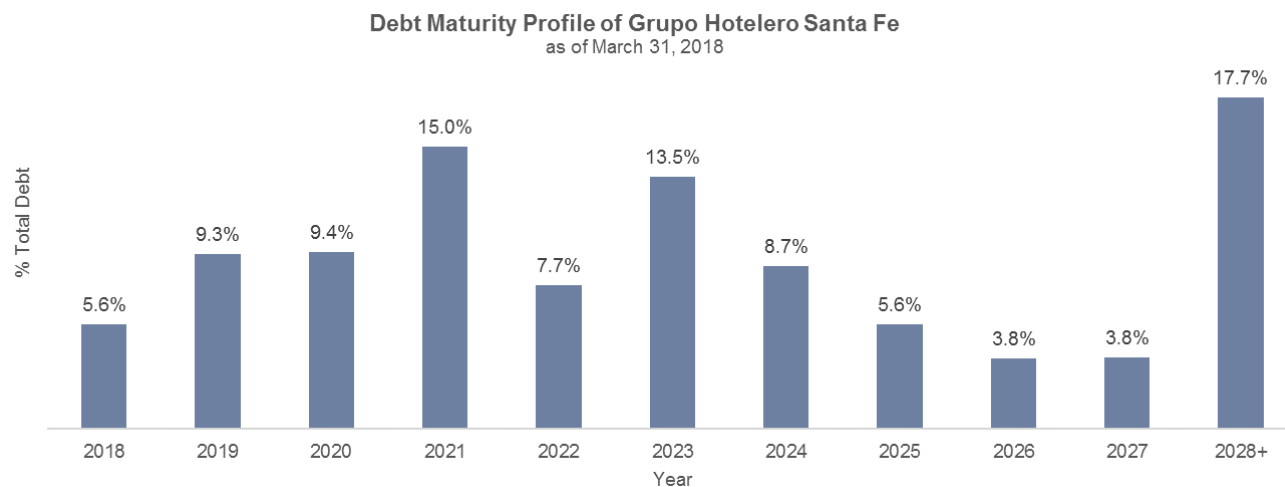
The following graphs shows the Company's debt and cash position, as well as the debt maturity.

Figures in thousand Mexican Pesos	Denominated in (currency):		
	Pesos	Dollars	Total
Debt*			
Short Term	29,302	140,223	169,525
Long Term	337,921	1,822,446	2,160,367
Total	367,223	1,962,669	2,329,892
% Total	15.8%	84.2%	100.0%
Average rate of financial liabilities	10.42%	4.36%	5.32%
Cash and equivalents	112,605	166,765	279,370
Restricted cash	9,798	87,447	97,245
Cash and equivalents**	122,403	254,211	376,615
Net Debt	244,820	1,708,457	1,953,277

Net Debt / LTM EBITDA (as of March 31, 2018) 3.2x

*Includes accrued interests and effect of financial instruments related to financial debt.

**Includes restricted cash related to bank debt.



To continue with its growth plans, the Company will continue to balance its debt between pesos and dollars. Both peso and dollar-denominated debt are hedged over reference rates (TIIE and LIBOR), with a strike price at 7.5% and 2.5%, respectively.

According to IFRS, the exchange rate used was Ps. 18.3445 / US\$ as of March 31, 2018, as published in Mexico's *Official Federal Gazette*.

