



Grupo Hotelero Santa Fe Reports a 50% Increase in Total Revenue and a 66% in EBITDA for Full Year 2014

Mexico City, February 24, 2015 – Grupo Hotelero Santa Fe S.A.B. de C.V. (BMV: HOTEL) (“HOTEL” or “the Company”), announced today its consolidated results for the fourth quarter (“4Q14”) and full year ended December 31, 2014.

Grupo Hotelero Santa Fe is one of the leading companies in the Mexican hotel industry and is focused on acquiring, developing and operating hotels. One of its main strengths is the operation and marketing, where it has obtained outstanding efficiency and profitability, both in the original portfolio as well as in the integration of additional hotels.

Highlights

- Total Revenue for 2014 reached Ps. 722.0 million, a 50.0% increase compared to 2013, driven by increases of 60.2% in hotel room revenue, 43.4% in food and beverage revenue and 30.6% in other revenue.
- For 2014, company-owned hotels had an occupancy improvement of 7.0 pt and an increase in ADR of 12.8%; as a result RevPAR rose 27.6% versus 2013. This increase was mainly driven by those hotels that are in their maturity phase which reported a 55.1% increase in RevPAR year-over-year.
- EBITDA¹ in 2014 reached Ps. 211.3 million, 66.1% higher than the figure reported in the previous year. EBITDA margin increased 2.8 percentage points versus 2013, reaching 29.3% in 2014.
- Net income decreased from Ps. 51.2 million in 2013 to Ps. (10.5) million in 2014 primarily due to foreign exchange losses from the depreciation of the Mexican Peso vs. the US Dollar in 2014. The foreign exchange loss is an accounting item that has no impact in the Company's cash flow.
- As part of the expansion plan, on December 16, 2014, the Company acquired the *Krystal Urban Cancún Centro* hotel, which has 212 rooms, for a total amount of Ps. 254.1 million. The acquisition was made using resources from the recent Initial Public Offering as well as a bank loan for approximately Ps. 181.5 million.

| Figures in thousand Pesos | Fourth Quarter | | | 12 months ended December | | |
|---------------------------|----------------|---------|-----------|--------------------------|---------|-----------|
| | 2014 | 2013 | % Var. | 2014 | 2013 | % Var. |
| Total Revenue | 188,108 | 162,721 | 15.6 | 721,962 | 481,412 | 50.0 |
| EBITDA | 58,826 | 41,564 | 41.5 | 211,357 | 127,266 | 66.1 |
| EBITDA Margin | 31.3% | 25.5% | 5.7 pt | 29.3% | 26.4% | 2.8 pt |
| Operating Income | 32,165 | 15,975 | 101.3 | 124,238 | 86,370 | 43.8 |
| Net Income | (45,800) | 7,911 | (679.0) | (10,535) | 51,199 | (120.6) |
| Net Income Margin | (24.3%) | 4.9% | (29.2 pt) | (1.5%) | 10.6% | (12.1 pt) |
| Occupancy | 58.9% | 56.4% | 2.5 pt | 60.5% | 53.5% | 7.0 pt |
| ADR | 1,188 | 1,099 | 8.1 | 1,131 | 1,003 | 12.8 |
| RevPAR | 699 | 620 | 12.8 | 684 | 536 | 27.6 |

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

Letter from the Chief Executive Officer

Mr. Francisco Zinser, Chief Executive Officer of Grupo Hotelero Santa Fe, stated:

"The year 2014 has been, without a doubt, extraordinary for the Mexican tourism sector as well as for Grupo Hotelero Santa Fe. The country has grown across nearly all indices, particularly with respect to the higher number of international travelers, which reached record levels of more than 29 million in 2014; an increase of 20.5% versus 2013. Hotel occupancy rates in the country rose 1.6 basis points, while HOTEL's rose 7.0 basis points, an increase of 5.8% versus the average for the main 70 cities in the country according to DATATUR.

We are certain that our operating performance was due to the solid business model that we perform under, the same model that allowed us to reach a 50.0% growth in revenue and a 66.1% growth in EBITDA in 2014 compared to 2013. During the course of the year we added 1,000 rooms under the Krystal brand, we rebranded the Krystal Grand Punta Cancun, Krystal Grand Reforma Uno and Krystal Urban Cancun Centro; achieving outstanding results in all cases as well as an improvement in operating margins.

At HOTEL we are very clear that our focus is to continue growing in a disciplined manner, by adding value to each one of the properties that we incorporate into the portfolio. A clear example was the recently acquired Krystal Urban Cancun Centro, the first to operate under the Krystal Urban brand, and an important achievement for us. This is a magnificent property with an unparalleled location in Cancun city center. From the moment that we completed the acquisition, we have implemented our commercial and operating business model and have managed to positively impact the hotel's performance.

The opportunity to continue growing is clear given the unique characteristics of the Mexican hotel sector, since approximately 75.0% of hotel rooms are not affiliated with a brand. Our brand, Krystal, is in a great position to consolidate conversion opportunities; a clear example of this was the hotel mentioned in the prior paragraph.

We maintain our enduring effort to encourage our teams to continue their path of excellence in terms of service as well as client and employee satisfaction. This is a great industry that is expanding and has a lot of potential; we are strategically positioned to take advantage of this and become the leading hotel group in the country."

