

Hoteles City Express Announces First Quarter 2018 Results

Mexico City, April 25, 2018 – Hoteles City Express S.A.B. de C.V. (BMV: HCITY) (“Hoteles City Express” or the “Company”), released its results for the first quarter of 2018 (“1Q18”). The numbers have been prepared in accordance with International Financial Reporting Standards (“IFRS”), and are presented in Mexican pesos (“\$”).

Summary of Relevant Operating and Financial Information (1Q18)

- At the Chain level, the Average Daily Rate (“ADR”) and the Revenue per Available Room (“RevPar”) increased 2.1% and 7.0% over 1Q17, to \$977 and \$569, respectively. Chain occupancy in 1Q18 was 58.3%, which is 268 basis points higher than occupancy in 1Q17.
- Total Revenues were \$686.1 million, which is a 20.1% increase over the same quarter in 2017, due mainly to an 11.1% increase in the number of Installed Room Nights at the Chain level, in combination with growth of 7.0% in the RevPar.
- Operating Income was \$142.5 million in 1Q18, which is a 29.7% increase over the same quarter of the prior year.
- EBITDA and Adjusted EBITDA were \$236.9 million and \$241.0 million, respectively, which in turn resulted in increases of 22.2% and 22.9% over the same period in the previous year. EBITDA and Adjusted EBITDA margins during the period were 34.5% and 35.1%, respectively.
- Net Income for the period increased to \$50.3 million. Net Income margin was 7.3% in the quarter.
- At quarter end, the Chain was operating 137 hotels, an increase of 13 new units over the 124 hotels that were operating at the close of the same period in 2017. The number of rooms in operation in 1Q18 was 15,461, an increase of 11.8% over the 13,829 rooms operating at the close of 1Q17.



INVESTOR RELATIONS CONTACT:

Santiago Mayoral

Corporate Finance and Investor Relations

Tel: + (5255) 5249 8067

E-mail: smayoral@hotelescity.com

Income Statement Highlights (Thousands of Pesos)	1Q18	1Q17	1Q18 vs 1Q17
			% Change
Rooms in Operation	15,461	13,829	11.8%
Revenues from Hotel Operation	640,032	537,065	19.2%
Revenues from Hotel Management	46,090	34,243	34.6%
Total Revenues	686,122	571,308	20.1%
Operating Income	142,456	109,870	29.7%
Operating Income Margin	20.8%	19.2%	153 bps
Adjusted EBITDA	240,996	196,076	22.9%
Adjusted EBITDA Margin	35.1%	34.3%	80 bps
EBITDA	236,853	193,761	22.2%
EBITDA Margin	34.5%	33.9%	61 bps
Net Income	50,287	38,417	30.9%
Net Margin	7.3%	6.7%	60 bps

Adjusted EBITDA = Operating income + depreciation + amortization + non-recurring expenses (pre-opening expenses for new hotels).

Comments from Mr. Luis Barrios, CEO of Hoteles City Express:

"In a more stable macroeconomic environment than 12 months ago, Hoteles City Express reported solid results that reflect the strength of its business model.

Historically low levels of unemployment, total payroll that is growing consistently, and an improving consumption dynamic, all point to high demand for top-quality rooms throughout the country. Hoteles City Express has an inventory of more than 15,400 rooms in 30 states and 68 cities in Mexico and three other countries throughout Latin America.

Our commercial efforts continue not only to be at the forefront of the industry, but also a key element for maximizing our profitability. With occupancy 2.7 percentage points higher than in 1Q17 and positive ADR growth, our RevPar increased 7.0%.

Our Total Revenues grew by more than 20%, while the Company's productivity was reflected in Operating Income, which grew 1.5 times more quickly than revenues. The Company's Adjusted EBITDA Margin increased by almost 100 bps to 35.1%, which is the highest level of this metric in our history for a first quarter.

Today more than ever, our innovative platform for operation, distribution and digital marketing continues to drive the Company's profitability. With infrastructure that will allow us to operate more than 200 hotels with minimal cost increases, we are positioned to continue pushing the Company's ambitious growth.

Our 2018 development plan is advancing as expected. Given our disciplined approach to cost control and our experience in developing hotels we are confident that we will open more than 20 new units over the next 12 months.

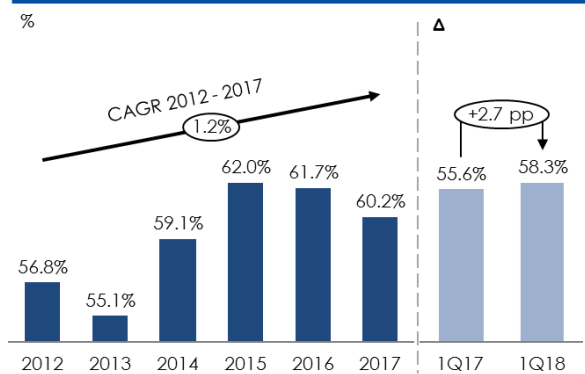
Finally, we are very pleased to tell you that the Company is in the final stages of launching FIBRA STAY. With market interest, unanimous approval at our Shareholders Meeting on February 15, and the conclusion of the initial public offering process getting ever closer, we expect to see FSTAY start trading in the coming weeks.

We will continue to work tirelessly to be the best alternative for profitable growth in Mexico and the rest of Latin America."

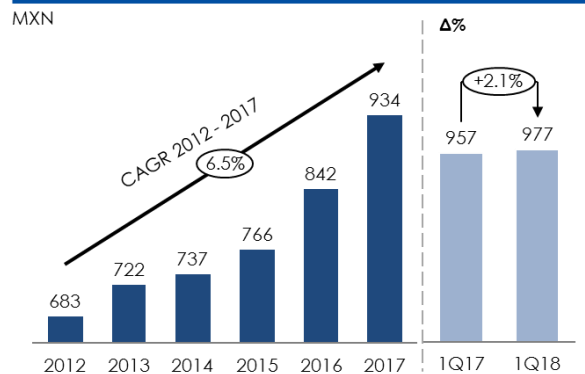
Operating Statistics: Hotel Chain

As a result of our efforts to optimize room inventory, Chain occupancy increased by 2.7 percentage points during the first quarter of 2018, to 58.3%, which is a reflection of solid demand for room nights. This was the result of a 2.1% increase in the ADR, which led to the Chain's RevPAR increasing 7.0% over the same period in 2017.

