

Solid performance with newly renovated hospitality assets supporting revenue growth

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

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We are pleased to report a solid performance during the quarter, as we benefited from newly renovated and repositioned hotels and campsites in the Netherlands and Croatia and the maturing of recently opened hotels in the United Kingdom.

Several additional repositioning projects are progressing to plan. These projects, which will enhance the quality and appeal of our offer, are part of our £190 million real estate investment programme and we expect to fully benefit from these works from 2019 onwards.

During the summer we announced the official transfer of our ordinary shares from Standard Listing to Premium Listing on the official list of the UK Listing Authority and trading on the Main Market of the London Stock Exchange. This move has given us the opportunity to communicate with a wider potential investor base and we feel our Premium Listing is a new platform to support the continued growth of the Group.

Based on our results to September and our outlook for the remainder of the financial year, the Board anticipates the full year results will be in line with its previous expectations.

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PPHE Hotel Group Limited
("PPHE Hotel Group" or the "Company")

PPHE Hotel Group, which together with its subsidiaries (the "Group"), is an international hospitality real estate group, which owns, co-owns and develops hotels, resorts and campsites, operates the Park Plaza® brand in EMEA and owns and operates the art'otel® brand.

Trading update (unaudited) for the three months and nine months ended 30 September 2018

PPHE Hotel Group, an international hospitality real estate group, is pleased to announce its results for the three months and nine months ended 30 September 2018.

PPHE Hotel Group, which together with its subsidiaries (the "Group"), owns, co-owns and develops hotels, resorts and campsites, operates the Park Plaza® brand in EMEA and owns and operates the art'otel® brand.

Solid performance with newly renovated hospitality assets supporting revenue growth

Revenue growth was aided by the completion of the repositioning programme at Park Plaza Victoria Amsterdam, the opening of Arena One 99, the Group's first all glamping campsite in Croatia, and the maturing performance of Park Plaza London Waterloo and Park Plaza London Park Royal. As anticipated, this growth was partly offset by a decline in revenue in certain hotels in the United Kingdom and the Netherlands due to ongoing renovation programmes.

Performance during the quarter ended 30 September 2018

- Like-for-like¹ revenue increased by 4.5% to £114.2 million (Q3 2017: £109.3 million). Reported total revenue increased by 3.0% to £114.2 million (Q3 2017: £110.9 million).
- Like-for-like¹ RevPAR increased across all regions, with growth at 5.8% to £111.5 (Q3 2017: £105.4). Reported RevPAR increased by 6.5% to £111.5 (Q3 2017: £104.8).
- Like-for-like¹ average room rate increased by 2.5% to £128.7 (Q3 2017: £125.6). Average room rate on a reported basis increased by 3.4% to £128.7 (Q3 2017: £124.6). This increase was most notable in the Netherlands as an increased number of renovated rooms at Park Plaza Victoria Amsterdam became available in the period.
- On a like-for-like¹ basis, occupancy increased by 270 bps to 86.6% (Q3 2017: 83.9%). Reported occupancy increased by 250 bps to 86.6% (Q3 2017: 84.1%). This increase was most notable throughout the United Kingdom and Germany.

¹ The like-for-like numbers for 30 September 2017 exclude August and September figures for Park Plaza Vondelpark, Amsterdam (which is fully closed for renovations) and art'otel dresden (the lease of which was terminated on 31 July 2018).

Performance during the nine months ended 30 September 2018

- On a like-for-like basis¹, revenue increased by 4.4% to £262.2 million (nine months ended 30 September 2017: £251.1 million). Reported total revenue increased by 4.1% to £263.0 million (nine months ended 30 September 2017: £252.7 million).
- RevPAR on a like-for-like¹ basis increased by 4.1% to £95.6 (nine months ended 30 September 2017: £91.8). Reported RevPAR increased by 4% to £95.3 (nine months ended 30 September 2017: £91.7).
- Average room rate on a like-for-like¹ basis increased by 0.5% to £120.5 (nine months ended 30 September 2017: £119.9). On a reported basis, average room rate increased by 0.6% to £120.2 (nine months ended 30 September 2017: £119.5).
- On a like-for-like¹ basis, occupancy increased by 270 bps to 79.3% (nine months ended 30 September 2017: 76.6%). Reported occupancy increased by 260 bps to 79.3% (nine months ended 30 September 2017: 76.7%).

¹ The like-for-like numbers for 30 September 2018 exclude the first two months of operation of Park Plaza London Park Royal. Furthermore, the like-for-like numbers for 30 September 2017 exclude August and September figures for Park Plaza Vondelpark, Amsterdam (which is fully closed for renovations) and art'otel dresden (the lease of which was terminated on 31 July 2018).

Real estate investment programme update

- £190 million real estate investment programme underway which includes new hotel developments and repositioning projects
- Official launch of Park Plaza Victoria Amsterdam following extensive repositioning programme and guest feedback has been highly positive
- Benefited from the first summer season at Arena One 99, Croatia's first all-glamping offer
- Preliminary construction works commenced at art'otel london hoxton, which is scheduled to open in 2022
- Repositioning programme of Park Plaza Sherlock Holmes London and Park Plaza Vondelpark, Amsterdam is continuing and works are expected to be completed in the first half of 2019

Corporate activity

- Official transfer of the Company's ordinary shares from Standard segment to the Premium segment of the Official List of the UK Listing Authority and trading on the Main Market for listed securities of the London Stock Exchange
- Terminated the loss making lease agreement for art'otel dresden, effective from 31 July 2018

Post period events

- The interim dividend of 16.0 pence per share was paid on 15 October 2018

A translation of the Group's subsidiary Arena Hospitality Group d.d.'s (**Arena**) unaudited results for the three months and nine months ended 30 September 2018 is available from Arena's website www.arenahospitalitygroup.com

Portfolio investments and outlook

As part of our £190 million real estate investment programme, a number of renovation and repositioning projects across several properties are underway and progressing well. These programmes will enhance the quality and appeal of our offer and generate returns.

