

## Trading update (unaudited)

31 October 2016

for the three months and nine months ended 30 September 2016

PPHE Hotel Group, which together with its subsidiaries (the "Group") owns, leases, develops, operates and franchises full service upscale and lifestyle hotels in major gateway cities, regional centres and select resort destinations, predominantly in Europe, is pleased to announce its trading update for the three months and nine months ended 30 September 2016.

### Corporate activities

During the first half of 2016, we have undertaken several additional corporate activities to further re-shape our business, paving the way for a successful future whilst continuing to operate a successful business and delivering exemplary service to our guests. Consolidation of our highly seasonal Croatian operation for the first time significantly impacted our performance and a like-for-like comparison has therefore been provided. The like-for-like comparison also excludes Park Plaza Nuremberg, which fully opened in Q3 2016 and Park Plaza Prenzlauer Berg Berlin which left the system at the end of the second quarter 2016.

A translation of Arenaturist d.d.'s (the Croatian operation) unaudited results for the nine months ended September 2016 is available from Arenaturist's website [www.arenaturist.com](http://www.arenaturist.com).

### Performance during the quarter ended 30 September 2016

- On a like-for-like basis<sup>1</sup>, revenue increased by 9.3% to £92.7 million (three months ended 30 September 2015: £84.8 million). Reported total revenue increased by 61.5% to £93.2 million (three months ended 30 September 2015: £57.7 million), principally driven by the consolidation of our Croatian operation<sup>2</sup>.
- Like-for-like<sup>1</sup> average room rate increased by 11.5% to £113.30 (three months ended 30 September 2015: £101.60). On a reported basis, average room rate increased by 0.9% to £113.40 (three months ended 30 September 2015: £112.40).
- On a like-for-like<sup>1</sup> basis, occupancy was flat at 85.6% (three months ended 30 September 2015: 85.7%). Reported occupancy decreased by 500 bps to 84.0% (three months ended 30 September 2015: 89.0%), the decrease was partly the result of the adoption of a rate focused strategy for several of our hotels in Germany.
- Like-for-like<sup>1</sup> RevPAR increased by 11.3% to £97.00 (three months ended 30 September 2015: £87.10). Reported RevPAR decreased by 4.8% to £95.30 (three months ended 30 September 2015: £100.10), impacted by the first time consolidation of the Croatian operation.

### Performance during the nine months ended 30 September 2016

- Like-for-like<sup>1</sup> revenue increased by 4.3% to £204.2 million (nine months ended 30 September 2015: £195.8 million). Total reported revenue increased by 28.1% to £204.8 million (nine months ended 30 September 2015: £160.0 million).
- Like-for-like<sup>1</sup> average room rate increased by 8.7% to £107.70 (nine months ended 30 September 2015: £99.20), whereas reported average room rate was flat at £107.80 (nine months ended 30 September 2015: £107.50).
- Like-for-like<sup>1</sup> occupancy decreased by 270 bps to 76.5% (nine months ended 30 September 2015: 79.2%) and reported occupancy decreased by 900 bps to 75.8% (nine months ended 30 September 2015: 85.0%).
- Like-for-like<sup>1</sup> RevPAR increased by 5.0% to £82.40 (nine months ended 30 September 2015: £78.50) and reported RevPAR decreased by 10.5% to £81.70 (nine months ended 30 September 2015: £91.30).

<sup>1</sup> The like-for-like comparison figures exclude Park Plaza Nuremberg for the three months ended 30 September 2016. Furthermore, the like-for-like comparison figures include the Croatian operation for the second and third quarter of 2015 and exclude Park Plaza Prenzlauer Berg Berlin for the third quarter.

<sup>2</sup> The Croatian operation added £34.3 million to the third quarter revenue.

**Commenting on the results, Boris Ivesha, President & Chief Executive Officer, PPHE Hotel Group said:**

*'We are pleased to report a good performance during the third quarter, with reported revenue increasing across all our operating regions. In particular our acquisition in Croatia earlier this year had a significant positive impact on our results in the second and third quarters. In addition, our overall performance has benefited from the favourable Euro to Sterling exchange rate.'*

*'Our new hotel Park Plaza Nuremberg has now fully opened and we are on target for a soft opening of our two new London hotels in the final quarter of 2016, as well as the completion of the extension and reconfiguration of Park Plaza Riverbank London. Our London inventory is expected to increase by over 800 rooms once these projects have been completed.'*

*'Based on our results to September and the outlook for the final quarter, the Board anticipates the full year results to be in line with its current expectations.'*

## Trading since 30 September 2016

- The fourth quarter is usually the strongest trading period for our operating regions, excluding the Croatian operation which is highly seasonal, and trading since 30 September 2016 has remained encouraging across the regions. During the final quarter, in which we prepare for the launch of several new hotels, we will remain focused on revenue generation and providing exemplary service to our guests.
- Based on the results to 30 September 2016 and the outlook for the final quarter of the year, the Board anticipates the full year results to be in line with its current expectations.

## Main events during the period

- Following a successful soft opening in June 2016, Park Plaza Nuremberg fully opened in the third quarter along with our new BA Beef Club Restaurant and Bar.

## Post period events

- The interim dividend of 10.0 pence per share was paid on 7 October 2016.

