

PPHE HOTEL GROUP LIMITED
(“PPHE Hotel Group” or the “Company”)

Trading Update

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 announces a trading update in relation to the year ending 31 December 2014.

Current Trading

On 4 November 2014, the Group announced its interim management statement for the three months and nine months ended 30 September 2014 which included the statement that:

“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.”

The Company is pleased to announce that trading since its last update has been very strong and that forward reservations for the remainder of the financial year mean that the Company now expects that the results for the year ending 31 December 2014 will be above its previous expectations.

Renovation Programme

The Group has commenced a programme of renovations at a number of its hotels. As previously announced, during the duration of the programme the need to temporarily close rooms and public areas during the renovations may have an impact on the profitability of the relevant hotels. The Board believes that the investment in these renovation projects will have a positive impact on the Group’s long-term performance.

The Company had previously announced that it anticipated that the renovation programme would be completed in 2015. However, the exact timing of the renovation works remains subject to review and it is possible that some of the renovation works may now take place in 2016. If some of the renovations do take place in 2016, the Company may exceed its previous expectations for the year ending 31 December 2015. However, it is too early to assess what, if any, impact a delay may have on expectations for subsequent years.

Forward-Looking Statements

This trading update 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.

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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 CarlsonSM, 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 Hotel Brands:

www.parkplaza.com
www.artotels.com
www.arenaturist.com

Our Company:

www.pphe.com

For images and logos visit www.vfmii.com/parkplaza