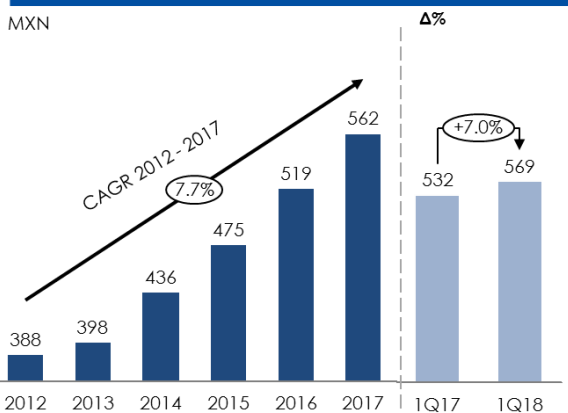
Occupancy



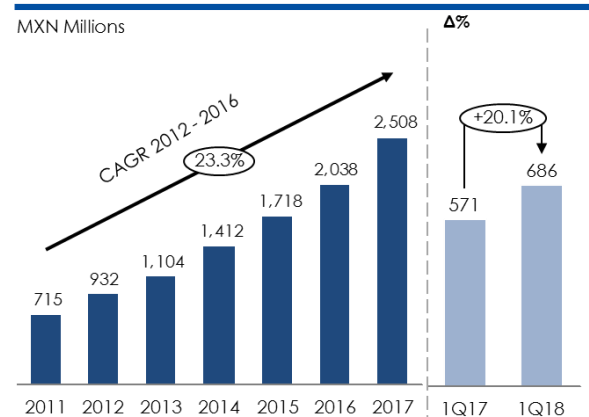
ADR



RevPAR

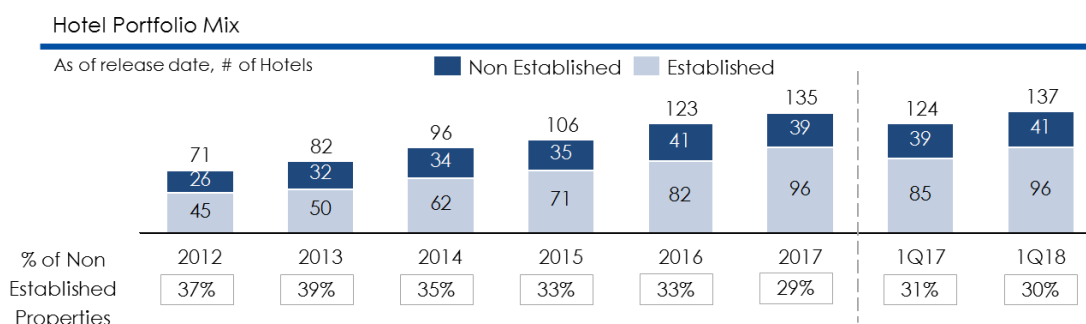


Total Consolidated Revenues



Operating Statistics: Established Hotels

For an adequate comparison of its hotels with similar maturity periods, Hoteles City Express defines “Established Hotels” as those hotels which, on a given date, have been in operation for at least 36 months. Once hotels have reached the third anniversary of their opening date, they have usually achieved their stabilized cycle, although this does not mean that these hotels cannot reach higher Occupancy and ADR levels over time. Similarly, hotels classified as “Non-Established” are those that have been operating for less than 36 months on a given date, and consequently are in a market penetration phase, with greater potential for gains in RevPAR.



At the close of 1Q18, the Chain had 96 Established Hotels and 41 Non-Established Hotels.

During the quarter, Established Hotels recorded a 3.4% increase in RevPAR, due to a 1.0% increase in the ADR and an increase of more than one percent in occupancy. It is important to note that the moderate increase in this portfolio is particularly strong considering a significantly high comparative basis, which was the result of the start of efforts to optimize installed capacity and yield management that the Company implemented in 2017.

Established Hotels	1Q18	1Q17	Change 1Q18 vs 1Q17
Hotels	96	85	12.9%
Rooms	10,963	9,698	13.0%
Occupancy	61.3%	59.9%	140 bps
ADR (\$)	942	933	1.0%
RevPAR (\$)	578	559	3.4%

Results by Business Segment (Non-IFRS Numbers)

Hoteles City Express reports according to IFRS, therefore, during the consolidation process certain revenues and inter-company costs were eliminated, mainly administrative fees and franchise royalties from hotels that are owned, co-owned and leased.

Revenues by Segment (Thousands of Pesos)	1Q18	1Q17	1Q18 vs 1Q17 % Change
Hotel Operation	644,501	539,348	19.5%
Hotel Management	187,043	154,549	21.0%
Total	831,544	693,897	19.8%

Revenues from the Hotel Operations segment increased 19.5%, rising from \$539.3 million in 1Q17 to \$644.5 million in 1Q18, due to the 16.5% increase in Occupied Room Nights and to the 2.1% increase in the ADR.

Revenues from Hotel Management increased 21.0%, rising from \$154.5 million in 1Q17 to \$187.0 million in 1Q18, due to more activity in Hotel Operations during the period, as well as to the increase in revenues from supervising new hotel development.

Total Revenues for the combined segments increased 19.8%, rising from \$693.9 million in 1Q17 to \$831.5 million in 1Q18.

In order to show the Company's potential hotel inventory, Hoteles City Express reports the results of the "FSTAY Portfolio," which includes the performance of 42 hotels that are wholly owned by the Company, and which began operations prior to December 31, 2015. Although these hotels are not 100% established according to the Company's definition, they show performance characteristics that are similar to those that a portfolio of hotels would have after the ramp-up phase.

Presented below is a breakdown of the results according to IFRS by type of portfolio and business segment.

Summary of Non IFRS Financial Metrics As of March 31, 2018	FSTAY Portfolio	Non FSTAY Portfolio	Total Hotel Operation	Hotel Management	Non IFRS Total	IFRS Eliminations	Total IFRS
Hotels	42	59	101	137	137		137
Rooms	4,900	6,708	11,608	15,461	15,461		15,461
Occupancy	61.8%	56.4%	58.7%	58.3%	58.3%		58.3%
ADR	1,011	961	984	977	977		977
RevPAR	625	543	578	569	569		569
Total Revenues	287,401	357,100	644,501	187,043	831,544	(145,423)	686,122
General Costs and Expenses	(180,117)	(273,756)	(453,873)	(136,675)	(590,548)	145,423	(445,125)
Adjusted EBITDA	107,284	83,344	190,628	50,369	240,996	0	240,996
Margin	37.3%	23.3%	29.6%	26.9%	29.0%		35.1%
Other non recurrent expenses	0	(4,143)	(4,143)	0	(4,143)	0	(4,143)
EBITDA	107,284	79,201	186,484	50,369	236,853	0	236,853
Margin	37.3%	22.2%	28.9%	26.9%	28.5%		34.5%
Depreciation	(38,268)	(56,129)	(94,397)	0	(94,397)	0	(94,397)
Operating Income	69,016	23,072	92,087	50,369	142,456	0	142,456

Occupancy in the FSTAY Portfolio was 61.8%, compared to 56.4% of the Non-FSTAY Portfolio, which is 5.4% higher. In turn, the average rate in the FSTAY Portfolio was 5.2% higher than the \$961 rate in the Non-FSTAY Portfolio, while the RevPAR varied 15.1% in favor of the FSTAY Portfolio.

Adjusted EBITDA for the FSTAY Portfolio was 28.7% higher than Adjusted EBITDA in the Non-FSTAY Portfolio, due to the latter's stabilization process. EBITDA Margins for properties with more than 36 months in operation typically are between 38% and 42%.