## Ongoing investment in hotel portfolio

The construction of two new hotels (Park Plaza London Waterloo and Park Plaza London Park Royal, in the United Kingdom) and the construction of the extension and reconfiguration of Park Plaza Riverbank London are all on track for a soft opening during the final quarter of 2016 and we expect these new hotels and the extension to add significant value to our Group.

## Unaudited Key Financial Statistics for the three months ended 30 September 2016

	Reported			Like-for-like <sup>1</sup>		
	Three months ended 30 September 2016	Three months ended 30 September 2015	% change <sup>2</sup>	Three months ended 30 September 2016	Three months ended 30 September 2015	% change <sup>2</sup>
Total revenue	£93.2 million	£57.7 million	61.5%	£92.7 million	£84.8 million	9.3%
Occupancy	84.0%	89.0%	(500) bps	85.6%	85.7%	(10) bps
Average room rate	£113.40	£112.40	0.9%	£113.30	£101.60	11.5%
RevPAR	£95.30	£100.10	(4.8)%	£97.00	£87.10	11.3%

<sup>1</sup> The like-for-like comparison figures exclude Park Plaza Nuremberg for the three months ended 30 September 2016. Furthermore, the like-for-like comparison figures include the Croatian operation for the third quarter of 2015 and exclude Park Plaza Prenzlauer Berg Berlin for the third quarter.

<sup>2</sup> Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table. Unless otherwise indicated, all figures in this report compare three months ended 30 September 2016 with three months ended 30 September 2015. All financial information in this report for room revenue, total revenue EBITDAR and EBITDA reflects PPHE Hotel Group's interest.

## Unaudited Key Financial Statistics for the nine months ended 30 September 2016

	Reported			Like-for-like <sup>1</sup>		
	Nine months ended 30 September 2016	Nine months ended 30 September 2015	% change <sup>2</sup>	Nine months ended 30 September 2016	Nine months ended 30 September 2015	% change <sup>2</sup>
Total revenue	£204.8 million	£160.0 million	28.1%	£204.2 million	£195.8 million	4.3%
Occupancy	75.8%	85.0%	(900) bps	76.5%	79.2%	(270) bps
Average room rate	£107.80	£107.50	0.3%	£107.70	£99.20	8.7%
RevPAR	£81.70	£91.30	(10.5)%	£82.40	£78.50	5.0%

<sup>1</sup> The like-for-like comparison figures exclude Park Plaza Nuremberg as of opening date in 2016. Furthermore, the like-for-like comparison figures include the Croatian operation for the second and third quarter of 2015 and exclude Park Plaza Prenzlauer Berg Berlin for the third quarter.

<sup>2</sup> Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table. Unless otherwise indicated, all figures in this report compare nine months ended 30 September 2016 with nine months ended 30 September 2015. All financial information in this report for room revenue, total revenue EBITDAR and EBITDA reflects PPHE Hotel Group's interest.

## Enquiries:

### PPHE Hotel Group Limited

Chen Moravsky, Deputy Chief Executive  
Officer and Chief Financial Officer

Tel: +31 (0)20 717 8603

### Hudson Sandler Financial Public Relations

Wendy Baker / Sophie Lister

Tel: +44 (0)20 7796 4133

## Notes to editors

PPHE Hotel Group Limited is a Guernsey registered company and through its subsidiaries, jointly controlled entities and associates, owns, leases, operates, franchises and develops full service upscale and lifestyle hotels in major gateway cities, regional centres and select resort destinations, predominantly in Europe.

The majority of the Group's hotels operate under two distinct brands, Park Plaza® Hotels & Resorts and art'otel®. The Group has an exclusive licence from Carlson, a global privately held hospitality and travel company, to develop and operate Park Plaza® Hotels & Resorts in Europe, the Middle East and Africa. The art'otel® brand is fully owned by the Group.

The Group owns a controlling interest in the Arenaturist group, one of Croatia's leading hospitality companies.

The portfolio of owned, leased, managed and franchised hotels comprises 38 hotels in operation offering a total of nearly 8,400 rooms. The development pipeline includes four new hotel projects and one hotel extension and reconfiguration. These developments are expected to add over 800 rooms to our portfolio by the end of 2016 and an additional 500 rooms by the end of 2019.

### Our Company:

[www.pphe.com](http://www.pphe.com)

### Our Hotel Brands:

[www.parkplaza.com](http://www.parkplaza.com)

[www.artotels.com](http://www.artotels.com)

[www.arenaturist.com](http://www.arenaturist.com)

For images and logos visit [www.vfmii.com/parkplaza](http://www.vfmii.com/parkplaza)

## Forward-looking statements

This announcement may contain certain "forward-looking statements" which reflect the Company's and/or the Directors' current views with respect to financial performance, business strategy and future plans, both with respect to the Group and the sectors and industries in which the Group operates. Statements which include the words "expects", "intends", "plans", "believes", "projects", "anticipates", "will", "targets", "aims", "may", "would", "could", "continue" and similar statements are of a future or forward-looking nature. All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Group's actual results to differ materially from those indicated in these statements. Any forward-looking statements in this announcement reflect the Group's current views with respect to future events and are subject to risks, uncertainties and assumptions relating to the Group's operations, results of operations and growth strategy. These forward-looking statements speak only as of the date of this announcement. Subject to any legal or regulatory obligations, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Group or individuals acting on behalf of the group are expressly qualified in their entirety by this paragraph. Nothing in this announcement should be considered as a profit forecast.