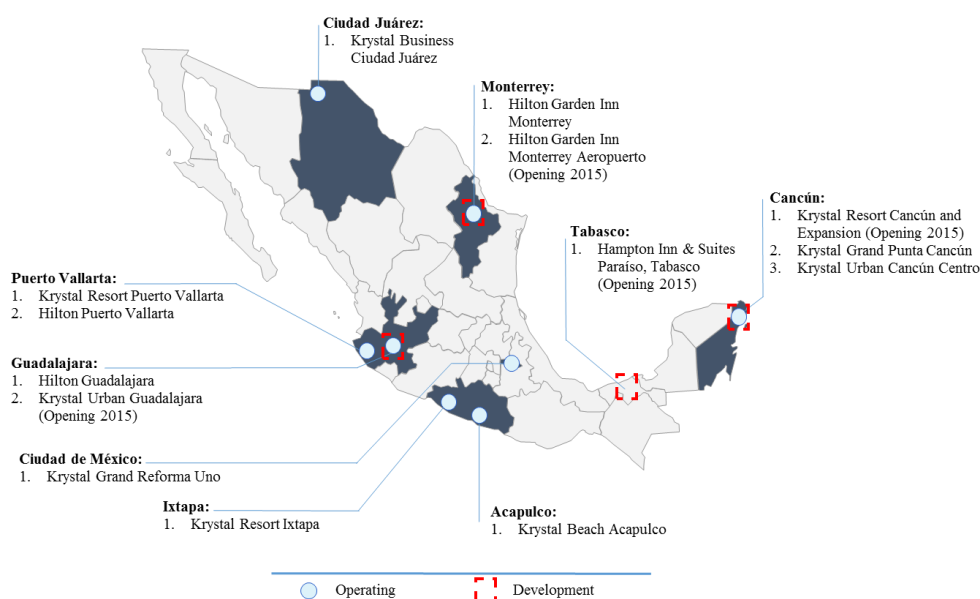
Hotel Portfolio

| 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 Leon |
| 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 |
| Subtotal Urban | | 1,421 | | | | | | |
| 6 | Krystal Resort Cancún | 457 | - | Resort | 5 stars | Yes | Cancún | Quintana Roo |
| 7 | Krystal Resort Ixtapa | 255 | - | Resort | 5 stars | Yes | Ixtapa | Guerrero |
| 8 | Krystal Resort Puerto Vallarta | 420 | - | Resort | 5 stars | Yes | Vallarta | Jalisco |
| 9 | Krystal Grand Punta Cancún | 295 | 100% | Resort | Grand Tourism | In Process | Cancún | Quintana Roo |
| 10 | Hilton Puerto Vallarta Resort | 259 | 100% | Resort | Grand Tourism | In Process | Vallarta | Jalisco |
| 11 | Krystal Beach Acapulco | 400 | 100% | Resort | 4 stars | In Process | Acapulco | Guerrero |
| Subtotal Resorts | | 2,086 | | | | | | |
| Total in Operations | | 3,507 | | | | | | |
| 12 | Hilton Garden Inn Monterrey Airport | 134 | 15% | Urban | 4 stars | | Monterrey | Nuevo Leon |
| 13 | Hampton Inn & Suites Paraíso Tabasco | 117 | - | Urban | 4 stars | | Paraíso | Tabasco |
| 14 | Krystal Urban Guadalajara | 140 | 100% | Urban | 4 stars | | Guadalajara | Jalisco |
| | Ampliación Krystal Resort Cancún | 46 | - | Resort | 5 stars | | Cancún | Quintana Roo |
| Total Under Development | | 437 | | | | | | |
| Total | | 3,944 | | | | | | |

As of the end of 4Q14, HOTEL had a total of 11 properties under operations, of which 7 are company-owned and the remaining 4 are third-party owned properties. This represents 1 additional property compared to the 10 hotels we had in operation at the end of 4Q13. The number of total rooms under operation in 4Q14 was 3,507, an increase of 6.4% compared to 3,295 for the same period of the previous year.

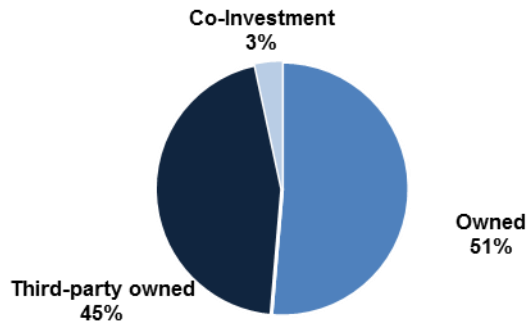
In addition, HOTEL has 391 rooms under development in the cities of Monterrey, Paraíso Tabasco and Guadalajara, as well as 46 additional rooms under construction in the Krystal Cancun hotel. As a result, the number of hotels under operations will reach 14 and the number of rooms in operation will reach 3,944.