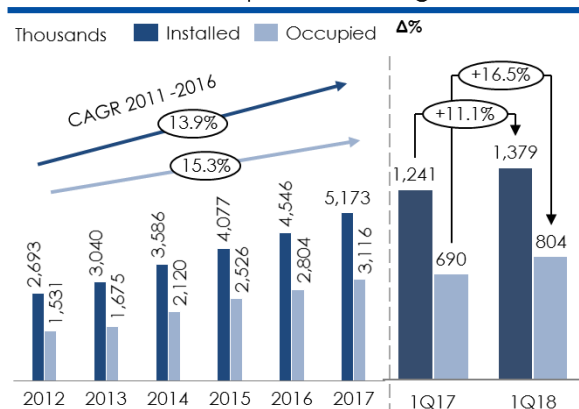
Consolidated Financial Results (IFRS Numbers)

Income Statement Highlights (Thousands of Pesos)	1Q18	1Q17	1Q18 vs 1Q17
			% Change
Rooms in Operation	15,461	13,829	11.8%
Revenues from Hotel Operation	640,032	537,065	19.2%
Revenues from Hotel Management	46,090	34,243	34.6%
Total Revenues	686,122	571,308	20.1%
Operating Income	142,456	109,870	29.7%
Operating Income Margin	20.8%	19.2%	153 bps
Adjusted EBITDA	240,996	196,076	22.9%
Adjusted EBITDA Margin	35.1%	34.3%	80 bps
EBITDA	236,853	193,761	22.2%
EBITDA Margin	34.5%	33.9%	61 bps
Net Income	50,287	38,417	30.9%
Net Margin	7.3%	6.7%	60 bps

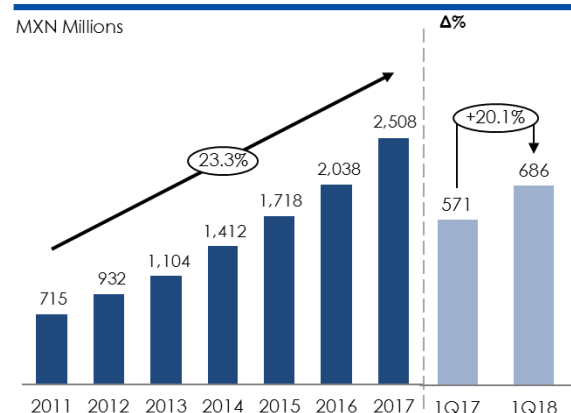
Revenues

In 1Q18, Total Revenues increased 20.1%, rising from \$571.3 million in 1Q17 to \$686.1 million in 1Q18. Growth in Revenues was mainly due to an 11.1% increase in the number of Installed Room Nights, which was the result of opening 13 hotels, and the 2.1% increase in the ADR, which was the result of the yield management efforts the Company has been implementing over the last 18 months.

Installed and Occupied Room Nights



Total Consolidated Revenues



Costs and Expenses

Total Costs and Expenses rose 17.5%, from \$459.1 million in 1Q17 to \$539.5 million in 1Q18. This increase is mainly in line with growth in Total Revenues. Administrative and Sales Expenses were \$109.5 million in 1Q18, a 16.9% increase over the same period in the prior

year, showing the scalability of the Company's operating platform, which grew its revenues by 34.6% in 1Q18.

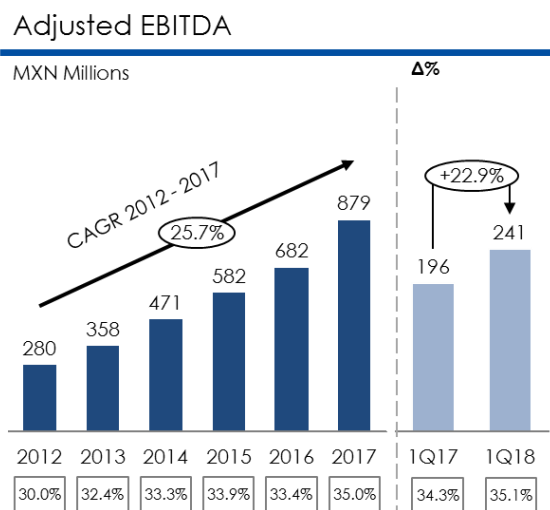
Operating Income

In the first quarter of 2018, Operating Income was \$142.5 million, compared to \$109.9 million reported in 1Q17, which is a 29.7% increase during the period. In turn, Operating Income Margin increased 153 bps, rising from 19.2% in 1Q17, to 20.8% in 1Q18.

EBITDA and Adjusted EBITDA

During 1Q18, EBITDA and Adjusted EBITDA grew 22.2% and 22.9%, respectively, in comparison with the first quarter 2017. EBITDA was \$236.9 million in 1Q18, and Adjusted EBITDA was \$241.0 million during that same period. EBITDA margin was 34.5%, and the Adjusted EBITDA margin was 35.1%.

Hoteles City Express calculates its Adjusted EBITDA by adding its depreciation expenses and non-recurring expenses related to hotel openings to its Operating Income. Adjusted EBITDA is a useful measure that Hoteles City Express uses to compare its performance with that of other companies, thus making it easier to properly analyze its consolidated performance during different periods by eliminating from its operating results the impact of specific non-recurring expenses related to hotel openings.



Financial Expenses

Financial Expenses increased to \$79.6 million in 1Q18, due to: a) Use of bank financing over the last 12 months for hotel construction; b) Financial products from lower cash balances; and c) Increased financial costs resulting from higher interest rates.

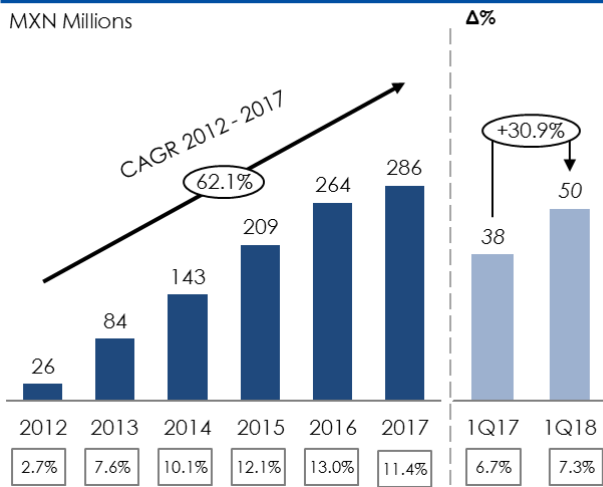
Over the last 12 months, financial liabilities increased by 3.7% from \$2,487.1 million in 1Q17 to \$2,578.8 million in 1Q18. Cash and cash equivalents, however, dropped 46.5%, from \$1,560.8 million in 1Q17 to \$835.8 million in 1Q18, which was the result of cash investments in developing new hotels. The combination of these variables took the net cost of

financing¹ from \$35.6 million in 1Q17 to \$50.8 million in 1Q18. Finally, the net exchange rate result in 1Q18 showed a loss of \$28.8 million.

Net Income

Net Income

MXN Millions



Net Income for 1Q18 was \$50.3 million, compared to the Net Income of \$38.4 million reported in the same quarter of the prior year. Majority Net Income was \$48.1 Million.

¹ Net financing cost is calculated as interest paid minus interested earned.