Currency Hedging Analysis

Figures in thousands of Mexican Pesos	First Quarter 2018			YTD March 31, 2018		
	Denominated in Pesos	Denominated in USD	Total in Pesos	Denominated in Pesos	Denominated in USD	Total in Pesos
Total Revenue	330,651	244,317	574,968	330,651	244,317	574,968
% of Total Revenue	57.5%	42.5%	100.0%	57.5%	42.5%	100.0%
(-) Total Costs and Expenses	352,657	40,911	393,568	352,657	40,911	393,568
(-) Non-recurring Expenses	10,042	-	10,042	10,042	-	10,042
Operating Income	(32,047)	203,406	171,359	(32,047)	203,406	171,359
(+) Depreciation	44,233	-	44,233	44,233	-	44,233
Operating Cashflow	12,186	203,406	215,592	12,186	203,406	215,592
% of Operating Cashflow	5.7%	94.3%	100.0%	5.7%	94.3%	100.0%
Interest	3,227	33,091	36,318	3,227	33,091	36,318
Principal	7,359	25,488	32,847	7,359	25,488	32,847
Total Debt Service	10,586	58,579	69,165	10,586	58,579	69,165
Interest Coverage ratio 1	3.8x	6.1x	5.9x	3.8x	6.1x	5.9x
Debt Service Coverage Ratio 2	1.2x	3.5x	3.1x	1.2x	3.5x	3.1x

1) Operating Cashflow / Interest; 2) Operating Cashflow / Total Debt Service

In 1Q18, approximately 42.5% of revenue and 94.3% of operating cash flow were denominated in dollars. Dollar-denominated operating cash flow was enough to cover financial debt, both interest and principal, with a ratio of 3.5x for 1Q18. This position corroborated the Company's expectations to benefit from lower financing costs, given that hotels which contracted financial debt have a natural hedge to volatile scenarios.

At the end of 1Q18 the Company's debt coverage ratio was 3.1x. In addition, HOTEL has a dollar-denominated cash balance of Ps. 254.2 million at the close of 1Q18, decreasing its total exposure to currency risks.

Recent Events

During 1Q18, and until the date of this report, HOTEL's recent developments included:

- On January 26th, the Company announced the renewal of its market maker agreement with UBS Casa de Bolsa, S.A. de C.V., UBS Grupo Financiero. UBS Casa de Bolsa, S.A. de C.V., UBS Grupo Financiero as the market maker will continue trading HOTEL shares listed on the Mexican Stock Exchange. With the renewal of the market maker agreement, together with the share repurchase program authorized by the board, HOTEL underlines its commitment to investors to improve the stock's liquidity.
- On February 12th, the Company announced the signing of a Management Contract for a 4-star hotel, the *Hyatt Place Aguascalientes* with 144 rooms located in Aguascalientes, Aguascalientes. The hotel is under construction and is expected to open by 1Q19. This Management Contract is in line with the Company's expansion plan which contemplates growth in the urban hotel segment, with third party brands at strategically located hotels.
- On February 23th, the Company announced its 2018 Guidance, anticipating: i) Total Revenue of Ps. 2,250 million, and ii) EBITDA of Ps. 803 million. This guidance was prepared using an average USD/MXN exchange rate of 19.00.
- On April 2nd, the Company announced the opening of the expansion of *Hilton Puerto Vallarta* named "*The Hacienda*". The expansion is "adults only" and has 192 suites. The investment in the project was in line with our budget of Ps. 520 million pesos. "The Hacienda" began its preopening in March, in line with our latest estimate to open in 1Q18.

1Q18 Conference Call Details:

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

Date: Friday, April 20, 2018

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 please dial:

Telephone: U.S.: 1 800 863 3908
International +1 334 323 7224
Mexico: 01 800 847 7666

Conference password: HOTEL 000

Webcast: The webcast will be in English. To follow the Power Point presentation and the audio of the call, please visit our website www.gsf-hotels.com/investors

About Grupo Hotelero Santa Fe

HOTEL is a leading company in the Mexican hotel industry, centered on acquiring, converting, developing and operating its own hotels as well as third party-owned hotels. The Company focuses on strategic hotel location and quality, a unique hotel management model, strict expense control and the proprietary Krystal® brand as well as other international brands. As of year-end 2017, the Company employed over 3,200 people and generated revenues of Ps. 1,582 million. For more information, please visit www.gsf-hotels.com

Contact Information

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

Maximilian Zimmermann
Investor Relations Director
mzimmermann@gsf-hotels.com

Legal Note on Forward Looking Statements:

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 these 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.

