

RLH Properties (“RLH A”), the first listed company focused on high-end hotels in Mexico, announces its financial results for the first quarter of 2018.

Mexico City, April 27, 2018. - RLH Properties (MEXBOL: RLH A), the first listed company focused on luxury hotels in Mexico and largest in market capitalization, announces its financial results for the first quarter of 2018. Unless noted, all figures included herein were prepared in accordance with the International Financial Regulations Standards (“IFRS”) and are stated in nominal Mexican pesos.

First quarter of 2018 highlights

- In March and early April, RLH closed the first and second phases of a capital increase for a total amount of Ps. \$6,076 million (331,997,080 new shares at a Ps\$ 18.30 price per share). This transaction was fully subscribed by current shareholders, including the contribution of the whole Mandarin project at the Riviera Nayarit, where approx. 148 One&Only and Rosewood branded residences will be developed.

The cash portion of the capital increase will be mainly allocated to: (i) the acquisition of the remaining minority stake of OHL in the hotels and golf course in Mayakoba, (ii) the acquisition of the branded residential business also in the Mayakoba Master Plan as well as other related assets to this project, (iii) potential acquisitions of hotel assets, and (iv) the ongoing development of the One&Only Mandarin and Rosewood Mandarin hotels at the Riviera Nayarit.

With the purpose to align shareholders’ interests with the management team and some advisors, reduce cash requirements and adapt RLH Properties’ management to best industry standards; 67,770,149 new shares were distributed among the management team as part of this capital increase to fully complete the internalization process and, as a consequence, modified the compensation plan. This change was fully approved by the General Shareholders’ Meeting held on March 2, 2018. Duff & Phelps (top global valuation and corporate finance advisor that is regularly engaged to provide financial advisory services in connection with mergers and acquisitions, management company internalization transactions and REIT roll-up transactions) was engaged as the independent financial advisor to the Audit Committee and the Board of Directors in connection with this internalization transaction. Duff & Phelps provided a valuation of both the Compensation Plan and the common stock of RLH Properties and rendered a fairness opinion concluding that the newly issues shares and the price of the common stock was fair to the Company from a financial point of view. In order to keep the management team, this new compensation plan includes, among other agreements, a non-leave clause until 2021.

Adding this capital increase to all the equity the company has raised since its IPO on November 2015, RLH Properties has obtained a total of Ps\$13,728 million. Considering the 23.4% increase in the company’s price per share since the IPO, RLH Properties’ current market capitalization stands at Ps\$16,545 million as of today. As a consequence, it has now become the largest hotel public company in market capitalization. During this process, RLH has obtained a solid and diversified type of shareholders.

Relevant information regarding the portfolio's performance during the first quarter of 2018

As of March 31, 2018, RLH has **9 assets or business lines** which represent **1,351 hotel rooms (1,116 currently operating and 235 under development)**, **approx. 148** branded residences, and **1 golf course** with 18 holes at the high-end segment:

