



## Hoteles City Express Announces the Intention to Create a Lodging REIT Under the Name FIBRA STAY

**Mexico City, January 22, 2018 – Hoteles City Express S.A.B. de C.V.** (“Hoteles City Express” or “The Company”) (BMV: HCITY) announced the intention to create a trust under the tax regime of a Lodging REIT (“Fibra Hotelera”) and place a minority percentage of REIT Shares (“Certificados Bursátiles Fiduciarios Inmobiliarios”) issued by the Lodging REIT on the market through a Primary Public Offering.

Hoteles City Express plans to contribute a portfolio of 42 wholly-owned hotels to a lodging REIT named FIBRA STAY, and hold more than 50% of the vehicle (“The Operation”). These assets represent the Company’s mature portfolio, and have been operating for more than 2 years, with geographical diversity across 20 states and 27 cities in Mexico.

The Operation will add value for shareholders of Hoteles City Express through: (a) creating a vehicle that can demonstrate and capture the market value of the assets of Hoteles City Express; (b) providing liquidity to reinforce the development pipeline from 2019 to 2022; (c) establishing a sustainable asset recycling mechanism that enables continuous growth without dilution to shareholders; and (d) demonstrating the performance and the profitability of Hoteles City Express.

This next step in the Company’s development reflects international trends. Moving to an asset-light structure will also enable Hoteles City Express to enhance ROIC and increase hotel growth rates.

Hoteles City Express will continue to fully consolidate the results of the Lodging REIT in its financial statements as it (i) will keep a majority stake in the Lodging REIT and (ii) the assets contributed to the trust will be operated by Operadora de Hoteles City Express, a subsidiary of Hoteles City Express.

The Company expects that with the issuance of FIBRA STAY, it will create an industry benchmark in terms of transparency and corporate governance. FIBRA STAY will be a vehicle with a fully internalized administrator to be selected by shareholders, without any kind of management fees nor asset acquisition fees, and a 100% independent Technical Committee, among other attributes.

In accordance with Hoteles City Express bylaws, the Operation’s execution depends on approval at an ordinary shareholders meeting that will be called on January 23, 2018, and will take place on February 15, 2018.

The Company will host a conference call about this strategic alternative. For further information please review the Informative Bulletin about Corporate Restructure of Hoteles City Express at the following link: <https://goo.gl/E26jYR> or contact the Investors Relations department.



### INVESTOR RELATIONS CONTACTS:

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**Hoteles City Express (BMV: HCITY)  
Cordially Invites you to a Conference Call on the Execution of its Strategic  
Alternatives**

**Presenters:** Mr. Luis Barrios, Chief Executive Officer  
Mr. Paul Smith, Chief Financial Officer  
Mr. Santiago Parra, Corporate Finance Director  
Mr. Santiago Mayoral, Corporate Finance and Investor Relations VP

**Date:** Tuesday, January 23, 2018

**Time:** 09:00 a.m. Eastern Time / 08:00 a.m. Mexico City Time

**Dial-in:** 1-888-317-6003 (from within the U.S.)  
001-866-675-4929 (toll-free from within Mexico)  
1-412-317-6061 (from all locations outside of the U.S.)  
Passcode: 1274171

**Webcast:** <https://services.choruscall.com/links/hcity180123.html>



**Conference Replay** (until April 23, 2018)

Will be provided for this call

Dial 1-877-344-7529 (U.S.) or 1-412-317-0088 (international) to listen

Passcode: 10116228

**About Hoteles City Express:**

Hoteles City Express is considered 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. Founded 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 135 hotels in operation located throughout Mexico, Costa Rica, Colombia and Chile, 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"; furthermore, on October 8, 2014, Hoteles City Express completed a follow on with the aim of accelerating its growth in new hotels in coming years.

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