Financial Position and Leverage

Balance Sheet Highlights (Thousands of Pesos)	As of March 31, 2018	As of December 31, 2017
Cash and Equivalents	835,774	1,190,624
Financial Debt ⁽¹⁾	2,570,427	2,714,774
Net Debt	1,734,653	1,524,150

1. Does not include interest payable of \$8.4 million as of March 31, 2018, and \$13.7 million as of December 31, 2017.

At the close of 1Q18, the Company had \$835.8 million in Cash and Cash Equivalents, which was a 29.8% decrease over the close of December 2017, due to the Company's use of its own development resources as part of the objective of optimizing the balance sheet and maximizing the overall ROIC of Hoteles City Express.

Debt with financial institutions net of interest payable decreased 5.3% in comparison with the close of December 2017 to \$2,570.4 million, of which \$110.7 million expires over the next 12 months and \$222.7 million is denominated in foreign currency. During the first quarter of 2018, the Company made debt payments of \$174.7 million, and disbursed \$54.0 million in credit lines. If necessary, the Company has credit lines backed by financial institutions that are available to disburse approximately \$1,150.0 million.

At the close of the quarter ended March 31, 2018, the Company reported Net Debt of \$1,734.7 million, compared with Net Debt at the close of December 31, 2017 of \$1,524.2 million.

Breakdown of Productive Fixed Assets

In order to plan for growth over the coming years, the Company has several asset layers in its Total Assets.

At the close of the quarter, the Company had a land bank with an approximate historical cost of \$627.1 million, as well as construction in process, refurbishment projects, and land assigned to that construction in process for more than \$1,013.0 million. The productive assets or gross fixed assets related to operating hotels were approximately \$10,104.0 million. Regarding the portfolio that comprises the productive assets at the close of 1Q18, 70% of total properties were Established Hotels, and the remaining 30% were Non-Established Hotels.

Cash Flow Generation and Use of the Share Repurchase Program

Regarding cash flow generation, in 1Q18 Hoteles City Express generated \$110.1 million in Net Cash Flow from Operating Activities. It invested \$361.6 million in acquisition of properties, furniture, equipment and improvements to leased properties, compared to the \$400.6 million it invested in the same line in 1Q17, and it obtained net financing flows for (\$141.5) million, compared with flows of (\$101.9) million reported in 1Q17.

During 1Q18, the Company used \$2.8 million to its share repurchase fund, which amount represents approximately 117,000 shares.

Note that the shares acquired through buybacks described here are recorded as shareholders' equity, thus they remain part of the total number of shares in circulation, and that number of shares in circulation has not been reduced or modified in any way since the cancellation of shares in the most recent annual shareholders meeting. Furthermore, due to the method used to record these shares, the Company is able to sell them in the market without any limitation whatsoever, and at the price determined by the market on each trading day.

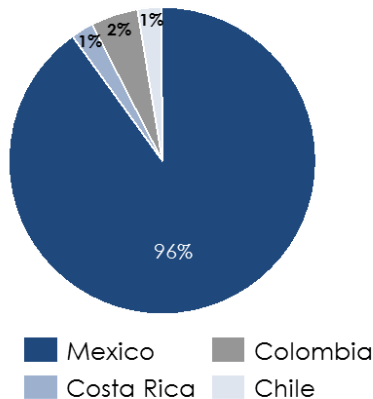
Portfolio of Hotel Assets

Hoteles City Express currently has hotel inventory of 137 hotels in 30 states and 68 cities in Mexico, four hotels in Colombia, one hotel in Costa Rica, and one hotel in Chile. Below is a breakdown of the hotel portfolio:

Hotel Portfolio by Geographic Location

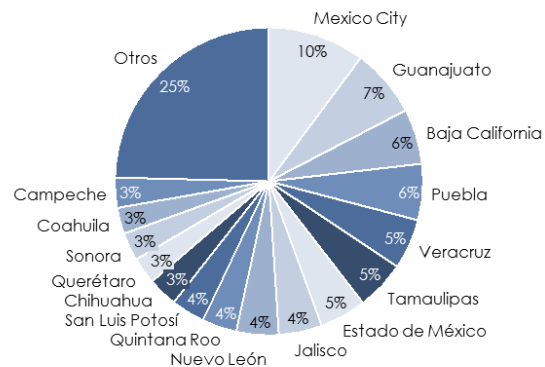
By Country

As of release date



Mexico

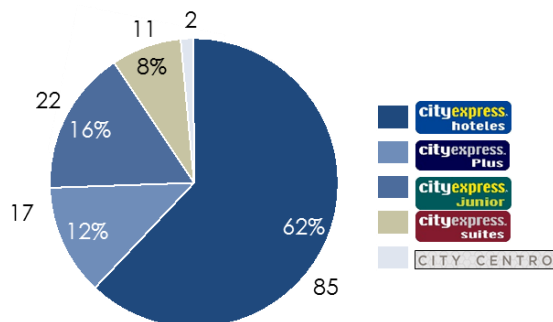
As of release date



(1) Others: Sinaloa, Michoacán, Tabasco, Baja California Sur, Chiapas, Yucatan, Aguascalientes, Oaxaca, Colima, Zacatecas, Hidalgo, Durango, Nayarit and Tlaxcala

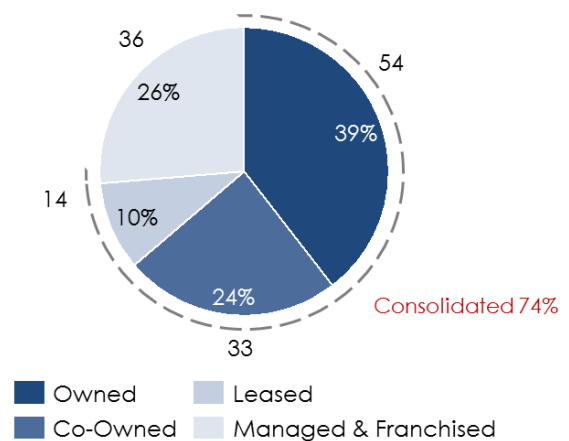
Hotel Portfolio by Brand

As of release date, # of Hotels and % of Total Portfolio



Hotel Portfolio by Ownership

As of release date, # of Hotels and % of Total Portfolio

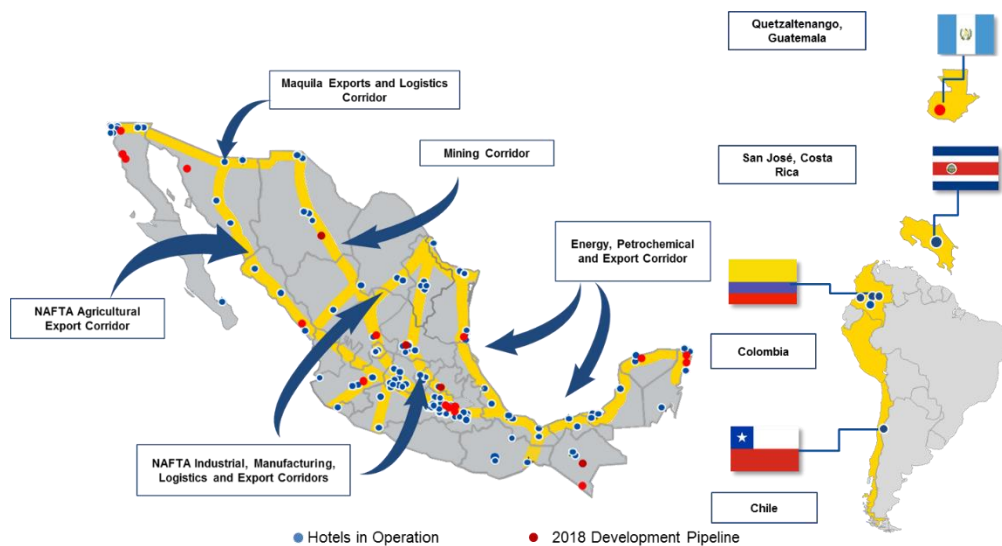


Hotel Development

Hoteles City Express has a development plan that is focused on areas that have attractive, demand-generating market dynamics. There are currently more than 37 projects under construction and in advanced stages of permitting and licensing, mainly in Mexico.