- **Operating Assets** (5 hotels with 1,116 rooms and an 18-hole golf course):
 - A. **Stabilized Assets (4 hotels, 902 rooms):** Four Seasons Mexico City (240 rooms), Rosewood Mayakoba (129 rooms), Banyan Tree Mayakoba (132 rooms), and Fairmont Mayakoba (401 rooms).
 - B. **Assets in Ramp Up (1 hotel, 214 rooms):** Andaz Mayakoba hotel. This hotel began operations in December 2016, so it is currently in a ramp up period, i.e. stabilization process.
 - C. **Other Assets (one 18-hole golf course):** The golf course El Camaleon was designed by the famous golfer Greg Norman, and it is the first one to host a PGA Tournament outside the US and Canada.
- **Assets under Development** (2 hotels with 235 rooms, and 148 branded residences):
 - **One&Only Mandarin hotel** (108 rooms): The hotel is in its development phase and its opening is estimated to be on the second semester of 2019.
 - **Rosewood Mandarin hotel** (approx. 127 rooms): The hotel is in its conceptual design and technical studies phase.
 - **Villas with hotel brand** (approx. 148 residences): After the contribution of the Mandarin project from Actur to RLH, the number of residences with a hotel brand that will be marketed and developed have gone from 20 to approx.148. Currently, the One&Only residences are in the marketing and construction phase. As for the Rosewood residences, they are on conceptual design phase.
- Regarding the Stabilized Assets, the **aggregated occupancy** during the first quarter of 2018 was **74.9%**, which represents an **increase of 5.1 pp** compared to the first quarter of 2017. The aggregated **Average Daily Rate** ("ADR") was **Ps. \$10,180** (Usd. \$545), **9.3% above** in US dollars and **1.4% above in local currency** compared to the same period in 2017. The **RevPAR** was **Ps.\$7,623** (Usd. \$408), an increase of **8.8% in local currency** and a **17.4% increase in US dollars**, compared to the same period last year. The increase in RevPAR is somehow explained by the fact that the Easter holiday occurred in the last week of March 2018 while, in 2017, it occurred in the month of April.
- The **Stabilized Assets EBITDA** was **Ps. \$398.4 million** (Usd. \$21.3 million), an **increase of 17.5%** compared to the first quarter of 2017 (**a 26.3% increase in Usd.**), mainly explained by the increase in room revenues, supported by the sound performance in Food & Beverage revenues in the Fairmont hotel. The **EBITDA Net of FF&E Reserve** was **Ps. \$ 361.8 million** (Usd. \$19.4 million), representing an **increase of 18% in local currency and 26.7% in Usd. YoY**, respectively.
- The **EBITDA from Operating Assets** was **Ps. \$416.9 million (Usd. \$22.3 million)**, registering an increase of **28.5%** over the first quarter of 2017 (**37.8% in US dollars**), driven by the aforementioned reasons, as well as the positive results of the Andaz hotel.

RLH's portfolio as of the first quarter of 2018



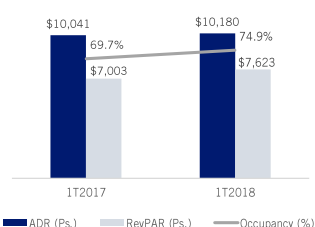
Operating Portfolio:

Rosewood Mayakoba, Banyan Tree Mayakoba, Fairmont Mayakoba, Andaz Mayakoba, Four Seasons Mexico City, El Camaléon Golf Course.

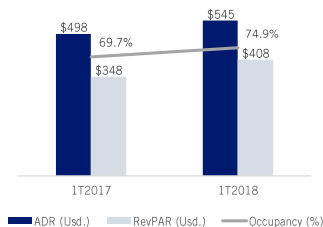
The following table shows the evolution of RLH's **Operating Assets** in first quarter of 2018 compared to the same period in 2017.