Income Statement

GRUPO HOTELERO SANTA FE, S.A.B. de C.V.
Consolidated Income Statement
For the three-month period ended March 31, 2018 and 2017
(Figures in thousands of Mexican Pesos)

	First Quarter				3 months ended March 31			
	2018	2017	Var.	%Var.	2018	2017	Var.	%Var.
Revenue								
Room Revenue	314,670	218,857	95,813	43.8	314,670	218,857	95,813	43.8
Food and Beverage Revenue	200,937	104,785	96,152	91.8	200,937	104,785	96,152	91.8
Other Revenue from Hotels	40,800	37,737	3,063	8.1	40,800	37,737	3,063	8.1
Third-party Hotels' Management Fees	18,561	25,661	(7,100)	(27.7)	18,561	25,661	(7,100)	(27.7)
TOTAL REVENUE	574,968	387,041	187,928	48.6	574,968	387,041	187,928	48.6
COSTS AND EXPENSES								
Operating Costs and Expenses	222,889	135,196	87,694	64.9	222,889	135,196	87,694	64.9
Sales and Administration	119,365	96,461	22,903	23.7	119,365	96,461	22,903	23.7
Property Expenses	7,080	4,738	2,342	49.4	7,080	4,738	2,342	49.4
Depreciation and Amortization	44,233	28,497	15,736	55.2	44,233	28,497	15,736	55.2
TOTAL COSTS AND EXPENSES	393,568	264,893	128,675	48.6	393,568	264,893	128,675	48.6
Development and hotel opening expenses	6,126	10,844	(4,719)	(43.5)	6,126	10,844	(4,719)	(43.5)
Other non-recurring expenses	3,916	968	2,949	NA	3,916	968	2,949	NA
ADJUSTED EBITDA	225,634	150,646	74,988	49.8	225,634	150,646	74,988	49.8
<i>ADJUSTED EBITDA Margin (%)</i>	<i>39.2%</i>	<i>38.9%</i>	<i>0.3 pt</i>	<i>0.3 pt</i>	<i>39.2%</i>	<i>38.9%</i>	<i>0.3 pt</i>	<i>0.3 pt</i>
OPERATING INCOME	171,359	110,336	61,023	55.3	171,359	110,336	61,023	55.3
<i>Operating Income Margin (%)</i>	<i>29.8%</i>	<i>28.5%</i>	<i>1.3 pt</i>	<i>1.3 pt</i>	<i>29.8%</i>	<i>28.5%</i>	<i>1.3 pt</i>	<i>1.3 pt</i>
Net interest expenses	(29,646)	(8,693)	(20,953)	NA	(29,646)	(8,693)	(20,953)	NA
Net foreign currency exchange loss	125,080	108,049	17,031	15.8	125,080	108,049	17,031	15.8
Other financial costs	(1,534)	(1,136)	(398)	35.0	(1,534)	(1,136)	(398)	35.0
Net Financing Result	93,900	98,220	(4,320)	(4.4)	93,900	98,220	(4,320)	(4.4)
Undistributed income from subsidiaries, net	909	635	274	43.2	909	635	274	43.2
Income before taxes	266,168	209,191	56,977	27.2	266,168	209,191	56,977	27.2
Total income taxes	61,219	24,265	36,953	NA	61,219	24,265	36,953	NA
Net Income	204,949	184,926	20,023	10.8	204,949	184,926	20,023	10.8
<i>Net Income Margin (%)</i>	<i>35.6%</i>	<i>47.8%</i>	<i>(12.1 pt)</i>	<i>(12.1 pt)</i>	<i>35.6%</i>	<i>47.8%</i>	<i>(12.1 pt)</i>	<i>(12.1 pt)</i>
Income attributable to:								
Controlling interest	151,504	146,523	4,980	3.4	151,504	146,523	4,980	3.4
Non-controlling interest	53,446	38,403	15,043	39.2	53,446	38,403	15,043	39.2

Balance Sheet

Grupo Hotelero Santa Fe, S.A.B. de C.V.