Following, is the geographical distribution of the hotel portfolio:

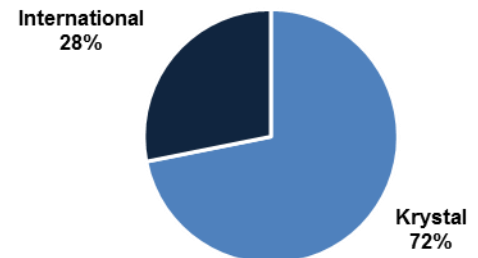


The following graphs illustrate the hotel portfolio composition in terms of operating rooms and rooms under development by the end of 4Q14:

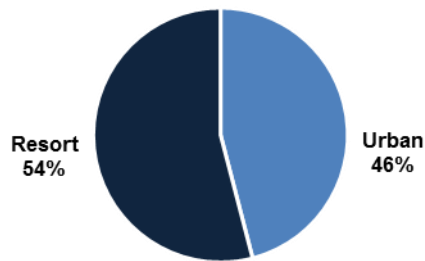
Ownership



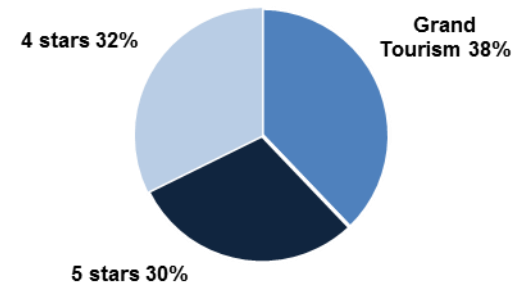
Brand



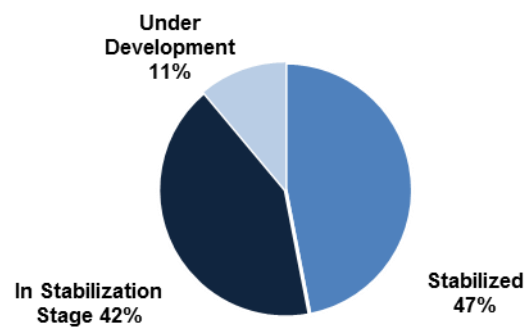
Segment



Category



Stabilization Stage



Hotel Classification

For an adequate comparison of the hotels, the hotel portfolio is segmented between hotels owned by the Company and hotels owned by third parties, which are under the management of HOTEL. This segmentation is due to the fact that the majority of revenue is driven by company-owned hotels. Hotels under management, while commercially important and relevant for the hotel platform, only generate management fees, which are shown in the P&L under Other Income.

The Company classifies its own hotels according to the stage in the stabilization cycle in which each hotel is found. Within this classification, hotels that have been in operation for at least 36 months are considered mature or stabilized. On the other hand, hotels that have been in operation for less than 36 months are considered to be in their stabilization stage or in their maturing period.

At 2014 year-end HOTEL owned 7 hotels, 3 stabilized hotels and 4 hotels still in their maturing period, and also had 4 third-party owned hotels under management.

The operating metrics include 3,206 rooms under operation out of a total of 3,507 rooms, given that 281 rooms are part of Vacation Club² and 20 rooms in Krystal Urban Cancun Centro are under renovation. The following table contains a summary of the detailed operating metrics of 4Q14, and full year 2014, compared with the same periods of the prior year.

The table illustrates the detail of operating metrics in accordance to this classification:

| Figures in Pesos | | Fourth Quarter | | | 12 months ended December | | |
|--|--|----------------|-----------|-------------|--------------------------|-----------|-------------|
| Hotel Classification | | 2014 | 2013 | %Var. | 2014 | 2013 | %Var. |
| Stabilized Owned Hotels | | 3 | 3 | 0.0 | 3 | 3 | 0.0 |
| Number of rooms | | 720 | 720 | 0.0 | 720 | 720 | 0.0 |
| Occupancy | | 61.2% | 59.0% | 2.2 pt | 58.6% | 57.0% | 1.6 pt |
| ADR | | 1,141 | 1,036 | 10.1 | 1,065 | 1,032 | 3.3 |
| RevPAR | | 699 | 612 | 14.2 | 624 | 588 | 6.2 |
| Owned Hotels in Stabilization Stage | | 4 | 3 | 33.3 | 4 | 3 | 33.3 |
| Number of rooms | | 1,093 | 901 | 21.3 | 1,093 | 901 | 21.3 |
| Occupancy | | 57.1% | 54.3% | 2.7 pt | 62.0% | 49.1% | 12.9 pt |
| ADR | | 1,226 | 1,154 | 6.3 | 1,181 | 962 | 22.8 |
| RevPAR | | 700 | 627 | 11.6 | 732 | 472 | 55.1 |
| Total Owned Hotels | | 7 | 6 | 16.7 | 7 | 6 | 16.7 |
| Number of rooms | | 1,813 | 1,621 | 11.8 | 1,813 | 1,621 | 11.8 |
| Occupancy | | 58.9% | 56.4% | 2.5 pt | 60.5% | 53.5% | 7.0 pt |
| ADR | | 1,188 | 1,099 | 8.1 | 1,131 | 1,003 | 12.8 |
| RevPAR | | 699 | 620 | 12.8 | 684 | 536 | 27.6 |
| Third-party Hotels Under Management | | 4 | 4 | 0.0 | 4 | 4 | 0.0 |
| Number of rooms | | 1,393 | 1,389 | 0.3 | 1,393 | 1,389 | 0.3 |
| Occupancy | | 67.1% | 59.0% | 8.0 pt | 69.7% | 69.1% | 0.6 pt |
| ADR | | 1,163 | 1,103 | 5.5 | 1,139 | 1,083 | 5.1 |
| RevPAR | | 780 | 651 | 19.9 | 793 | 748 | 6.0 |
| Total Hotels in Operation | | 11 | 10 | 10.0 | 11 | 10 | 10.0 |
| Number of rooms | | 3,206 | 3,010 | 6.5 | 3,206 | 3,010 | 6.5 |
| Occupancy | | 62.6% | 57.4% | 5.2 pt | 64.7% | 59.9% | 4.8 pt |
| ADR | | 1,176 | 1,100 | 6.8 | 1,135 | 1,041 | 9.0 |
| RevPAR | | 736 | 631 | 16.6 | 734 | 624 | 17.7 |