Operating Indicators as of the 1st Quarter of 2018							
Stabilized Assets and Other Assets (A and C)							
Indicator	1Q2017	2Q2017	3Q2017	4Q2017	1Q2018	LTM 1T2018	% Var. 1Q2018 vs. 1Q2017
ADR (Usd.)	\$498	\$403	\$347	\$503	\$545	\$455	9.3%
ADR (Ps.)	\$10,041	\$7,500	\$6,191	\$9,598	\$10,180	\$8,466	1.4%
Occupancy (%)	69.7%	65.3%	57.0%	58.2%	74.9%	63.8%	5.1 pp
RevPAR (Usd.)	\$348	\$263	\$198	\$293	\$408	\$290	17.4%
RevPAR (Ps.)	\$7,003	\$4,899	\$3,528	\$5,584	\$7,623	\$5,400	8.8%
Total Revenues (Usd. mm)	\$47,539	\$40,736	\$31,172	\$50,817	\$56,322	\$179,046	18.5%
Total Revenues (Ps. mm)	\$955,937	\$758,457	\$555,474	\$974,659	\$1,052,213	\$3,340,804	10.1%
EBITDA (Usd. mm) ⁽¹⁾	\$16,890	\$11,727	\$4,797	\$12,490	\$21,325	\$50,338	26.3%
EBITDA (Ps. mm) ⁽¹⁾	\$338,943	\$218,871	\$84,936	\$238,437	\$398,411	\$940,656	17.5%
EBITDA Net of FF&E Reserve (Usd. mm)	\$15,287	\$10,231	\$3,888	\$10,508	\$19,367	\$43,994	26.7%
EBITDA Net of FF&E Reserve (Ps. mm)	\$306,711	\$191,064	\$68,755	\$200,307	\$361,833	\$821,958	18.0%
EBITDA Margin (%)	35.5%	28.9%	15.3%	24.5%	37.9%	28.2%	2.4 pp
EBITDA Net of FF&E Reserve Margin (%)	32.1%	25.2%	12.4%	20.6%	34.4%	24.6%	2.3 pp
Operating Assets							
Indicator	1Q2017	2Q2017	3Q2017	4Q2017	1Q2018	LTM 1T2018	% Var. 1Q2018 vs. 1Q2017
ADR (Usd.)	\$473	\$391	\$329	\$484	\$523	\$437	10.6%
ADR (Ps.)	\$9,538	\$7,281	\$5,860	\$9,243	\$9,778	\$8,147	2.5%
Occupancy (%)	63.2%	58.1%	52.3%	53.0%	69.5%	58.2%	6.3 pp
RevPAR (Usd.)	\$299	\$227	\$172	\$256	\$364	\$254	21.6%
RevPAR (Ps.)	\$6,030	\$4,229	\$3,066	\$4,895	\$6,799	\$4,739	12.7%
Total Revenues (Usd. mm)	\$50,540	\$43,275	\$33,287	\$53,867	\$61,948	\$192,377	22.6%
Total Revenues (Ps. mm)	\$1,016,384	\$805,741	\$593,161	\$1,032,893	\$1,157,564	\$3,589,359	13.9%
EBITDA (Usd. mm) ⁽¹⁾	\$16,187	\$10,449	\$3,027	\$11,685	\$22,312	\$47,474	37.8%
EBITDA (Ps. mm) ⁽¹⁾	\$324,523	\$195,239	\$53,379	\$223,396	\$416,938	\$888,952	28.5%
EBITDA Net of FF&E Reserve (Usd. mm)	\$14,524	\$8,903	\$2,077	\$9,643	\$20,242	\$40,864	39.4%
EBITDA Net of FF&E Reserve (Ps. mm)	\$291,082	\$166,486	\$36,443	\$184,101	\$378,253	\$765,283	29.9%
EBITDA Margin (%)	31.9%	24.2%	9.0%	21.6%	36.0%	24.8%	4.1 pp
EBITDA Net of FF&E Reserve Margin (%)	28.6%	20.7%	6.1%	17.8%	32.7%	21.3%	4.0 pp

Aggregated Performance of Stabilized Assets
1Q2017 vs 1Q2018 (Ps.)



Aggregated Performance of Operating Assets
1Q2017 vs 1Q2018 (Ps.)



(1) Aggregated EBITDA (SoTP) of the assets, unaudited without adjustments due to financial consolidation.

During the first quarter of 2018, RLH's **Stabilized Assets** reported the following operating indicators:

- **Occupancy of 74.9%, 5.1 pp above** the first quarter of 2017, mainly driven by the performance of the Four Seasons
- **ADR of Ps. \$10,180 or an increase of 1.4% compared to the first quarter of 2017.** In US Dollars the ADR **increased 9.3%** compared to the same period last year, mainly driven by an increase in ADR in the Banyan Tree Mayakoba hotel (+18.0% YoY), Rosewood Mayakoba hotel (+14.1% YoY), and Fairmont Mayakoba hotel (+12.0% YoY).
- **RevPAR of Ps. \$7,623, an increase of 8.8%** compared to the same period of 2017. RevPAR in Usd. stood at **Usd. \$408**, representing a **17.4% growth** YoY, driven primarily by the sound performance in room revenues, driven by the company's sales and marketing new strategy implementation.
- **EBITDA reached Ps. \$398.4 million**, registering an increase of **17.5% above** the first quarter of 2017. In Usd, EBITDA reached **Usd. \$21.3 million** or a **26.3% increase YoY**, the good performance was mainly attributed to an increase in rooms revenues and food and beverage revenues in the Fairmont Mayakoba hotel, due to a greater number of groups.
- **EBITDA Net of FF&E Reserve** was Ps. **\$361.8 million** or **Usd. \$19.4 million**, representing an **increase of 18.0% and 26.7% YoY**, respectively.

