



Grupo Hotelero Santa Fe Announces Acquisition of Property to Expand Hilton® Puerto Vallarta Hotel

Mexico City, October 26, 2016 – Grupo Hotelero Santa Fe, S.A.B. de C.V. (BMV: HOTEL) (“HOTEL” or “the Company”), one of the leading companies in the Mexican hotel industry, announced today the acquisition of real estate properties consisting of 54 units for hotel-only purposes, as well as an undeveloped land lot of 1,043 square meters, which currently comprise 162 hotel suites, located in usable area of approximately 15,100 square meters, and is adjacent to the Hilton® Puerto Vallarta hotel.

The transaction represented an investment of US\$ 12.0 million (Ps. 224 million). The Company expects an additional investment of Ps. 296.0 million for this project for a total amount of Ps. 520 million. Given that the acquisition would consist of the expansion of an existing hotel, the Company expects to achieve operating efficiencies as well as economies of scale that will result in profit and margin increases. The anticipated opening date of the expansion project is the fourth quarter of 2017.

The target properties of the acquisition were previously owned by Promotora Turística Mexicana, S.A. de C.V., which is the current owner of Krystal® Puerto Vallarta hotel, and is considered a related entity to the Company. Due to the aforementioned, the transaction was reviewed and recommended by the Corporate Practices Committee, the Audit Committee and, subsequently, the Company’s Board of Directors unanimously decided to approve the transaction during the October 20, 2016 meeting. Notably, three valuations were undertaken by separate subject matter expert firms, and these were reviewed by the aforesaid corporate bodies.

The Company expects to renovate the existing 162 suites and develop 30 additional suites for a total of 192 luxury suites, in addition to banquet rooms, restaurants, bars and complementary services, under the Hilton® brand. With this expansion, the Hilton® Puerto Vallarta hotel would increase the number of rooms and luxury suites from 259 to 451, under the all-inclusive Grand Tourism category.

According to a recent market study for the Company by Grupo World Real Estate®, from January to July 2016 traveler demand to Puerto Vallarta increased 17% and 12% in the domestic and international markets, respectively, compared to the same period in 2015. The study highlights that the hotel offering will remain stable in this destination.

The investment is in line with the Company’s expansion strategy, which considers growth via hotels in strategic locations. With this acquisition, HOTEL would reach 709 rooms in Puerto Vallarta, which is one of the main tourist destination areas in Mexico, with a total portfolio of 5,052 rooms. This fact considers that the 162 suites will be excluded from the current room stock of the Krystal® Puerto Vallarta hotel, which is currently operated by the Company.

As part of its normal business, from time to time, the Company will continue to search for and analyze investment opportunities in hotels and properties, entering into operating agreements with third-party owned hotels. These opportunities will be analyzed in due time and if deemed appropriate will be approved by the Company’s corresponding corporate bodies.



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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 2600 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:

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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.