The Company expects to open more than 2,400 rooms in 21 new units in the coming months. The following table shows the current status of the Development Plan.

Hotel Number	Development Pipeline	Hotel	Brand	Investment Scheme	Opening	Rooms	Location	Development Stage
Owned and Co-Owned Properties								
137		Cj CDMX Sullivan	City express junior	Owned	3Q18	96	Ciudad de México	Under Construction
138	1	CP Mérida	City express Plus	Co-Owned	3Q18	135	Yucatán	Under Construction
139	2	CC San Luis Potosí	City Centro	Owned	3Q18	70	San Luis Potosí	Under Construction
140	3	CP Interlomas	City express Plus	Owned	3Q18	141	Estado de México	Under Construction
141	4	Ce Tapachula	City express	Owned	3Q18	116	Chiapas	To Begin Construction
142	5	CP Tampico	City express Plus	Co-Owned	3Q18	122	Tamaulipas	Under Construction
143	6	CP Cancún Health City	City express Plus	Co-Owned	4Q18	122	Quintana Roo	Under Construction
144	7	CS Cancún Health City	City express Suites	Co-Owned	4Q18	66	Quintana Roo	Under Construction
145	8	CP Tijuana	City express Plus	Owned	4Q18 / 1Q19	154	Baja California	Under Construction
146	9	Ce Ensenada	City express	Co-Owned	4Q18 / 1Q19	127	Baja California	Under Construction
147	10	CP Guadaluajara Providencia	City express Plus	Owned	4Q18 / 1Q19	155	Jalisco	To Begin Construction
148	11	CP Ensenada	City express Plus	Co-Owned	4Q18 / 1Q19	134	Baja California	Under Construction
Hotels Under Management and Franchise Contracts								
149		Ce Atlixco	City express	Franchise	1Q18	108	Puebla	Open
150		Ce Comitán	City express	Managed	3Q18	105	Chiapas	Under Construction
151		Ce Delicias	City express	Managed	3Q18	115	Chihuahua	Under Construction
152	12	Ce Gustavo o Baz	City express	Managed	3Q18	124	Estado de México	Under Construction
153	13	Ce Caborca	City express	Managed	3Q18	99	Sonora	To Begin Construction
154	14	Ce CDMX La Villa	City express	Managed	4Q18 / 1Q19	106	Ciudad de México	Under Construction
155	15	CP Mazatlán	City express	Managed	4Q18 / 1Q19	130	Sinaloa	To Begin Construction
156	16	Ce Quetzaltenango	City express	Franchise	4Q18 / 1Q19	90	Guatemala	Under Construction
157	17	Ce Cuauhtitlán	City express	Managed	4Q18 / 1Q19	129	Estado de México	Under Construction
Total						2,444		



Environmental, Social and Economic Sustainability

Hoteles City Express' Sustainability Policy consists of the following:

"To be a catalyst for positive economic, social and environmental impacts in every community where we operate, incorporating innovation and integral development through long-term value creation."

All hotels in the Chain are built to comply with international certification standards. The following are some of the most important certifications and awards that have been granted to Hoteles City Express:

- Sustainable IPC: As of February 2017, Hoteles City Express is part of the index that recognizes companies' best sustainability practices, with the objective of building a solid economy that is suitable for current and future environments.
- LEED-EB-O&M Certification: Granted by the United States Green Building Council (USGBC). The portfolio of hotels that currently has this certification are: LEED Gold for Hoteles City Express Reynosa and City Express Saltillo and LEED Silver for Hoteles City Express San Luis Potosí, City Express Guadalajara, City Express Irapuato, City Express Puebla Centro, City Express Querétaro, City Express Monterrey Santa Catarina, City Express Playa del Carmen, City Express Puebla Angelopolis, and City Express Los Mochis.
- EDGE (Excellence in Design for Greater Efficiencies): A certification system created by the World Bank International Financial Corporation (IFC). Hoteles City Express was the first company in the world to receive the EDGE green building certification. The portfolio of hotels that currently has this certification is: City Express Villahermosa, City Express Plus Santa Fe, City Express Durango, City Express Querétaro Jurica, City Express Costa Rica and City Express Suites Santa Fe, City Express Junior Ciudad del Carmen, City Express Irapuato Norte and City Express Junior Puebla Autopista.
- Biosphere Responsible Tourism Certification: Created by the Responsible Tourism Institute (ITR), of which Hoteles City Express is a member, Hoteles City Express is the first company in the world to pursue certification for all hotels in its Chain. It currently has 70 hotels certified.
- Distintivo Hotel Hidro Sustentable: Recognition granted by members of Alianza por la Sustentabilidad Hídrica en el Turismo, which encourages best environmental practices in the use and preservation of water, as well as application of Mexican law. Hoteles City Express has won this award at the following hotels: City Express Plus Insurgentes Sur, City Express Plus Patio Universidad, City Express El Ángel Reforma, City Express Plus EBC Reforma, City Express Buenavista, City Express Campeche, City Express Ciudad Del Carmen, City Express Mérida, City Express Villahermosa and City Express Paraíso Tabasco.

- Distintivo “S” Garantía de Sostenibilidad: The Ministry of Tourism, in collaboration with EarthCheck and Rainforest Alliance, has recognized Hoteles City Express for its sustainable practices according to the sustainability criteria established by the World Tourism Organization (WTO). The hotels that currently have this certification are: City Express Mérida, City Express Suites Puebla Autopista, City Express San Luis Potosí Universidad, City Express Irapuato Sur, City Express Suites Anzures, City Express Manzanillo, City Express Cananea and City Express Zacatecas.
- Distintivo Empresa Socialmente Responsable: A distinction granted by Centro Mexicano para la Filantropía, ranking Hoteles City Express as one of the best companies in corporate governance, corporate quality of life, environmental commitment and social engagement in Mexico, with a score placing it 35% higher than all other applications submitted for the fourth consecutive year.
- Adherence to the UN Global Compact: By joining the UN Global Compact, the Company is part of a global commitment to ten universally accepted principles, including human rights, labor standards, environmental conservation, and anti-corruption.
- Adherence to the National Code of Conduct for the Protection of Girls, Boys and Adolescents in the Travel and Tourism Sector. At present, Hoteles City Express has 110 properties that have signed and implemented this code of conduct, committing to develop activities to prevent sexual and labor exploitation of girls, boys and adolescents in the tourism sector.

Regarding its Social Responsibility initiatives, Hoteles City Express focuses on high-impact projects that create value for society, and that increase the social and economic well-being of communities. The Company therefore concentrates its efforts on supporting initiatives related to entrepreneurship, education and social engagement that create sustainable, long-term benefits.