Regarding the Operation Assets, during the first quarter of 2018 the following operating indicators were reported, explained mostly by the comments in the previous section but considering the impact of our **Assets in Ramp Up**:

- The **occupancy rate was 69.5% or an increase of 6.3 pp** compared to the first quarter of 2017.
- The **ADR was Ps. \$9,778, representing an increase of 2.5%** compared to the first quarter of 2017. **In US dollars, it increased 10.6%** against to the same period in 2017.
- **RevPAR stood at Ps. \$6,799, an increase of 12.7%** compared to the same period in 2017. In US dollars, **RevPAR was Usd. \$364**, representing an **increase of 21.6% YoY**.
- **EBITDA reached Ps. \$416.9 million (Usd. \$ 22.3 million), an increase of 28.5% (37.8% in US dollars)** over the first quarter of 2017, mainly driven by the increase in hotel room revenues, and an increase in revenues of Food & Beverage revenues at the Andaz hotel, which was originated by the increase in menu prices, and the Fairmont hotel, product of the increase in banquet income due to the greater number of groups. **The EBITDA of the Assets in Operation is greater in Ps. \$18.5 million (Usd. \$987 thousand)** than that of the Stabilized Asset's, as the Andaz Hotel generated positive results.
- The **EBITDA Net of FF&E was Ps. \$ 378.3 million (Usd. \$22.3 million), representing an increase of 29.9% (39.4% in US dollars) YoY.**

Development Portfolio:

One&Only Mandarin hotel

The Management Plan on 3 fronts continues with its execution. Regarding the jetty, the company chose a design of 3 structures: one jetty structure and two breakwaters. As for the mock-up rooms, 15 rooms are currently being built, from which two stand out: a *tree house* (its structure was finished) and an *ocean cliff* (final interior and exterior details are being built).

For more detail please visit the new web page: www.discovermandarina.com

Branded One&Only and Rosewood Villas

As mentioned above, after the capital increase of April, the Mandarin project was contributed by Actur to RLH. This implies that, to date, RLH is the owner of the entire marketing and development business of approx. 148 residences with the brands One&Only and Rosewood.

As of today, the pre-sale of 6 residences with the One&Only brand has been formalized. These residences are in the phase of executive design and construction. The design of the internal roads infrastructure that will connect the villas has been concluded.

For more detail please visit the new web page: www.discovermandarina.com

Selected data from consolidated and proforma Financial Results as of March 31, 2018.

Factors with a significant impact on the comparability of the presented data

On April 24, 2017, RLH acquired a stake of 51% in the Rosewood Mayakoba, Fairmont Mayakoba, Banyan Tree Mayakoba and Andaz Mayakoba hotels, as well as the El Camaleón golf course, through the signing of a Sales and Purchase Agreement ("SPA"). Additionally, on May 19th, 2017, RLH acquired an additional stake of 29% (reaching a total stake of 80%) in the Rosewood Mayakoba and Fairmont Mayakoba hotels. On April 24, 2018, RLH acquired the remainder of OHL's stake and, as a result of the acquisition, holds a 100% stake in the Rosewood Mayakoba Hotel, 89.84% of the Fairmont Mayakoba Hotel, 94.40% of the Banyan Tree Mayakoba Hotel, 60% of the Andaz Mayakoba Hotel and a 100% of the "El Camaleon" golf course. As a result, RLH's consolidated statement from January 1 to March 31, 2017 only considers income from the Four Seasons Hotel in Mexico City.

However, for informative purposes, a proforma income statement is included from January 1 to March 31, 2017, considering the operations of all hotels (including the Mayakoba Perimeter). This 1Q2017 proforma is compared to the actual results of the 1Q2018. The main financial indicators are shown on this section¹.

Selected Data from Consolidated and Proforma Financial Results as of March 31, 2018

Figures in Ps. \$ '000s, unless stated otherwise

	Aggregated Proforma ¹ (1Q 2017)	Aggregated (1Q 2018)	Y-o-Y
Total Revenues	\$1,016,384	\$1,157,867	13.9%
Rooms Revenues	\$611,546	\$693,159	13.3%
% of total revenue	60.2%	59.9%	
Food & Beverage Revenues	\$296,734	\$345,713	16.5%
% of total revenue	29.2%	29.9%	
Other Revenues	\$108,105	\$118,995	10.1%
% of total revenue	10.6%	10.3%	
Gross Operating Profit (GOP)⁽¹⁾	\$496,290	\$533,952	7.6%
Margin (%)	48.8%	46.1% ⁽⁶⁾	
Recurring EBITDA⁽²⁾	\$324,522	\$423,956	30.6%
Margin (%)	31.9%	36.6%	
Recurring EBITDA after corporate expenses⁽³⁾	\$283,660⁽⁵⁾	\$330,084	16.4%
Margin (%)	27.9%	28.5%	

(1) Aggregated adjusted unaudited proforma with no IFRS adjustments that consists of the sum of RLH and the Mayakoba Perimeter for the 1Q2018.

