

Trading update (unaudited) for the three months ended 31 March 2018

2 MAY 2018

PPHE Hotel Group, an international hospitality company which owns and develops hotels and resorts, operates the Park Plaza® brand in EMEA and owns the art'otel® brand, is pleased to announce its trading update for the three months ended 31 March 2018.

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



Trading update (unaudited) for the three months ended 31 March 2018

Performance during the quarter ended 31 March 2018

- Reported total revenue increased by 2.9% to £59.4 million (three months ended 31 March 2017: £57.7 million). On a like-for-like basis¹, revenue increased by 1.5% to £58.5 million (three months ended 31 March 2017: £57.7 million). The revenue growth achieved in the United Kingdom, Croatia and Germany was partly offset by a year-on-year decline in revenue in the Netherlands due to renovation works in the region.
- On a reported basis, average room rate decreased by 2.8% to £108.9 (three months ended 31 March 2017: £112.0), reflecting a slightly softer London market than the prior year which benefited from an uplift in visitors due to devaluation of sterling. Like-for-like¹ average room rate decreased by 2.0% to £109.8 (three months ended 31 March 2017: £112.0).
- Reported occupancy increased by 240 bps to 73.5% (three months ended 31 March 2017: 71.1%). This increase was the result of growth across all regions, except for the Netherlands which saw a decline in occupancy. On a like-for-like¹ basis, occupancy increased by 240 bps to 73.5% (three months ended 31 March 2017: 71.1%).
- Reported RevPAR increased by 0.6% to £80.1 (three months ended 31 March 2017: £79.6). Like-for-like¹ RevPAR increased by 1.4% to £80.7 (three months ended 31 March 2017: £79.6).

¹ The like-for-like numbers for 31 March 2018 exclude the first two months of operation from Park Plaza London Park Royal.

Corporate activities and highlights

- Acquired 50% interest from joint venture partner in the development site of art'otel london hoxton, with preliminary construction works expected to commence in the second quarter of 2018; and
- Daniel Kos, Chief Financial Officer, was appointed to the Board of Directors.

A translation of Arena Hospitality Group d.d.'s (**Arena**) unaudited results for the three months ended 31 March 2018 is available from Arena's website www.arenahospitalitygroup.com.

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 first quarter, especially considering the strong prior year performance when we reported double digit revenue growth.

Revenue increased across all operating regions, with the exception of the Netherlands, which as expected was negatively impacted due to renovations at Park Plaza Victoria Amsterdam.

Investment projects and hotel renovation programmes are progressing to plan.

In March, we completed the acquisition of our 50% joint venture partner's interest in the development site for art'otel london hoxton. Preliminary construction works are expected to commence in the second quarter.

Daniel Kos, Chief Financial Officer, was appointed to the Board as an Executive Director.

Based on our results to March and the outlook for the year, the Board anticipates the full year results to be in line with its current expectations.

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Portfolio investments and outlook

The renovation projects across several of the group's hotels are progressing well with works at Park Plaza Victoria Amsterdam expected to be completed in the first half.

The programme at Park Plaza Sherlock Holmes London is well under way and is expected to be completed in phases with final completion planned for early 2019. In Croatia, Arena is nearing completion of the works at its first glamping offering. Several additional renovations across the group are being planned or considered, with a view of upgrading the portfolio and adding further value.

Trading since 31 March 2018 is in line with the Board's expectations.

Unaudited Key Financial Statistics for the three months ended 31 March 2018

	Reported			Like-for-like ¹		
	Three months ended 31 March 2018	Three months ended 31 March 2017	% change ²	Three months ended 31 March 2018	Three months ended 31 March 2017	% change ²
Total revenue	£59.4 million	£57.7 million	2.9%	£58.5 million	£57.7 million	1.5%
Occupancy	73.5%	71.1%	240 bps	73.5%	71.1%	240 bps
Average room rate	£108.9	£112.0	(2.8)%	£109.8	£112.0	(2.0)%
RevPAR	£80.1	£79.6	0.6%	£80.7	£79.6	1.4%

1 The like-for-like numbers for 31 March 2018 exclude the first two months of operation from Park Plaza London Park Royal.

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 report compare three months ended 31 March 2018 with three months ended 31 March 2017.

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 (together the "Group"), owns, leases, operates, franchises and develops full service upscale, upper upscale and lifestyle hotels in major gateway cities, regional centres and select resort destinations, predominantly in Europe.

The majority of the Group's hotels operate under the Park Plaza® or art'otel® brands. The Group has an exclusive licence from Radisson Hotel Group, one of the world's largest hotel groups, to develop and operate Park Plaza® brand in Europe, the Middle East and Africa. The art'otel® brand is wholly owned by the Group.

The Group has a controlling ownership interest (51.97% of the share capital) in Arena Hospitality Group, one of Croatia's best-known hospitality groups.

The portfolio of owned, leased, managed and franchised hotels comprises 39 hotels offering a total of approximately 9,000 rooms. The Group's development pipeline includes two new hotels which are expected to add an additional 500 rooms by the end of 2022.

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