For more information on the initiatives of Hoteles City Express, please go to: www.cityexpress/en/sustainability

Conference Call Details:

Hoteles City Express will host a conference call to discuss these results. Details on the call follow:

Date: Thursday, April 26, 2018

Time: 10:00 am Eastern Time / 09:00 am Mexico City Time

Telephones: 1-888-317-6003 (from within the USA) /

1-412-317-6061 (outside the USA)

001-866-6754-929 (toll free from within Mexico)

Code: 9532155

Webcast: <https://services.choruscall.com/links/hcity180426.html>

Conference call replay will be available for 30 days:

U.S.: 1-877-344-7529/ International: 1-412-317-0088

Code: 10119402

About Hoteles City Express:

Hoteles City Express is the leading and fastest-growing, limited-service hotel chain in Mexico in terms of number of hotels, number of rooms, geographic presence, market share and revenues. Created in 2002, Hoteles City Express specializes in offering high-quality, comfortable and safe lodging at affordable prices via a limited-service hotel chain geared mainly towards domestic business travelers. With 137 hotels located in Mexico, Costa Rica, Chile and Colombia, Hoteles City Express operates five distinct brands: City Express, City Express Plus, City Express Suites, City Express Junior and City Centro, to serve different segments of its target market. In June 2013, Hoteles City Express completed its IPO and began trading on the Mexican Stock Exchange under the ticker symbol "HCITY," and in October 2014, Hoteles City Express completed a follow-on share issuance with the aim of accelerating its growth in new hotels in the short- and medium-term.

HCITY has formal coverage, notes and analytical assessment by the following financial institutions and analysts: Activer (Pablo Duarte), Bank of America Merrill Lynch (Carlos Peyrelongue), Citigroup (Alejandro Lavín), GBM (Héctor Vázquez), ITAU BBA (Enrico Trotta), J.P. Morgan (Adrián Huerta), Morgan Stanley (Nikolaj Lippman), Santander (Cecilia Jiménez), Signum Research (Armando Rodríguez) and UBS (Marimar Torreblanca).

For more information, please visit our website: <https://www.cityexpress.com/en/investors>

Disclaimer:

The information presented in this report contains certain forward-looking statements and information regarding Hoteles City Express, S.A.B. de C.V. and its subsidiaries (jointly, the "Company"), which are based on the understanding of its management, as well as assumptions and information currently available to the Company. These statements reflect the Company's current vision regarding future events and are subject to certain risks, factors of uncertainty and assumptions. Many factors may cause the results, performance and current achievements of the Company to be materially different with respect to any future results, performance and accomplishments of the Company that might be included, expressly or implicitly, within such forward-looking statements, including, among others: changes in general economic and/or political conditions, governmental and commercial changes at the global level and in the countries where the Company does business, changes in interest rates and inflation, exchange rate volatility, changes in business strategy, and various other factors. If one or more of these risks or uncertainty factors should materialize, or if the assumptions used prove to be incorrect, actual results may vary materially from those described herein as anticipated, estimated or expected. The Company does not intend to assume and does not assume any obligation whatsoever to update these forward-looking statements.

-Financial Tables Follow -

Consolidated Income Statement

Consolidated Income Statement (Thousands of Pesos)	1Q18	1Q17	1Q18 vs 1Q17
			% Change
Total Revenues			
Revenues from Hotel Operation	640,032	537,065	19.2%
Revenues from Hotel Management	46,090	34,243	34.6%
Total Revenues	686,122	571,308	20.1%
Costs and expenses			
Hotel operating costs and expenses	335,596	281,521	19.2%
Selling and administrative expenses	109,529	93,710	16.9%
Depreciation and amortization	94,397	83,891	12.5%
Total Costs and Expenses	539,523	459,122	17.5%
Expenses assoc. with new hotel openings	4,143	2,316	78.9%
Other (income) / Non-recurring expenses	0	0	NM
Total	4,143	2,316	78.9%
Operating Income	142,456	109,870	29.7%
Operating Income Margin (%)	20.8%	19.2%	153 bps
Adjusted EBITDA	240,996	196,076	22.9%
Adjusted EBITDA Margin (%)	35.1%	34.3%	80 bps
EBITDA	236,853	193,761	22.2%
EBITDA Margin (%)	34.5%	33.9%	61 bps
Finance income	(5,583)	(10,646)	(47.6%)
Finance costs	56,396	46,294	21.8%
Exchange result, net	28,784	27,372	5.2%
Financial Expenses	79,597	63,020	26.3%
Profit before income tax	62,859	46,850	34.2%
Income tax expense	12,572	8,433	49.1%
Net Income for the Period	50,287	38,417	30.9%
Net Majority Income	48,093	40,694	18.2%

Consolidated Statement of Financial Position

Consolidated Balance Sheet (Thousands of Pesos)	As of March 31, 2018	As of December 31, 2017	March 31, 2018 vs December 31, 2017 % Change
Cash and equivalents	835,774	1,190,624	(29.8%)
Trade receivables, net	196,327	147,224	33.4%
Recoverable taxes	301,178	289,639	4.0%
Prepaid expenses	115,342	80,972	42.4%
Total Current Assets	1,448,621	1,708,459	(15.2%)
Property, equipment and leasehold improvements	10,310,345	10,132,500	1.8%
Guarantee deposits	2,898	2,898	0.0%
Other assets	24,592	26,325	(6.6%)
Deferred income tax	158,400	162,192	(2.3%)
Total Long Term Assets	10,496,235	10,323,915	1.7%
Total Assets	11,944,856	12,032,374	(0.7%)
Liabilities			
Current Liabilities:			
Bank loans and accrued interests	110,712	129,070	(14.2%)
Trade accounts payable	153,687	149,320	2.9%
Other taxes and accrued expenses	222,672	188,719	18.0%
Income tax payable	25,428	52,057	(51.2%)
Direct employee benefits	20,723	22,668	(8.6%)
Total Current Liabilities	533,222	541,834	(1.6%)
Long-term debt	2,468,071	2,599,451	(5.1%)
Deferred revenues	13,039	11,487	13.5%
Other Liabilities	160,507	207,304	(22.6%)
Employee benefits	3,000	2,724	10.1%
Derivative financial instruments	10,887	6,608	64.7%
Deferred income tax	243,513	243,419	0.0%
Total Long Term Liabilities	2,899,017	3,070,993	(5.6%)
Total Liabilities	3,432,240	3,612,827	(5.0%)
Equity			
Equity Attributable to the Owners of the Entity			
Issued capital	5,934,064	5,932,629	0.0%
Retained earnings	1,564,917	1,516,824	3.2%
Other Comprehensive Income	32,441	55,426	(41.5%)
Total Equity Attributable to the Owners of the Entity	7,531,422	7,504,879	0.4%
Non-controlling interests	981,195	914,668	7.3%
Total Equity	8,512,617	8,419,547	1.1%
Total Liabilities + Equity	11,944,856	12,032,374	(0.7%)