(2) Gross operating profit is the sum of all revenues less all costs and recurring general expenses that are directly related to the hotels' operations.

(3) Recurring EBITDA is calculated as the GOP less real estate expenses (taxes and insurance).

(4) Recurring EBITDA after corporate expenses is calculated as the EBITDA from operating assets less RLH's corporate expenses. It doesn't consider non-recurring expenses nor non-recurring income.

(5) RLH's 1Q2017 corporate expenses do not consider overhead related to the Mayakoba Perimeter, since the acquisition hadn't taken place yet.

(6) Considers a reclassification adjustment on the rental program's expenses.

¹ Gross Operating Profit (GOP) and EBITDA are not IFRS measures.

GOP (Gross Operating Profit)

RLH's consolidated GOP from January 1 to March 31, 2018, was **PS. \$553.9 million, representing a margin of 46.1%.**

For comparison purposes, assuming that the transaction would have taken place on January 1, 2017, the consolidated **GOP would have been 7.6% above** the same period of 2017.

EBITDA

RLH's consolidated **EBITDA was Ps. \$423.9 million, which represents a margin of 36.6%.**

Assuming the transaction would have taken place on January 1, 2017, EBITDA would have been Ps. \$324.5 million, which represents **an increase of 30.6% YoY.**

Recurring EBITDA after corporate expenses

RLH's recurring EBITDA after corporate expenses was Ps. \$330.1 million, which represents a **margin of 28.5%.**

Assuming the transaction would have taken place on January 1, 2017, the recurring EBITDA after corporate expenses would have been Ps. \$283.7 million, representing **an increase of 16.4%** above the same period of 2017.

Cash Flow Statement

RLH's consolidated cash flow statement as of March 31, 2018 is shown below.

Consolidated Cash Flow Statement as of March 31, 2018

Figures in Ps. \$ 000's, unless otherwise specified.

	Aggregate 31-Dec-2017	Aggregate 31-Mar-2018
Operating activities		
Gain (loss) before income taxes	(7,107)	(535,075)
Adjustments for non cash items:		
Depreciation and amortization	312,001	118,147
Income from furniture and equipment sales	(1,544)	0
Effects of Changes in Foreign Exchange Rates	0	0
Financial costs of preferred shares	19,888	0
FX of cash	364,454	2,320
FX of loans	(25,780)	(91,514)
Bargain purchase gain	(750,977)	0
Goodwill impairment	226,527	0
Interest income	(39,114)	(9,441)
Interest expense	231,878	54,900
Cost of long term compensation plan	0	658,204
Subtotal	330,226	197,541
Increase in clients and accounts receivables	(99,893)	(19,869)
Increase (decrease) in prepaid expenses	(21,803)	(30,314)
Change in accounts payables and accounts receivables to/from related parties	42,626	12,366
Increase (decrease) in inventory	(9,059)	396
Increase (decrease) in suppliers	39,491	(548)
Increase (decrease) in accounts payable and accumulated expenses	(253,438)	(72,983)
Increase in customer deposits	587,755	(28,885)
Income taxes paid	(74,496)	(18,677)
Compensation plan payments	0	(73,884)
Net cash flow from operating activities	541,409	(34,857)
Investing activities		
Furniture and equipment purchases, and Construction In Progress	(346,676)	(192,993)
Income from furniture and equipment sales	1,544	0
Loan to related parties	0	0
Business acquisitions	(2,650,733)	0
Collected loans from related parties	40,000	0
Interest income	39,114	9,441
Net cash flow from investing activities	(2,916,752)	(183,552)
Financing activities		
Paid interests	(226,494)	(50,934)
Paid dividends on preferred shares	(35,148)	0
Capital increases through public offerings	2,314,486	0
Capital increase	66,438	1,736,894
Stock premium	0	1,794,785
Bank loans obtained	1,283,008	0
Paid loans to related parties	0	0
Bank loan payments	(1,528,004)	(103,787)
Payments due to preferred shares	(405,577)	0
Capital decrease	(12,000)	0
Net cash flow from financing activities	1,456,708	3,376,958
Increase (decrease) of financing activities	(918,635)	3,158,549
Cash and cash equivalents at the beginning of the period	4,913,086	3,629,998
FX gain on cash and cash equivalents	(364,454)	(2,320)
Cash and cash equivalents at the end of the period	3,629,998	6,786,227