² 281 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 shown in the P&L under Other Income, therefore is excluded from this analysis

Consolidated Financial Results

| Figures in thousand pesos | Fourth Quarter | | | 12-months ended December | | |
|-------------------------------------|-----------------|----------------|----------------|--------------------------|-----------------|----------------|
| Income Statement | 2014 | 2013 | %Var. | 2014 | 2013 | %Var. |
| Room Revenue | 106,572 | 92,478 | 15.2 | 407,030 | 254,104 | 60.2 |
| Food and Beverage Revenue | 56,296 | 49,375 | 14.0 | 202,456 | 141,212 | 43.4 |
| Other Revenue | 25,240 | 20,868 | 20.9 | 112,476 | 86,097 | 30.6 |
| Total Revenue | 188,108 | 162,721 | 15.6 | 721,962 | 481,412 | 50.0 |
| Cost and Operating Expenses | 81,636 | 70,912 | 15.1 | 314,498 | 207,382 | 51.7 |
| Sales and Administrative | 44,306 | 47,053 | (5.8) | 183,061 | 139,686 | 31.1 |
| Other Expenses | 3,340 | 3,192 | 4.6 | 13,047 | 7,079 | 84.3 |
| Depreciation and Amortization | 24,992 | 19,244 | 29.9 | 80,384 | 56,633 | 41.9 |
| Total Costs and Expenses | 154,274 | 140,401 | 9.9 | 590,990 | 410,779 | 43.9 |
| Total Non Recurring Expenses | 1,669 | 6,346 | (73.7) | 6,735 | (15,737) | (142.8) |
| EBITDA | 58,826 | 41,564 | 41.5 | 211,357 | 127,266 | 66.1 |
| EBITDA Margin(%) | 31.3% | 25.5% | 5.7 pt | 29.3% | 26.4% | 2.8 pt |
| Operating Income | 32,165 | 15,975 | 101.3 | 124,238 | 86,370 | 43.8 |
| Operating Income Margin (%) | 17.1% | 9.8% | 7.3 pt | 17.2% | 17.9% | (0.7 pt) |
| Net Financing Result | (77,192) | (2,981) | 2489.7 | (130,873) | (38,243) | 242.2 |
| Total income taxes | 496 | 1,445 | (65.7) | 4,262 | 1,520 | 180.4 |
| Minority Interest | 0 | (3,639) | (100.0) | 0 | 4,592 | (100.0) |
| Net Income | (45,800) | 7,911 | (679.0) | (10,535) | 51,199 | (120.6) |
| Net Income Margin (%) | (24.3%) | 4.9% | (29.2 pt) | (1.5%) | 10.6% | (12.1 pt) |

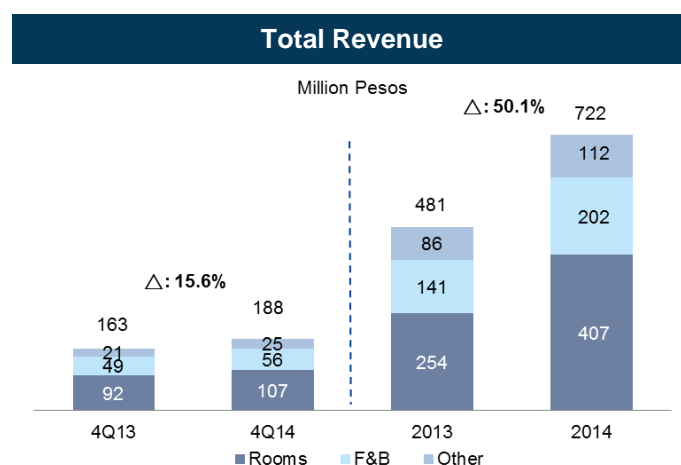
Total Revenue

For the 4Q14, Total Revenue increased 15.6%, from Ps. 162.7 million in 4Q13 to Ps. 188.1 million. This increase was mainly due to hotel room revenue as a result of ADR growth, as well as occupancy at the Hilton Puerto Vallarta and Krystal Grand Punta Cancun hotels. Moreover, Other Revenue grew as a result of the management contract of the Krystal Grand Reforma Uno hotel, which did not exist during 4Q13.

For 2014, Total Revenue rose 50.0%, from Ps. 481.4 million in 2013 to Ps. 721.9 million. This increase was mainly due to the outstanding performance of owned hotels under maturing process, which registered an increase of 12.9 percentage points in occupancy, 22.8% in ADR and 55.1% in RevPAR, compared to 2013.

Additionally, the base of the Company's owned hotels in the stabilization process reported a solid performance in 2014, resulting in growth of 2.2 percentage basis points in occupancy, 10.1% in ADR, which derived 14.2% RevPAR growth, compared to 2013.

Lastly, revenue from the Krystal Beach Acapulco hotel does not account for the full year 2013, since it was acquired in 2Q13. Likewise, the Krystal Urban Cancun Centro was acquired in 4Q14, therefore only contributing to the Company's total revenue for the last 16 days of the year.



Costs and Expenses

Operating Costs and Expenses for 4Q14 increased 15.1%, from Ps. 70.9 million in 4Q13 to Ps. 81.6 million. As a percentage of Total Revenue, operating costs and expenses represented 43.4% in 4Q14, in line with the 43.6% in 4Q13.

