

PPHE Hotel Group Limited
(“PPHE Hotel Group” or the “Company”)

Trading update for the three months ended 31 March 2015

PPHE Hotel Group Limited, 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 for the quarter ended 31 March 2015.

Performance and highlights for the quarter ended 31 March 2015

- Reported total revenue increased by 12.5% to €61.5 million (three months ended 31 March 2014: €54.6 million). This growth was a combination of improved trading and the strengthening of Sterling against the Euro. On a constant currency basis, total revenue for the quarter increased by 4.0% to €56.8 million.
- RevPAR increased by 13.9% to €102.3 (three months ended 31 March 2014: €89.8).
- This RevPAR growth was a result of a 6.9% increase in average room rate to €132.1 (three months ended 31 March 2014: €123.6) and 480 basis points increase in occupancy to 77.5% (three months ended 31 March 2014: 72.7%)

Trading since 31 March 2015

Trading since 31 March 2015 has remained in line with the Board's expectations. However, the strength of Sterling against the Euro may have an adverse effect on demand from European markets for our hotels in the United Kingdom. In this context, Management is closely monitoring the Group's performance to ensure such trends are identified and acted upon if required.

Renovations and new hotel projects in 2015

As previously announced, over the next two years the Group will be significantly investing in its existing hotel portfolio across its operating regions, over and above its routine capital expenditure. Whilst extensive renovations at several hotels planned for 2015 may have a temporary negative effect on the performance at these hotels due to closures of rooms and public areas, the Board believes that this investment will have a positive impact on the Group's long-term performance.

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

“2015 has started well for our Group and we are pleased to report a 12.5% increase in revenue and 13.9% increase in RevPAR. This growth was the result of improved trading conditions across all our operating regions and the strong Sterling to Euro exchange rate.

During the quarter we have made good progress across our new hotel projects and hotel renovations, with our renovation and rebranding project in Croatia nearing completion in time for the summer season. The Board expects our full year results to be in line with its expectations.”

Unaudited key financial statistics for the three months ended 31 March 2015

| | Reported ¹ | | |
|-------------------|----------------------------------|----------------------------------|-----------------------|
| | Three months ended 31 March 2015 | Three months ended 31 March 2014 | % change ² |
| Total revenue | €61.5 million | €54.6 million | +12.5% |
| Occupancy | 77.5% | 72.7% | 480 bps |
| Average room rate | €132.1 | €123.6 | +6.9% |
| RevPAR | €102.3 | €89.8 | +13.9% |

¹ No like for like comparison is provided as there have not been any transactions in the Group, in the period, which would affect these figures.

² 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 update compare three months ended 31 March 2015 with the same period in 2014. All financial information in this update for total revenue reflects PPHE Hotel Group's interest.

Enquiries:

PPHE Hotel Group Limited

Boris Ivesha, President & Chief Executive Officer

Tel: +44 (0)20 7034 4800

Chen Moravsky, Deputy Chief Executive Officer & Chief Financial Officer

Tel: +31 (0)20 717 8603

Hudson Sandler Financial Public Relations

Wendy Baker / Kate Matthews

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, 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. Our development pipeline includes four new hotel projects, one hotel extension and reconfiguration and two rebranding projects. These developments are expected to add over 1,000 rooms to our portfolio by the end of 2016 and an additional 352 rooms by the end of 2019.

Our Hotel Brands:

www.parkplaza.com

www.artotels.com

www.arenaturist.com

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

Our Company:

www.pphe.com

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.