Cash flow from operating activities

- The cash flows from operating activities showed a negative result of Ps. \$34.8 million mainly driven by (i) the elimination of non-cash items, the recognition of the cost of the New Compensation Plan for Ps. \$658.2 million being the most representative, (ii) partially offset by the unrealized FX gain in bank loans for Ps \$91.5 million, and (iii) an increase in accounts receivable and a decrease in net accounts payable of Ps. \$158.5 million and the payment of the cash compensation plan for Ps. \$73.9 million.

Cash flow from investing activities

- The cash flows from investing activities had a negative effect of Ps. \$183.5 million due to the investment in the construction of the One & Only Hotel for Ps. \$185.9 million in addition to fixed assets for Ps. \$7.7 million partially offset by interest charges for Ps. \$9.4 million.

Cash flow from financing activities

- Net cash flow from financing activities was Ps. \$3,376.9 million, mainly attributable to the increase in capital of Ps. \$3,531.7 million, partially compensated by loan and interest payment for Ps. \$154.7 million.

Financial Situation

RLH's balance sheet as of March 31, 2018, is shown below:

Consolidated Balance Sheet as of March 31, 2018

Figures in Ps. \$'000s, unless stated otherwise

Assets	Consolidated (31 Dec 2017)	Consolidated (31 Mar 2018)
Current Assets		
Cash and cash equivalents	3,629,998	6,786,226
Accounts receivables	561,897	581,827
Related parties	60,437	73,084
Inventories, net	52,317	51,921
Customer deposits	63,724	94,038
Total current assets	4,368,373	7,587,096
Non current assets		
Plant, property, and equipment	11,950,017	12,347,642
Investment in Mayakoba shares	0	0
Goodwill	154,576	145,725
Intangible Assets	592,413	543,483
Deferred taxes	144,748	144,748
Other assets, net	33,155	53,863
Total non current assets	12,874,909	13,235,461
Total Assets	17,243,282	20,822,557
Liabilities and Stockholders' Equity		
Short term liabilities		
Short term portion of bank loans	350,049	357,543
Preferred redeemable shares liability	0	0
Liability due to minorities purchase option	0	1,048,153
Suppliers	177,694	177,146
Payments in advance	594,585	565,699
Related parties	185,362	210,375
Taxes payable	18,677	0
Derivative financial instruments	0	0
Accounts payable and accumulated expenses	575,708	677,795
Total short term liabilities	1,902,075	3,036,711
Long term liabilities		
Long term bank loans	3,973,547	3,584,158
Liability due to minorities purchase option	1,048,153	0
Deferred income taxes	1,106,905	1,142,612
Derivative financial instruments	22,901	14,057
Workers benefits	5,627	6,620
Total long term liabilities	6,157,133	4,747,447
Shareholders' Equity		
Common stock	4,975,312	7,781,806
Additional paid-in capital	3,376,050	6,276,090
Other equity accounts	(142,941)	(142,941)
Adjustments for conversions	335,003	(166,318)
Accumulated results	(141,860)	(769,636)
Compensation plan	0	(744,115)
Other integrated results	15,357	33,430
Minority interests	767,153	770,082
Total shareholders' equity	9,184,074	13,038,398
Total liabilities and shareholders' equity	17,243,282	20,822,556

Cash and cash equivalents

RLH ended the quarter with a cash and cash equivalents position of Ps. \$6,786.2 million compared to Ps. \$3,629.9 million as of December 31, 2017; the increase is mainly driven by the Ps. \$3,531.7 capital increase paid in cash and approved on March 2, 2018, partially compensated by the construction of the One&Only Mandarin Hotel for Ps. \$185.9 million in investments, and the payment in cash of the new compensation plan for Ps \$73.8 million.