Operating Costs and Expenses for 2014 rose 51.7%, from Ps. 207.4 million in 2013 to Ps. 314.5 million in 2014. As a percentage of Total Revenue, operating costs and expenses represented 43.6% in 2014, in line with the 43.1% reached in 2013.

Sales and Administrative Costs and Expenses for 4Q14 declined 5.8%, from Ps. 47.1 million in the 4Q13 to Ps. 44.3 million. As a percentage of Total Revenue, administrative costs and expenses decreased from 28.9% during the 4Q13 to 23.6%, in 4Q14. This result was mainly derived from the cancellation of the operating contract with Hyatt at the Krystal Grand Punta Cancun hotel, which resulted in the elimination of fees from the use of the Hyatt brand, operating efficiencies that improved the hotel's profitability, as well as revenue growth in the aforementioned hotel.

Sales and Administrative Costs and Expenses for 2014 increased 31.1%, from Ps. 139.7 million in 2013 to Ps. 183.1 million. As a percentage of Total Revenue, administrative costs and expenses declined from 28.9% in 2013 to 23.6% in 2014 mainly derived from revenue growth and higher profitability, as a result of economies of scale from the corporate activities and hotel operation.

Operating Income

For 4Q14 Operating Income increased 101.3% to Ps. 32.1 million in 4Q14, compared to Ps. 16.0 million in 4Q13. The operating margin rose by 7.3 percentage points, from 9.8% in 4Q13 to 17.1% in 4Q14. From that increase, 4.3 percentage points correspond to improved profitability and the remaining is due to a decline in non-recurring expenses.

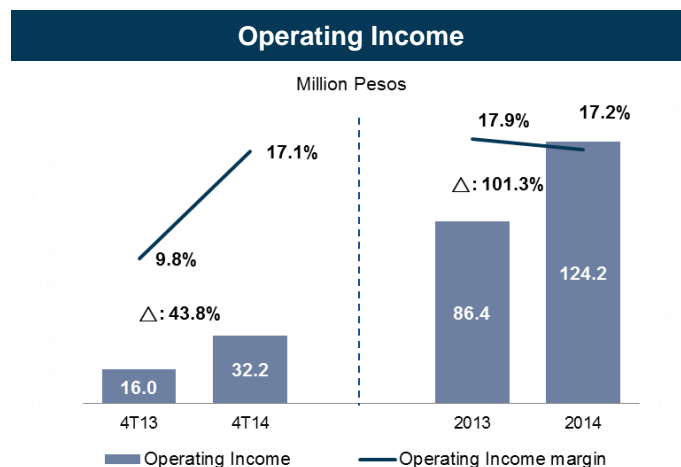
In 2014, Operating Income reached Ps. 124.2 million, an increase of 43.8%, compared to 2013. During this period the Company improved profitability driven by operating efficiencies. Total costs and expenses as a percentage of total revenue decreased 3.5 pt, from 86.3% in 4Q13 to 82.0% in 4Q14.

Operating Income margin decreased from 17.9% in 2013 to 17.2% in 2014. This was due to the Operating Income reported in 2013 experienced a positive accounting effect derived from the acquisition of the Krystal Beach Acapulco Hotel (bargain purchase gain). For comparable purposes, excluding the bargain purchase gain effect, the operating margin for 2013 would have been 11.2%. As so, the operating margin rose by 6.0 pt year-over-year, of which 3.5 pt correspond to an improvement in profitability, and the remainder from a decline in non-recurring expenses.

EBITDA

For the 4Q14 EBITDA reached Ps. 58.8 million, compared to Ps. 41.6 million in 4Q13, an increase of 41.5%. EBITDA margin increased 5.7 percentage points, from 25.5% in 4Q13 to 31.3% in 4Q14.

For 2014 EBITDA reached Ps. 211.4 million, compared to Ps. 127.3 million in 2013, an increase of 66.1%. EBITDA margin increased 2.8 percentage points, from 26.4% in 2013 to 29.3% in 2014.



| (Figures in thousand Pesos) | 4Q14 | 4Q13 | % Var. | 2014 | 2013 | % Var. |
|---|--------|--------|---------|---------|----------|--------|
| Operating Income | 32,165 | 15,975 | 101.3 | 124,238 | 86,370 | 43.8 |
| (+) Depreciation | 24,992 | 19,244 | 29.9 | 80,384 | 56,633 | 41.9 |
| (+) Bargain purchase gain ³ | - | - | NA | - | (32,635) | NA |
| (+) Development and hotel opening expenses ⁴ | 1,908 | 3,059 | (37.6) | 5,058 | 12,438 | (59.3) |
| (+) Other non recurring expenses ⁵ | (239) | 3,287 | (107.3) | 1,677 | 4,460 | (62.4) |
| EBITDA | 58,826 | 41,564 | 41.5 | 211,357 | 127,266 | 66.1 |

Net Financing Result

For 4Q14 net financing result went from a loss of Ps. 3.0 million in 4Q13 to Ps. 77.2 million, mainly derived from:

- An increase in foreign exchange losses that went from Ps. (5.4) million in 4Q13 to Ps. 73.3 million in 4Q14, due to the depreciation of the Mexican Peso vs. the US Dollar given that the Company's debt is denominated in U.S. dollars.
- A decline in net interest expense, from Ps. 7.5 million in 4Q13 to Ps. 3.4 million in 4Q14, due to interest expenses that were offset by the yield gained over the cash resources obtained during the IPO.

