

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

**Trading Update and Change to Reporting Currency**

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 trading update in advance of the Group's results for the year ended 31 December 2015, which are expected to be announced in early March.

**Financial performance**

Reported Group hotel revenue increased by approximately 12% year-on-year. This performance reflects continued strong demand in the markets in which we operate and the strong Sterling to Euro exchange rate. On a constant currency basis, Group hotel revenue increased by approximately 5%.

Group RevPAR grew by 12.1% to €127.3 (2014: €113.6). This growth was driven by an 11.3% increase in average room rate to €150.9 (2014: €135.6) and 60 bps increase in occupancy to 84.3% (2014: 83.7%).

As a result of this performance, the results for the year ended 31 December 2015 are expected to be in line with the Board's expectations.

**Development pipeline and renovations**

The Group has a strong development pipeline which includes the expected opening of three new hotels and an extension during 2016.

To fund the construction of Park Plaza London Park Royal, the Group has secured funding of up to £20.6 million from Banque Hapoalim (Luxembourg) S.A. The initial maturity date of the facility is July 2017 although the borrower has the right, subject to certain conditions, to extend the facility so that it matures in January 2018.

In addition, the Company continues to invest in an extensive improvement and renovation programme at a number of its hotels in London, Amsterdam, Nottingham and Utrecht, which will further strengthen the Group's competitive position.

**Change to reporting currency for the 2016 financial year**

Since flotation, PPHE Hotel Group has reported its financial results in Euros. However, for some time, the majority of the Group's revenue and operating profit has been generated in the United Kingdom in Sterling, reflecting the Company's strong position in the attractive London hotel market in particular. As a result, fluctuations in the Sterling to Euro exchange rate have given rise to material differences between reported and constant currency results.

Consequently, the Board has determined that reporting periods commencing from 1 January 2016 will be presented in Sterling only. This change is expected to reduce the impact of currency movements on reported results and, given the current composition of the Group's hotel portfolio as well as the anticipated opening of two further hotels and an extension in London during 2016, the Board believes that this change will help PPHE Hotel Group's financial performance be more accurately portrayed.

For the avoidance of doubt, the Group's preliminary results for the year ended 31 December 2015 will be the last set of financial results presented in Euros. For comparative purposes, the preliminary results statement and the 2015 annual report and accounts will include a summary financial statement (including an income statement, balance sheet and cash flow statement) presented in Sterling. Subsequent financial results will be presented in Sterling only.

As previously, the Board intends that dividends are declared and paid in Sterling.

**Boris Ivesha, President & Chief Executive Officer, PPHE Hotel Group said:**

*“2015 has been another strong year for PPHE Hotel Group with pleasing year-on-year hotel revenue and RevPAR growth achieved. We are continuing to invest in the expansion and improvement of our hotel portfolio, which includes three exciting new hotels due to open in 2016, a hotel extension and an extensive renovation programme.”*

**Enquiries**

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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, operates, franchises and develops 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 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 has a minority ownership 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 more than 8,300 rooms. The development pipeline includes five new hotel projects and one hotel extension and reconfiguration. These developments are expected to add over 1,000 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 trading 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.