Account Receivables

RLH experienced an increase of Ps. \$53.9 million if compared to December 31, 2017, mainly due to: (i) an increase in accounts payables by customers for Ps. \$92.9 million, (ii) an increase in other accounts receivable and advance deposits to suppliers of Ps. \$16 million, (iii) compensated by a decrease in creditable VAT recovered through asset-level VAT refunds at hotels in the Mayakoba Perimeter for Ps. \$ 56.8 million.

Related Parties

Accounts receivables from related parties as of March 31, 2018 has a balance of Ps. \$73.9 million, mainly due to a loan granted to Huaribe to execute the beach nourishment project at the Mayakoba Perimeter in February 2018 for Ps. \$ 8.2 million, plus the recognition of interest in other related parties.

Liabilities with related parties as of March 31, 2018 has a balance of Ps. \$210.3 million, with a Ps. \$25.0 million increase mainly composed of a provision regarding the new compensation plan.

Fixed Assets, Goodwill and Intangible Assets

The net increase of Ps. \$397.6 million in Property, Plant, and Equipment as of March 31, 2018, against December 31, 2017, was a result of the following: (i) the acquisition of the Mandarin project for Ps. \$982 million plus Construction In Process at the One&Only Hotel for Ps. \$185.9 million, (ii) other additions to fixed assets for Ps. \$7.7 million; partially compensated by the period's depreciation for Ps. \$109.1 million and a negative conversion effect from the valuation of fixed assets at the Mayakoba Perimeter in foreign currency for Ps \$668.9 million.

Regarding goodwill, the variation is due to the recognition of a negative conversion effect for Ps. \$8.8 million.

Intangible assets decreased in the 1Q2018 due to the recognition of the period's amortization for Ps. \$8.9 million and a negative conversion effect for Ps. \$39.9 million.

Total bank debt and net debt

As of March 31, 2018, the group had a total debt of Ps \$3,941.7 million, a decrease of Ps. \$381.9 million compared to the balance as of December 31, 2017; this decrease is due to (i) debt payments for Ps. \$103.8 million, (ii) difference between paid and accrual interest payment for Ps. \$3.9 million and (iii) FX loss for Ps. \$282 million. Consequently, net bank debt is negative Ps. \$2,884.5.

Deferred Taxes

Deferred tax assets did not present any changes as of March 31, 2018, the main change was in the deferred tax liability, which decreased by Ps. \$35.7 million due to the decrease in fixed assets because of FX effects.

Derivative financial instruments

As of March 31, 2018, the financial instruments the group uses to cover the bank-loan interest rate risk were presented at their fair value, which meant the recognition of a net decrease between assets and liabilities for Ps. \$ 11.8 million, whose effect was recorded in Other Integrated Results.

Equity

The variation in equity is driven by: (i) the capital increase approved on March 2, 2018 for Ps. \$2,806.4 million and Ps. \$2,900 million of share premium on subscription (ii) the net loss for the period ended March 31, 2018 for Ps. \$ 627.8 million, (iii) recognition of other comprehensive items generated by FX effects of investments in foreign operations for Ps. \$ 432.8 million, and (iv) recognition of the issuance of shares corresponding to the new compensation plan that will be accrued in accordance with the vesting period.

Corporate Governance

RLH had a board meeting on April 27, 2018 which approved the Financial Statements for the quarter that ended on March 31, 2017.

Annex I
Consolidated Income Statement (non-audited)
Figures in Ps. 000's, unless stated otherwise