For 2014 net financing result went from a loss of Ps. 38.2 million in 2013 to Ps. 130.9 million, mainly derived from:

- An increase in foreign exchange losses, from Ps. 17.3 million in 2013 to Ps. 102.8 million in 2014, due to the depreciation of the Mexican Peso vs. the U.S. dollar year-over-year.
- An increase in net interest expense, from Ps. 25.4 million in 2014 to Ps. 17.3 million in 2013, explained by an increase in debt, which went from Ps. 672.3 million in 2013 to Ps. 1,103.6 million in 2014, as well as the yield gained over the cash resources obtained during the IPO.

The Company's financial debt is denominated in U.S. dollars since the hotels supporting it generate a portion of revenues in U.S. dollars, which is enough to service this debt. The Company will evaluate contracting debt in Mexican Pesos or U.S. dollars, as required and according to the currency generation in each hotel.

The exchange losses generated during the period is an accounting item that has no impact in the Company's cash flow.

Net Income and Accumulated Net Income

Net income declined from Ps. 7.9 million in 4Q13 to Ps. (45.8) million in 4Q14. Net accumulative income decreased from Ps. 51.2 million in 2013 to Ps. (10.5) in 2014. This decrease was mainly due to the foreign exchange losses during 4Q14.

³ Bargain purchase gain revenue was generated as the result from the difference between the reasonable value of the assets acquired during 2013 and the actual amount paid at the time of the acquisition.

⁴ Development and hotel opening expenses include expenses made by the development area in connection with acquisitions and the pursue 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, and the amortization of the investment in relation to the management contract of the Krystal Grand Reforma Uno.

Balance Sheet Summary

Figures in thousand pesos

| Balance Sheet Summary | Dic-14 | Dic-13 | Var \$ | Var % |
|---|------------------|------------------|----------------|--------------|
| Cash and cash equivalents | 535,633 | 34,995 | 500,638 | 1430.6 |
| Accounts receivables and other current assets | 82,247 | 69,182 | 13,065 | 18.9 |
| Creditable taxes | 143,961 | 107,638 | 36,322 | 33.7 |
| Total current assets | 761,840 | 211,815 | 550,025 | 259.7 |
| Property, furniture and equipment | 2,373,876 | 2,051,597 | 322,279 | 15.7 |
| Other fixed assets | 229,932 | 106,745 | 123,187 | 115.4 |
| Total non-current assets | 2,603,808 | 2,158,342 | 445,466 | 20.6 |
| Total Assets | 3,365,648 | 2,370,157 | 995,491 | 42.0 |
| Current installments of long-term debt | 254,356 | 80,727 | 173,629 | 215.1 |
| Other current liabilities | 102,917 | 162,467 | (59,550) | (36.7) |
| Total current liabilities | 357,273 | 243,194 | 114,079 | 46.9 |
| Long-term debt | 849,231 | 591,616 | 257,615 | 43.5 |
| Other non-current liabilities | 31,441 | 57,366 | (25,925) | (45.2) |
| Total non-current liabilities | 880,672 | 648,982 | 231,689 | 35.7 |
| Total Equity | 2,127,703 | 1,477,981 | 649,723 | 44.0 |
| Total Liabilities and Equity | 3,365,648 | 2,370,157 | 995,491 | 42.0 |

Cash and Equivalents

Cash and equivalents for 2014 reached Ps. 535.6 million, an increase of Ps. 500.6 million or 14.3x, compared to 2013. This increase was mainly due to the resources obtained from the Initial Public Offering that took place in September, 2014.

Property, Furniture & Equipment

As of 2014 this line item reached Ps. 2,373.9 million, an increase of 15.7%, compared to 2013. The Company carries out periodical remodeling and renovations of its fixed assets and, even though on April 2014, the Company acquired the property where the Krystal Urban hotel is being developed in Guadalajara; this line item was offset by the depreciation registered during the period. Additionally, in December 2014, the Company acquired the Krystal Urban Cancun Hotel for Ps. 254.1 million.

Net Debt

As of 2014, the Company's Net Debt was Ps. 527.3 million compared to Ps. 616.6 million in 2013. This is mainly attributed to the resources obtained from the Initial Public Offering that took place in September, 2014, which highlights the Company's solid financial structure to fulfill its expansion plans. This effect was partially offset by an increase in financial debt derived from the recent acquisition of the Krystal Grand Punta Cancun and the Krystal Urban Cancun Centro hotels and the revaluation of the Company's total debt by exchange rates, since the Company's total debt is denominated in U.S. dollars.

Recent Events

HOTEL's relevant events as of the day of this report are the following:

- Acquisition of the Krystal Urban Cancún Centro hotel
- Appointment of Oscar Chávez as Director of Acquisitions and Developement
- The subscription of the market maker contract with UBS Casa de Bolsa, S.A. de C.V., UBS Grupo Financiero
- The initiation of analysis coverage by Grupo Santander and Grupo Financiero Banorte

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.