Consolidated Cash Flow Statements

Consolidated Cash Flow Statement (Thousands of Pesos)	1Q18	1Q17
Profit before income tax	62,859	46,850
Operating Activities		
Depreciation	94,397	83,891
Loss on disposal of equipment	24	1,150
Finance income	(5,583)	(10,646)
Finance costs	56,396	46,294
(Gain) Loss on Valuation of Financial Instruments	679	2,005
Expenses Related to Payments Based on Stocks	4,268	(3,675)
Unrealized foreign currency fluctuations	(23,618)	(39,733)
	189,422	126,136
Changes in Working Capital:		
Trade receivables	(65,831)	(24,065)
Recoverable taxes	(11,537)	(14,629)
Prepaid expenses, net	(34,369)	(35,331)
Trade and other payables	4,367	62,861
Accrued Expenses, others and taxes to be paid	35,505	50,708
Employee benefits	(1,668)	2,653
Income tax and business flat tax paid	(5,750)	(9,593)
Net Cash Flows from Operating Activities	110,139	158,740
Investing Activities:		
Payments for property, equipment and leasehold	(361,568)	(400,606)
Other assets	1,732	(1,388)
Finance income received	5,583	10,645
Net Cash Flows used in Investing Activities	(354,253)	(391,349)
Financing Activities:		
Proceeds from the issuance of equity instruments	4,268	3,677
Proceeds from contributions rec. from non-controlling interests	65,333	8,652
Non Controlling Interest decrease	(35,524)	0
Non Controlling Interest Dividends	(1,000)	0
Proceeds for future capital increases	0	(8,595)
Repurchase of shares	(2,834)	(10,422)
Finance cost paid	(51,003)	(41,899)
Proceeds from short- and long-term borrowings	54,000	0
Repayment of borrowings	(174,728)	(53,312)
Net Cash Flows used in Financing Activities	(141,488)	(101,899)
Net increase (decrease) in cash and equivalents	(385,602)	(334,509)
Cash at the beginning of the period	1,190,624	1,854,626
Effects of exchange rate changes on the balance of cash held in foreign currencies and effects of balances of foreign	30,752	40,638
Cash at the End of the Period	835,774	1,560,755

Hotel Portfolio

Number	Hotel	Brand	Investment Scheme	Opening	Rooms	Location
1	Saltillo	City Express	Owned	May-03	120	Coahuila
2	San Luis	City Express	Owned	Jul-03	120	San Luis Potosí
3	Monterrey Santa Catarina	City Express	Owned	Oct-03	105	Nuevo León
4	Querétaro	City Express	Owned	Nov-03	121	Querétaro
5	León	City Express	Owned	Dec-03	120	Guanajuato
					586	
6	Anzures	City Express Suites	Leased	Apr-04	26	Ciudad de México
7	Puebla	City Express	Owned	May-04	124	Puebla
8	Nuevo Laredo	City Express	Managed	Aug-04	107	Tamaulipas
9	Ciudad Juárez	City Express	Owned	Oct-04	114	Chihuahua
10	Irapuato	City Express	Owned	Nov-04	104	Guanajuato
					1,061	
11	Reynosa	City Express	Co-Owned	Feb-05	104	Tamaulipas
12	Cancun	City Express	Leased	Mar-05	128	Quintana Roo
13	Tepatitlán	City Express	Managed	Apr-05	80	Jalisco
14	Tuxtla Gutiérrez	City Express	Franchise	Dec-05	124	Chiapas
15	Querétaro	City Express Suites	Owned	Dec-05	45	Querétaro
					1,542	
16	Chihuahua	City Express	Franchise	Mar-06	104	Chihuahua
17	Guadalajara	City Express Plus	Owned	Jul-06	145	Jalisco
18	Tampico	City Express	Co-Owned	Nov-06	124	Tamaulipas
19	Mexicali	City Express	Owned	Dec-06	117	Baja California
20	Toluca	City Express	Owned	Dec-06	141	Estado de México
					2,173	
21	EBC Reforma	City Express	Owned	Jan-07	70	Ciudad de México
22	Hermosillo	City Express	Co-Owned	Apr-07	120	Sonora
23	Celaya	City Express	Leased	May-07	104	Guanajuato
24	Insurgentes Sur	City Express Plus	Owned	Jul-07	159	Ciudad de México
25	Coatzacoalcos	City Express	Co-Owned	Aug-07	118	Veracruz
26	Tepozotlán	City Express	Leased	Dec-07	109	Estado de México
					2,853	
27	Toluca	City Express Junior	Leased	Feb-08	106	Estado de México
28	Mazatlán	City Express	Managed	Jun-08	110	Sinaloa
29	Morelia	City Express	Franchise	Jul-08	60	Michoacán
30	Lázaro Cárdenas	City Express	Owned	Nov-08	119	Michoacán
31	Puebla Angelópolis	City Express	Co-Owned	Nov-08	118	Puebla
32	Tijuana Río	City Express	Managed	Dec-08	131	Baja California
33	Silao	City Express	Owned	Dec-08	121	Guanajuato
34	Toluca	City Express Suites	Owned	Dec-08	91	Estado de México
35	Monterrey Aeropuerto	City Express	Owned	Dec-08	130	Nuevo León
					3,839	
36	El Angel	City Express Plus	Owned	Jan-09	137	Ciudad de México
37	Mexicali	City Express Junior	Owned	Feb-09	104	Baja California
38	Chihuahua	City Express Junior	Franchise	Mar-09	105	Chihuahua
39	Tula	City Express	Managed	Mar-09	103	Hidalgo
40	Los Mochis	City Express	Owned	Jun-09	124	Sinaloa
41	Zacatecas	City Express	Managed	Jun-09	109	Zacatecas
42	Tijuana Otay	City Express Junior	Co-Owned	Jun-09	134	Baja California
43	Veracruz	City Express	Leased	Sep-09	124	Veracruz
44	Saltillo Sur	City Express	Owned	Dec-09	107	Coahuila
45	Cancun	City Express Junior	Leased	Nov-09	106	Quintana Roo
					4,992	
46	Tlaquepaque	City Express Junior	Leased	Feb-10	107	Jalisco
47	Ciudad Juárez	City Express Junior	Owned	Mar-10	128	Chihuahua
48	Poza Rica	City Express	Co-Owned	Mar-10	118	Veracruz
49	Nogales	City Express	Owned	Nov-10	109	Sonora
50	San Luis Univ.	City Express	Co-Owned	Dec-10	109	San Luis Potosí
					5,563	