	1Q		
	2017	2018	Y-o-Y
Rooms	94,937	693,159	598,222
Food and beverage	39,786	345,713	305,927
Golf	0	24,345	24,345
Spa & fitness	1,099	34,547	33,448
Other hotel revenues	7,092	60,103	53,011
Total Revenue	142,914	1,157,867	1,014,953
Rooms costs and expenses	(13,308)	(158,475)	(145,167)
F&B costs and expenses	(23,001)	(172,202)	(149,201)
Golf expenses	0	(7,394)	(7,394)
Spa & fitness costs and expenses	(762)	(13,418)	(12,656)
Other minor operated departments costs and expenses	(1,142)	(21,331)	(20,189)
Total Departmental Expenses	104,701	785,047	680,346
General & Administrative recurrent costs and expenses	(10,351)	(95,267)	(84,916)
Information and Telecommunications Systems	(3,852)	(11,142)	(7,290)
Sales & Marketing	(12,500)	(75,623)	(63,123)
Maintenance expenses	(3,927)	(36,767)	(32,840)
Utilities	(3,289)	(32,296)	(29,007)
GOP	70,782	533,952	463,170
Management fees	(10,059)	(79,300)	(69,241)
Insurance	(1,453)	(20,131)	(18,678)
Property taxes	(1,771)	(10,565)	(8,794)
Recurring EBITDA (including corporate incomes)	57,499	423,956	366,457
Non-recurring income	(40,862)	(93,872)	(53,010)
EBITDA (including corporate incomes)	16,637	330,084	313,447
Other non-recurring income / (expenses)	0	(658,840)	(658,840)
EBITDA (after corporate expenses)	16,637	(328,756)	(345,393)
Depreciation & Amortization	(12,153)	(118,147)	(105,994)
EBIT / Operation profit / (loss)	4,484	(446,903)	(451,387)
Cost of financing			
Interest paid	(75,969)	(59,631)	16,338
Cost of preferred stock	(8,297)	0	8,297
FX loss	(463,579)	(148,909)	314,670
Financial costs	(547,845)	(208,540)	339,305
Interest gain / (loss)	5,855	9,441	3,586
FX gain	143,778	110,927	(32,851)
Comprehensive financing cost	(398,212)	(88,172)	310,040
Profit / (loss) before taxes	(393,728)	(535,075)	(141,347)
Tax provision	95,658	(35,707)	(131,365)
Consolidated net income / (loss)	(298,070)	(570,782)	(272,712)

RLH Properties announces its First Quarter of 2018 financial results.

We cordially invite you to the presentation of the First Quarter of 2018 financial results, through a conference call.

Date: **Thursday, May 3th 2018**

Time: **10:00 a.m Mexico City (11:00 a.m. New York / 16:00 p.m. London / 17:00 p.m. Madrid)**

Presented by:

- **Jerónimo Bremer**, Chairman of the Executive Committee
- **Borja Escalada**, Chief Executive Officer
- **Juan Novoa**, Chief Financial Officer
- **Francis Muûls**, Executive Vice President Chief Asset Management & Transactions Office
- **Diego Laresgoiti**, Capital Markets and Investor Relations

To access the call, please use the following dial-in:

Toll free: 1-844-890-1788

International Dial in: 1-412-717-9597

Mexico Toll Free: 001-866-675-4923

Spain Toll Free: 800300687

UK Toll Free: 08082389064

Conference ID: RLH Properties

About RLH Properties, S.A.B. de C.V.

RLH Properties is an asset management holding company whose subsidiaries acquire, develop and manage city and beach high-end hotels and resorts in Mexico. Its main goal is to become the leading investment platform of high-end hotels and resorts in Mexico and the Caribbean, through the development of new hotels and the selective acquisition of operating hotels. Currently, the Company owns 100.0% of the Four Seasons Hotel in Mexico City, 51% of the Banyan Tree Mayakoba and Andaz Mayakoba hotels, 80% of the Rosewood Mayakoba and Fairmont Mayakoba hotels, 100% of the lots where the One&Only Mandarin, Rosewood Mandarin and approx. 148 residences with those brands will be developed in the Riviera Nayarit, and 51% of the El Camaleón Golf Course in the Riviera Maya. Once the acquisition signed on January 19, 2018 is completed, RLH will increase its stake to a 100% in the hotel Rosewood Mayakoba and the El Camaleón Golf Course; 90% in the hotel Fairmont Mayakoba; 95% in the hotel Banyan Tree Mayakoba and the 60% in the hotel Andaz Mayakoba.

Chief Executive Officer

Borja Escalada
RLH Properties
Tel. + 52 (55) 14 500 800
bescalada@rlhproperties.com.mx
www.rlhproperties.com.mx

Chief Financial Officer

Juan Novoa
RLH Properties
Tel. + 52 (55) 14 500 800
jnovoa@rlhproperties.com.mx
www.rlhproperties.com.mx

Investor Relations

Diego Laresgoiti
RLH Properties
Tel. + 52 (55) 14 500 800
dlaresgoiti@rlhproperties.com.mx
www.rlhproperties.com.mx