In the United Kingdom, the extensive repositioning programme at Park Plaza Sherlock Holmes London is well underway. Works are expected to be completed in phases with final completion planned for the first half of 2019. Further renovation works at Park Plaza London Riverbank and Park Plaza Victoria London are expected to be completed in the final quarter of 2018.

In the Netherlands, Park Plaza Vondelpark, Amsterdam (which is currently closed) is expected to reopen in phases in early 2019, with the full transformation expected to be completed in the first half. At Park Plaza Utrecht, the first phase of construction works is expected to be completed by the first quarter of 2019 and phase two by the end of 2019. The upgraded meetings & events facilities at Park Plaza Amsterdam Airport were completed during the third quarter of 2018.

In Germany, new wellness areas at art'otel cologne and art'otel berlin mitte were completed and a refurbishment of rooms and public areas at art'otel berlin kudamm is expected to commence soon.

In Croatia, a new wellness and spa at Park Plaza Histria Pula was completed and six apartments were renovated and added to the inventory of Park Plaza Arena Pula. We have also continued working on detailed planning of our largest campsite, Kazela, where we expect works to commence before the end of 2018.

Further renovations and repositioning programmes across the Group continue to be considered, with the view of upgrading the property portfolio. In addition, the Group continues to focus on acquisition opportunities for further expansion. These repositioning programmes and future expansion are both expected to add further value to the Group, including an increase of the Group's EPRA NAV per share, which at 30 June 2018 was £24.21.

Based on our results to September and our outlook for the remainder of the financial year, the Board anticipates the full year results will be in line with its previous expectations.

Unaudited Key Financial Statistics for the three months ended 30 September 2018

	Reported			Like-for-like ¹		
	Three months ended 30 September 2018	Three months ended 30 September 2017	% change ²	Three months ended 30 September 2018	Three months ended 30 September 2017	% change ²
Total revenue	£114.2 million	£110.9 million	3.0%	£114.2 million	£109.3 million	4.5%
Occupancy	86.6%	84.1%	250 bps	86.6%	83.9%	270 bps
Average room rate	£128.7	£124.6	3.4%	£128.7	£125.6	2.5%
RevPAR	£111.5	£104.8	6.5%	£111.5	£105.4	5.8%

1 The like-for-like numbers for 30 September 2017 exclude August and September figures for Park Plaza Vondelpark, Amsterdam (which is fully closed for renovations) and art'otel dresden (the lease of which was terminated on 31 July 2018).

2 Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table.

Unaudited Key Financial Statistics for the nine months ended 30 September 2018

	Reported			Like-for-like ¹		
	Nine months ended 30 September 2018	Nine months ended 30 September 2017	% change ²	Nine months ended 30 September 2018	Nine months ended 30 September 2017	% change ²
Total revenue	£263.0 million	£252.7 million	4.1%	£262.2 million	£251.1 million	4.4%
Occupancy	79.3%	76.7%	260 bps	79.3%	76.6%	270 bps
Average room rate	£120.2	£119.5	0.6%	£120.5	£119.9	0.5%
RevPAR	£95.3	£91.7	4.0%	£95.6	£91.8	4.1%

1 The like-for-like numbers for 30 September 2018 exclude the first two months of operation of Park Plaza London Park Royal. Furthermore, the like-for-like numbers for 30 September 2017 exclude August and September figures for Park Plaza Vondelpark, Amsterdam (which is fully closed for renovations) and art'otel dresden (the lease of which was terminated on 31 July 2018).

2 Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table.

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Notes to editors

PPHE Hotel Group Limited ('PPHE' or the 'Group') is an international hospitality real estate company, with a £1.6 billion portfolio of primarily prime freehold and long leasehold assets in Europe. The Group's guiding principle is to generate attractive returns from operations and long-term capital appreciation.

Through its subsidiaries, jointly controlled entities and associates it owns, co-owns, develops, leases, operates and franchises hospitality real estate. Its primary focus is full-service upscale, upper upscale and lifestyle hotels in major gateway cities and regional centres, as well as hotel, resort and campsite properties in select resort destinations.

The Group benefits from having an exclusive and perpetual licence from the Radisson Hotel Group, one of the world's largest hotel groups, to develop and operate Park Plaza® branded hotels and resorts in Europe, the Middle East and Africa. In addition, the Group wholly owns, and operates under, the art'otel® brand and its Croatian subsidiary owns, and operates under, the Arena Hotels & Apartments® and Arena Campsites® brands. This multi-brand approach enables the Group to develop and operate properties across several segments of the hospitality market.

The Group is one of the largest owner/operators of hotels in central London and its property portfolio comprises of 38 hotels and resorts in operation, offering a total of approximately 8,800 rooms and 8 campsites, offering approximately 6,000 units. The Group's development pipeline includes two new hotels in London which are expected to add an additional 500 rooms by the end of 2022.

PPHE is a Guernsey registered company and its shares are listed on the Premium Listing segment of the Main Market of the London Stock Exchange. PPHE also holds a controlling ownership interest (51.97% of the share capital) in Arena Hospitality Group, whose shares are listed on the Zagreb Stock Exchange.

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.

Company websites

www.pphe.com

www.arenahospitalitygroup.com

For reservations

www.parkplaza.com

www.artotels.com

www.arenaturist.com

For images and logos visit

www.vfmii.com/parkplaza