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 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

Income Statement

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

Consolidated Income Statement
For the three and 12-month period ended 31 December 2014 and 2013
(Figures in thousand pesos)

| Figures in thousand Pesos | Fourth Quarter | | | 12 months ended December | | |
|---|-----------------|----------------|----------------|--------------------------|-----------------|----------------|
| Income Statement | 2014 | 2013 | % Var. | 2014 | 2013 | % Var. |
| Room Revenue | 106,572 | 92,478 | 15.2 | 407,030 | 254,104 | 60.2 |
| Food and Beverage Revenue | 56,296 | 49,375 | 14.0 | 202,456 | 141,212 | 43.4 |
| Other Revenue | 25,240 | 20,868 | 20.9 | 112,476 | 86,097 | 30.6 |
| Total Revenue | 188,108 | 162,721 | 15.6 | 721,962 | 481,412 | 50.0 |
| Cost and Operating Expenses | 81,636 | 70,912 | 15.1 | 314,498 | 207,382 | 51.7 |
| Sales and Administrative | 44,306 | 47,053 | (5.8) | 183,061 | 139,686 | 31.1 |
| Other Expenses | 3,340 | 3,192 | 4.6 | 13,047 | 7,079 | 84.3 |
| Depreciation and Amortization | 24,992 | 19,244 | 29.9 | 80,384 | 56,633 | 41.9 |
| Total Costs and Expenses | 154,274 | 140,401 | 9.9 | 590,990 | 410,779 | 43.9 |
| Bargain purchase gain* | 0 | 0 | NA | 0 | (32,635) | NA |
| Development and hotel opening expenses | 1,908 | 3,059 | (37.6) | 5,058 | 12,438 | (59.3) |
| Other non-recurring expenses | (239) | 3,287 | (107.3) | 1,677 | 4,460 | (62.4) |
| Total Non Recurring Expenses | 1,669 | 6,346 | (73.7) | 6,735 | (15,737) | (142.8) |
| EBITDA | 58,826 | 41,564 | 41.5 | 211,357 | 127,266 | 66.1 |
| EBITDA Margin(%) | 31.3% | 25.5% | 5.7 pt | 29.3% | 26.4% | 2.8 pt |
| Operating Income | 32,165 | 15,975 | 101.3 | 124,238 | 86,370 | 43.8 |
| Operating Income Margin (%) | 17.1% | 9.8% | 7.3 pt | 17.2% | 17.9% | (0.7 pt) |
| Net interest expenses | (3,440) | (7,476) | (54.0) | (25,377) | (17,325) | 46.5 |
| Net foreign currency exchange loss | (73,265) | 5,378 | (1462.2) | (102,779) | (17,453) | 488.9 |
| Other financial costs | (486) | (883) | (45.0) | (2,717) | (3,465) | (21.6) |
| Net Financing Result | (77,192) | (2,981) | 2489.7 | (130,873) | (38,243) | 242.2 |
| Undistributed income from subsidiaries, net | (278) | 0 | NA | 362 | 0 | NA |
| Income before taxes | (45,304) | 12,994 | (448.7) | (6,273) | 48,126 | (113.0) |
| Total income taxes | 496 | 1,445 | (65.7) | 4,262 | 1,520 | 180.4 |
| Minority Interest | 0 | (3,639) | (100.0) | 0 | 4,592 | (100.0) |
| Net Income | (45,800) | 7,911 | (679.0) | (10,535) | 51,199 | (120.6) |
| Net Income Margin (%) | (24.3%) | 4.9% | (29.2 pt) | (1.5%) | 10.6% | (12.1 pt) |

*Bargain purchase gain revenue was generated as the result from the difference between the reasonable value of the assets acquired during 2013 and the actual amount paid at the time of the acquisition.

Balance Sheet

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

Consolidated Balance Sheet

As of December 31 of 2014 and 2013

(Miles de pesos mexicanos)

| | 2014 | 2013 | Var \$ | Var % |
|--|------------------|------------------|----------------|--------------|
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | 348,133 | 34,995 | 313,138 | 894.8 |
| Restricted cash | 187,500 | - | 187,500 | NA |
| Accounts receivables from clients | 60,721 | 48,011 | 12,710 | 26.5 |
| Accounts receivables from related parties | 4,880 | 3,721 | 1,159 | 31.1 |
| Creditable taxes | 143,961 | 107,638 | 36,322 | 33.7 |
| Other current assets | 16,646 | 17,450 | (804) | (4.6) |
| Total current assets | 761,840 | 211,815 | 550,025 | 259.7 |
| Non-current Assets | | | | |
| Restricted cash | 40,661 | 20,704 | 19,957 | 96.4 |
| Property, furniture and equipment | 2,373,876 | 2,051,597 | 322,279 | 15.7 |
| Other assets | 42,965 | 12,874 | 30,091 | 233.7 |
| Investment in subsidiaries | 21,530 | 1,650 | 19,880 | 1204.9 |
| Deferred income taxes | 78,912 | 25,653 | 53,259 | 207.6 |
| Goodwill | 45,864 | 45,864 | - | 0.0 |
| Total non-current assets | 2,603,808 | 2,158,342 | 445,466 | 20.6 |
| Total assets | 3,365,648 | 2,370,157 | 995,491 | 42.0 |
| LIABILITIES AND SHAREHOLDERS EQUITY | | | | |
| Current liabilities | | | | |
| Current installments of long-term debt | 254,356 | 80,727 | 173,629 | 215.1 |
| Suppliers | 24,675 | 32,549 | (7,874) | (24.2) |
| Accrued liabilities | 40,853 | 31,236 | 9,618 | 30.8 |
| Provision for early termination of operation agreement | - | 45,864 | (45,864) | (100.0) |
| Accounts payable to related parties | 269 | 1,808 | (1,539) | (85.1) |
| Payable taxes | 22,432 | 33,979 | (11,547) | (34.0) |
| Shareholder loans | - | 1,331 | (1,331) | (100.0) |
| Client advanced payments | 14,688 | 15,701 | (1,013) | (6.5) |
| Total current liabilities | 357,273 | 243,194 | 114,079 | 46.9 |
| Non-current liabilities | | | | |
| Long-term debt | 849,231 | 591,616 | 257,615 | 43.5 |
| Other non-current liabilities | 31,441 | 57,366 | (25,925) | (45.2) |
| Total non-current liabilities | 880,672 | 648,982 | 231,689 | 35.7 |
| Total liabilities | 1,237,945 | 892,176 | 345,769 | 38.8 |
| Equity | | | | |
| Capital stock | 1,644,262 | 952,467 | 691,795 | 72.6 |
| Legal reserve | 190,493 | 190,493 | - | 0.0 |
| Premium on subscription of shares | 80,000 | 80,000 | - | 0.0 |
| Net income | (10,535) | 51,199 | (61,734) | (120.6) |
| Retained earnings | 223,483 | 177,900 | 45,582 | 25.6 |
| Shareholder's Equity | 2,127,703 | 1,452,060 | 675,644 | 46.5 |
| Non-controlling interest | - | 25,921 | (25,921) | (100.0) |
| Total Equity | 2,127,703 | 1,477,981 | 649,723 | 44.0 |
| Total liabilities and equity | 3,365,648 | 2,370,157 | 995,491 | 42.0 |