Consolidated Balance Sheet

As of March 31, 2018 and 2017

(Figures in thousands of Mexican Pesos)

(Figures in thousands of Mexican Pesos)	2018	2017	Var \$	Var %
ASSETS				
Current Assets				
Cash and cash equivalents	279,370	1,043,065	(763,696)	(73.2%)
Restricted cash	-	-	-	NA
Accounts receivables from clients	186,684	112,622	74,062	65.8%
Accounts receivables from related parties	6,035	16,864	(10,829)	(64.2%)
Creditable taxes	340,566	260,069	80,497	31.0%
Other current assets	46,260	28,556	17,704	62.0%
Escrow deposit for hotel acquisition	22,472	11,621	10,851	93.4%
Total current assets	881,387	1,472,797	(591,411)	(40.2%)
Non-current Assets				
Restricted cash	97,245	67,429	29,816	44.2%
Property, furniture and equipment	6,754,213	5,096,520	1,657,693	32.5%
Non-productive fixed assets (In-process developments) □	898,427	928,535	(30,108)	(3.2%)
Other assets	20,035	41,423	(21,389)	(51.6%)
Investment in subsidiaries	36,785	33,562	3,223	9.6%
Deferred income taxes	102,707	112,512	(9,805)	(8.7%)
Goodwill	332,053	107,994	224,058	NA
Total non-current assets	8,241,465	6,387,975	1,853,489	29.0%
Total assets	9,122,851	7,860,773	1,262,078	16.1%
LIABILITIES AND SHAREHOLDERS EQUITY				
Current liabilities				
Current installments of long-term debt	169,525	126,622	42,904	33.9%
Suppliers	127,459	78,326	49,133	62.7%
Accrued liabilities	94,941	1,097,299	(1,002,358)	(91.3%)
Accounts payable to related parties	18,247	7,135	11,112	NA
Payable taxes	130,850	68,866	61,985	90.0%
Client advanced payments	53,279	41,296	11,983	29.0%
Total current liabilities	594,301	1,419,543	(825,242)	(58.1%)
Non-current liabilities				
Long-term debt	2,160,367	1,405,874	754,492	53.7%
Other non-current liabilities	4,764	4,785	(22)	(0.5%)
Deferred income taxes	820,059	80,196	739,863	NA
Total non-current liabilities	2,985,189	1,490,855	1,494,334	NA
Total liabilities	3,579,491	2,910,398	669,092	23.0%
Equity				
Capital stock	3,440,911	3,441,501	(589)	(0.0%)
Legal reserve	190,493	190,493	-	0.0%
Premium on subscription of shares	80,000	80,000	-	0.0%
Net income	204,949	184,926	20,023	10.8%
Retained earnings	598,953	382,962	215,991	56.4%
Shareholder's Equity	4,515,307	4,279,882	235,425	5.5%
Non-controlling interest	1,028,053	670,493	357,560	53.3%
Total Equity	5,543,360	4,950,375	592,985	12.0%
Total liabilities and equity	9,122,851	7,860,773	1,262,078	16.1%

Cash Flow Statement

Grupo Hotelero Santa Fe, S.A.B. de C. V.
Consolidated Cash Flow
For the three month period ended March 31, 2018 and 2017

