

## Interim Management Statement

4 November 2014

for the three months and nine months ended 30 September 2014

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 and regional centres, predominantly in Europe, is pleased to announce its interim management statement for the three months and nine months ended 30 September 2014.

### Performance and highlights for the quarter ended 30 September 2014

- Reported total revenue increased by 12.7% to €72.8 million against the same quarter last year (Q3 2013: €64.6 million). Like-for-like revenue increased by 11.7% to €70.2 million (Q3 2013: €62.9 million). On a constant currency basis, total revenue increased by 7.4% to €69.4 million.
- RevPAR increased by 11.4% to €123.5 (Q3 2013: €110.8).
- Average room rate increased by 8.9% to €137.5 (Q3 2013: €126.3), and occupancy increased by 200 bps to 89.8% (Q3 2013: 87.8%).
- The interim dividend of 9.0 pence per share was paid on 16 October 2014.

### Performance and highlights for the nine months ended 30 September 2014

- Reported total revenue increased by 12.4% to €198.1 million (nine months ended 30 September 2013: €176.2 million). Like-for-like revenue increased by 11.1% to €190.7 million (nine months ended 30 September 2013: €171.5 million). On a constant currency basis, total revenue for the nine months ended 30 September increased by 8.6% to €191.4 million.
- RevPAR increased by 11.9% to €112.2 (nine months ended 30 September 2013: €100.2). Growth was driven by a strong operating performance, the strengthening of Sterling against the Euro and the opening of art'otel amsterdam in October 2013.
- Average room rates increased by 8.7% to €134.3 (nine months ended 30 September 2013: €123.6) and occupancy increased by 240 bps to 83.5% (nine months ended 30 September 2013: 81.1%).

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

*'I am pleased to report strong third quarter results for our Group, with total revenue increasing by 12.7% and double digit RevPAR growth.*

*This year, we have reopened yet another successful hotel in Croatia and have started the construction of three projects in London and one in Nuremburg. These new projects, and our progressive renovation programme, we believe will further strengthen our market position.*

*Based on our performance to date and the outlook for the fourth quarter, we expect our full year results to meet the Board's expectations.'*

## Unaudited Key Financial Statistics for the three and nine months ended 30 September 2014

for the three months ended 30 September 2014

	Reported <sup>3</sup>			Like for like <sup>1</sup>		
	Three months ended 30 September 2014	Three months ended 30 September 2013	% change <sup>1</sup>	Three months ended 30 September 2014	Three months ended 30 September 2013	% change <sup>1</sup>
Total revenue	€72.8 million	€64.6 million	12.7%	€70.2 million	€62.9 million	11.7%
Occupancy	89.8%	87.8%	200 bps	89.9%	87.7%	220 bps
Average room rate	€137.5	€126.3	8.9%	€135.6	€129.6	4.7%
RevPAR	€123.5	€110.8	11.4%	€121.9	€113.6	7.4%

for the nine months ended 30 September 2014

	Reported <sup>3</sup>			Like for like <sup>1</sup>		
	Nine months ended 30 September 2014	Nine months ended 30 September 2013	% change <sup>2</sup>	Nine months ended 30 September 2014	Nine months ended 30 September 2013	% change <sup>2</sup>
Total revenue	€198.1 million	€176.2 million	12.4%	€190.7 million	€171.5 million	11.1%
Occupancy	83.5%	81.1%	240 bps	83.7%	81.1%	260 bps
Average room rate	€134.3	€123.6	8.7%	€132.4	€126.6	4.5%
RevPAR	€112.2	€100.2	11.9%	€110.8	€102.7	7.9%

<sup>1</sup> The like-for-like figures exclude art'otel amsterdam for the third quarter and nine months ended 30 September 2014. Furthermore, the like-for-like comparison figures for 2013 exclude art'otel berlin mitte and art'otel berlin kudamm.

<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 or nine months ended 30 September 2014 with the same period in 2013. All financial information in this report for total revenue reflects hotels where PPHE Hotel Group has a controlling interest.

<sup>3</sup> 2013 reported and like-for-like figures indicated in the table above reflect accounting policy adjustments and may therefore slightly vary from the 2013 reported and like-for-like figures indicated in our interim management statement dated 5 November 2013.

## Trading since 30 September 2014

Trading since 30 September 2014 has remained encouraging across most of our operations.

The fourth quarter is traditionally the Group's strongest quarter and notwithstanding several extensive renovation programmes which have already commenced, the Board expects the Group's full year results to meet its expectations.

An interim dividend of 9.0 pence per share was paid on 16 October 2014.

## Renovations in 2015

As previously reported, the Group has planned several extensive renovations across its different operating regions, which may have a temporary negative effect on its performance due to closures of rooms and public areas. The Board believes that the investment in these renovation projects will have a positive impact on the Group's long-term performance.

## Forward-looking statements

This interim management statement 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 interim management statement 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 interim management statement. 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 publication should be considered as a profit forecast.

## Notes to Editors

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

The majority of the Group's hotels operate under two distinct brands, Park Plaza® Hotels & Resorts and art'otel®. The Company has an exclusive licence from Carlson<sup>SM</sup>, 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 has a minority ownership interest in the Arenaturist group, one of Croatia's leading hospitality companies.

Our portfolio of owned, leased, managed and franchised hotels comprises 38 hotels in operation offering a total of more than 8,300 rooms. The development pipeline includes four new hotel projects, one hotel extension and reconfiguration and one rebranding project. These developments are expected to add over 1,000 rooms to our portfolio by mid 2016 and an additional 350 rooms by the end of 2017.

### Our Company:

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

### Our 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)

## Enquiries:

### PPHE Hotel Group Limited

Boris Ivesha, President and Chief Executive Officer Tel: +44 (0)20 7034 4800

Chen Moravsky, Deputy Chief Executive Officer and Chief Financial Officer Tel: +31 (0)20 717 8603

### Hudson Sandler

#### Financial Public Relations

Wendy Baker / Katie Matthews Tel: +44 (0)20 7796 4133