Cash Flow Statement

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

Consolidated Cash Flow

For the three and 12-month period ended 31 December 2014 and 2013

Figures in thousand Pesos

| Cash Flow Statement | Fourth Quarter | | 12 months ended December | |
|---|------------------|-----------------|--------------------------|------------------|
| | 2014 | 2013 | 2014 | 2013 |
| Cashflow from operating activities | | | | |
| Net income | (45,800) | 7,911 | (10,535) | 51,199 |
| Depreciation and amortization | 24,992 | 19,244 | 80,384 | 56,633 |
| Income taxes | 496 | 1,445 | 4,262 | 1,520 |
| Unrealized gain (loss) in foreign currency exchange | 76,941 | (5,066) | 104,457 | 8,581 |
| Net interest expense | 3,440 | 7,476 | 25,377 | 18,930 |
| Bargain purchase gain | - | - | - | (32,635) |
| Minority interest | - | 3,639 | - | (4,592) |
| Cashflow before working capital variations | 60,069 | 34,648 | 203,945 | 99,635 |
| Accounts receivable from clients | (2,761) | (13,838) | (12,710) | (19,946) |
| Accounts receivable from related parties | (2,223) | 17,738 | (1,159) | (424) |
| Other current assets | 13,878 | 4,216 | 804 | (11,257) |
| Creditable taxes | (41,562) | (64,152) | (36,322) | (92,805) |
| Suppliers | 5,419 | 15,210 | (7,874) | 3,150 |
| Accrued liabilities | (8,959) | 7,356 | 9,618 | 44,183 |
| Early termination provision of operating contract | - | (0) | (45,864) | - |
| Accounts payable to related parties | (351) | (1,404) | (1,539) | (1,175) |
| Downpayments from clients | (8,050) | 942 | (1,013) | 11,782 |
| Payable taxes | 18,845 | 28,899 | (15,808) | (15,443) |
| Net operating cashflow | 34,304 | 29,614 | 92,077 | 17,700 |
| Investment activities | | | | |
| Acquisition of property, furniture and equipment | (308,531) | (18,102) | (398,126) | (697,251) |
| Investment in subsidiary | 275 | (1,650) | (19,880) | (1,650) |
| Distribution effect of capitalized premium | - | (21,054) | - | (21,050) |
| Other net assets and liabilities | (12,964) | 46,791 | (113,813) | (7,564) |
| Cashflow from investment activities | (321,220) | 5,985 | (531,819) | (727,515) |
| Financing activities | | | | |
| Shareholders' paid-in capital | - | - | - | 282,463 |
| Net increase in paid-in capital from IPO | - | - | 681,809 | - |
| Net increase in paid-in capital from merger | - | - | 32,470 | - |
| Repurchase of shares | (13,959) | - | (22,484) | - |
| Obtained loans | 183,310 | 42,451 | 466,079 | 523,918 |
| Payment of interest and loan amortization | (68,082) | (13,864) | (164,669) | (45,467) |
| Obtained loans from shareholders | - | (47,338) | (1,331) | (48,694) |
| Effect from non-controlling interest merger | 0 | - | (31,538) | - |
| Cashflow from financing activities | 101,270 | (18,751) | 960,337 | 712,220 |
| Net (decrease) increase in cash and cash equivalents de efectivo | (185,646) | 16,848 | 520,595 | 2,405 |
| Cash and cash equivalents at the beginning of the period | 734,099 | 23,340 | 34,995 | 47,988 |
| Restricted cash at the beginning of the period | 27,841 | 15,510 | 20,704 | 5,306 |
| Cash and cash equivalents at the end of the period | 576,294 | 55,699 | 576,294 | 55,699 |
| Restricted cash at the end of the period | 228,161 | 20,704 | 228,161 | 20,704 |
| Total Cash at the end of the period | 348,133 | 34,995 | 348,133 | 34,995 |

Contact Information

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

4Q14 Conference Call Details:

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

Date: Wednesday February 25, 2015

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

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

To participate in the Q&A session please dial the following telephone numbers:

| | | |
|-----------------------|----------------|-----------------|
| Phone Numbers: | USA: | 1 877 407-0784 |
| | Mexico: | 01 800-522-0034 |
| | Other: | 1 201 689-8560 |