Figures in thousand Pesos

Cash Flow Statement	First Quarter		3 months ended March 31	
	2018	2017	2018	2017
Cashflow from operating activities				
Net income	204,949	184,926	204,949	184,926
Depreciation and amortization	44,233	28,497	44,233	28,497
Income taxes	61,219	24,265	61,219	24,265
Unrealized gain (loss) in foreign currency exchange	(133,177)	(118,908)	(133,177)	(118,908)
Net interest expense	29,646	8,693	29,646	8,693
Other financial costs	1,534	1,136	1,534	1,136
Minority interest	(909)	(635)	(909)	(635)
Cashflow before working capital variations	207,495	127,974	207,495	127,974
Accounts receivable from clients	(51,497)	(20,150)	(51,497)	(20,150)
Accounts receivable from related parties	3,432	(3,074)	3,432	(3,074)
Other current assets	(13,136)	(5,060)	(13,136)	(5,060)
Creditable taxes	28,169	(3,886)	28,169	(3,886)
Suppliers	17,915	4,734	17,915	4,734
Accrued liabilities	857	36,214	857	36,214
Accounts payable to related parties	2,323	3,746	2,323	3,746
Downpayments from clients	12,689	15,922	12,689	15,922
Payable taxes	(12,589)	1,512	(12,589)	1,512
Net operating cashflow	195,657	157,932	195,657	157,932
Non recurring				
Accrued liabilities	-	-	-	-
Receivable and Payable taxes	(28,480)	(24,908)	(28,480)	(24,908)
Income in revaluation of Dollars	(18,772)	-	(18,772)	-
Cashflow net from non-recurring items	148,405	133,024	148,405	133,024
Investment activities				
Change in restricted cash	6,410	5,880	6,410	5,880
Acquisition of property, furniture and equipment	(106,314)	(172,036)	(106,314)	(172,036)
Acquisition of ongoing business (KGLC & KGNV)	-	(610,226)	-	(610,226)
Escrow deposit for hotel acquisition	1,704	(51)	1,704	(51)
Investment in subsidiary	94	(20)	94	(20)
Other net assets and liabilities	1,686	(511)	1,686	(511)
Interest gained	6,672	9,399	6,672	9,399
Cashflow from investment activities	(89,748)	(767,565)	(89,748)	(767,565)
Financing activities				
Net increase in paid-in follow on	-	-	-	-
Receivable Greenshoe	-	27	-	27
Net increase in paid-in capital from non-controlling company	-	-	-	-
Payment of Liabilities SITRA Group's subsidiaries	-	-	-	-
Repurchase of shares	(651)	10,262	(651)	10,262
Obtained loans	-	-	-	-
Payment of interest and loan amortization*	(66,651)	(67,990)	(66,651)	(67,990)
Cashflow form financing activities	(67,302)	(57,701)	(67,302)	(57,701)
Net (decrease) increase in cash and cash equivalents	(8,645)	(692,242)	(8,645)	(692,242)
Cash and cash equivalents at the beginning of the period	288,015	1,731,587	288,015	1,731,587
Cash and cash equivalents at the end of the period	279,370	1,039,345	279,370	1,039,345
Cash in business acquisition	-	3,720	-	3,720
Total Cash at the end of the period	279,370	1,043,065	279,370	1,043,065

Appendix 1: Integration of Rooms under Operation

Operating indicators for 1Q18 consider 5,161 hotel rooms under operation out of 5,701. The integration of 540 rooms excluded is detailed as follows:

- i) 137 rooms part of the Vacation Club⁷
- ii) The effect of 403 rooms less in the period due to:
 - a. 264 rooms out of 451 rooms of *Hilton Puerto Vallarta* were available in the quarter as operations of the expansion “*The Hacienda*” started at the end of March (187 less rooms)
 - b. 260 rooms out of 476 rooms of *Krystal Grand Nuevo Vallarta* were available in the quarter as operations started at the end of March (216 less rooms)

The following table summarizes the total number of rooms of the Company's portfolio:

Rooms 1Q18	Owned Hotels	Third-party owned hotels	Total Rooms
In Operation	3,410	1,751	5,161
Vacational Club	53	84	137
Unavailable	187	216	403
In Renovation	-	-	-
Total Rooms	3,650	2,051	5,701

⁷ 137 rooms are part of Vacation Club, of which 53 rooms are Company-owned, and 84 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.