Number	Hotel	Brand	Investment Scheme	Opening	Rooms	Location
51	Minatitlán	City Express	Co-Owned	Mar-11	109	Veracruz
52	Mérida	City Express	Co-Owned	Apr-11	124	Yucatán
53	Torreón	City Express	Managed	May-11	115	Coahuila
54	Culiacan	City Express	Co-Owned	Jun-11	133	Sinaloa
55	Veracruz	City Express Junior	Leased	Jul-11	104	Veracruz
56	Aguascalientes	City Express	Owned	Aug-11	123	Aguascalientes
57	Buenavista	City Express	Managed	Sep-11	103	Ciudad de México
58	Playa del Carmen	City Express	Co-Owned	Sep-11	135	Quintana Roo
59	Puebla Autopista	City Express	Co-Owned	Oct-11	108	Puebla
60	Tuxtla Gutierrez	City Express Junior	Leased	Oct-11	106	Chiapas
61	Manzanillo	City Express	Owned	Nov-11	116	Colima
62	Ciudad del Carmen	City Express	Co-Owned	Dec-11	129	Campeche
2011					6,968	
63	Ciudad Obregon	City Express	Owned	Jan-12	120	Sonora
64	Campeche	City Express	Owned	Apr-12	110	Campeche
65	San Luis Potosi	City Express Suites	Managed	Jul-12	120	San Luis Potosí
66	Villahermosa	City Express	Owned	Jul-12	155	Tabasco
67	Queretaro Jurica	City Express	Co-Owned	Sep-12	135	Querétaro
68	Durango	City Express	Co-Owned	Oct-12	120	Durango
69	San José	City Express	Owned	Nov-12	134	Costa Rica
70	Xalapa	City Express	Managed	Dec-12	126	Veracruz
71	Tijuana Insurgentes	City Express	Owned	Dec-12	127	Baja California
2012					8,115	
72	Chetumal	City Express	Leased	Mar-13	109	Quintana Roo
73	Santa fe	City Express Plus	Co-Owned	Jun-13	159	Ciudad de México
74	Santa fe	City Express Suites	Co-Owned	Aug-13	39	Ciudad de México
75	Oaxaca	City Express	Managed	Oct-13	103	Oaxaca
76	Salina Cruz	City Express	Managed	Oct-13	116	Oaxaca
77	Patio Universidad	City Express Plus	Owned	Dec-13	124	Ciudad de México
78	La Paz	City Express	Owned	Dec-13	124	Baja California Sur
79	Puebla Autopista	City Express Junior	Co-Owned	Dec-13	113	Puebla
80	Cali	City Express Plus	Owned	Dec-13	127	Colombia
81	Cananea	City Express	Co-Owned	Dec-13	98	Sonora
82	Irapuato Norte	City Express	Co-Owned	Dec-13	122	Guanajuato
2013					9,349	
83	Cd. Del Carmen Isla de Tris	City Express Junior	Managed	Feb-14	109	Campeche
84	Cd. Del Carmen Aeropuerto	City Express Junior	Co-Owned	Feb-14	124	Campeche
85	Tehuacan Puebla	City Express	Managed	Mar-14	108	Puebla
86	Dos Bocas Tabasco	City Express	Co-Owned	May-14	108	Tabasco
87	Monterrey Norte	City Express	Managed	Aug-14	115	Nuevo León
88	D.F. Central de Abastos	City Express	Leased	Sep-14	135	Ciudad de México
89	Puebla Autopista	City Express Suites	Co-Owned	Sep-14	72	Puebla
90	Apizaco	City Express	Managed	Sep-14	104	Tlaxcala
91	Cd Victoria	City Express	Managed	Oct-14	108	Tamaulipas
92	Satélite	City Express Plus	Franchise	Oct-14	89	Ciudad de México
93	Monterrey Nuevo Sur	City Express Plus	Owned	Dec-14	138	Nuevo León
94	Matamoros	City Express	Owned	Dec-14	113	Tamaulipas
95	Salamanca	City Express	Owned	Dec-14	113	Guanajuato
96	Villahermosa	City Express Junior	Owned	Dec-14	136	Tabasco
2014					10,921	
97	Los Cabos	City Express Plus	Owned	Apr-15	135	Baja California Sur
98	Los Cabos	City Express Suites	Owned	Apr-15	28	Baja California Sur
99	Tuxpan	City Express	Managed	Jul-15	108	Veracruz
100	Guadalajara Palomar	City Express Plus	Owned	Jul-15	113	Jalisco
101	Guadalajara Aeropuerto	City Express	Managed	Nov-15	118	Jalisco
102	Piedras Negras	City Express	Owned	Dec-15	113	Coahuila
103	D.F. Periférico Sur	City Express Plus	Owned	Dec-15	137	Ciudad de México
104	Monterrey San Jerónimo	City Express Plus	Owned	Dec-15	149	Nuevo León
105	Playa del Carmen	City Express Suites	Co-Owned	Dec-15	56	Quintana Roo
106	Silao	City Express Suites	Owned	Dec-15	58	Guanajuato
2015					11,936	

Number	Hotel	Brand	Investment Scheme	Opening	Rooms	Location
107	Aguascalientes Centro	City Express Junior	Managed	Apr-16	66	Aguascalientes
108	CD MX Aeropuerto	City Express	Managed	Apr-16	98	Ciudad de México
109	San Luis Potosí Centro	City Express Junior	Owned	Apr-16	128	San Luis Potosí
110	CDMX Alameda	City Express	Managed	Jul-16	112	Ciudad de México
111	Reynosa Aeropuerto	City Express	Owned	Jul-16	113	Tamaulipas
112	Tijuana	City Express Suites	Managed	Jul-16	79	Baja California
113	Santiago Aeropuerto	City Express	Co-Owned	Aug-16	142	Santiago, Chile
114	Toluca Zona Industrial	City Express Junior	Managed	Sep-16	92	Estado de México
115	Rosarito	City Express	Owned	Sep-16	113	Baja California
116	Zamora	City Express	Managed	Nov-16	114	Michoacán
117	Mundo E	City Express Plus	Leased	Dec-16	144	Estado de México
118	Bogotá Aeropuerto	City Express Plus	Owned	Dec-16	120	Bogotá, Colombia
119	Bogotá Aeropuerto	City Express Junior	Owned	Dec-16	116	Bogotá, Colombia
120	CDMX La Raza	City Express	Owned	Dec-16	127	Ciudad de México
121	Merida Altabrisa	City Express Junior	Co-Owned	Dec-16	106	Yucatán
122	Querétaro Torre II	City Express Suites	Owned	Dec-16	44	Querétaro
123	CDMX	City Centro	Leased	Dec-16	44	Ciudad de México
					13,694	
124	Celaya Galerías	City Express	Managed	Jan-17	127	Guanajuato
125	San Luis Potosí Zona Industrial	City Express Junior	Managed	May-17	122	San Luis Potosí
126	Puebla Angelópolis	City express junior	Co-Owned	Jul-17	122	Puebla
127	Altamira	City Express	Co-Owned	Jul-17	127	Tamaulipas
	Merida (Ampliación)	City Express	Co-Owned	Jul-17	42	Yucatán
128	Puerto Vallarta	City Express Plus	Owned	Jul-17	126	Jalisco
129	Medellín	City Express Plus	Owned	Sep-17	141	Medellín, Colombia
130	Tuxtepec	City express junior	Managed	Sep-17	105	Oaxaca
131	Tijuana Otay	City express	Co-Owned	Dec-17	120	Baja California
132	León Centro de Convenciones	City express junior	Co-Owned	Dec-17	137	Guanajuato
133	Monterrey Lindavista	City express	Managed	Dec-17	130	Nuevo León
134	Oaxaca	City Centro	Co-Owned	Dec-17	103	Oaxaca
135	León Centro de Convenciones	City Express Plus	Co-Owned	Dec-17	132	Guanajuato
					15,228	
136	Tepic	City Express	Managed	Jan-18	125	Nayarit
137	Atlixco	City Express	Franchise	Mar-18	108	Puebla
					15,461	