

Trading update (unaudited) for the three months ended 31 March 2019

- Strong start to 2019 with 8.1% like-for-like¹ revenue increase
- Continued good progress with hospitality real estate investments

Commenting on the results, **Boris Ivesha**,
President & Chief Executive Officer said:
“

We are pleased to report a strong first quarter performance, with like-for-like revenue for the Group increasing by 8.1% reflecting good increases in occupancy and average room rate and the appeal of our portfolio and our rigorous focus on inspirational service delivery to delight our guests.

We are continuing to make good progress in extending our property pipeline with the acquisition of an interest in a property in Manhattan, New York, and we look forward to progressing our pre-construction timetable with our partner in this new market for our art'otel® brand. Our broader pipeline is strong with an approximate £240m committed investment programme including several repositioning projects and the developments of our art'otel london hoxton and art'otel london battersea power station which are both progressing well.

PPHE's proven development strategy is to target real estate in prime locations and attractive geographies where we believe there is significant upside potential to drive growth and long-term value through both the property portfolio and operations. The Group intends to continue with its mission to bring art'otel® to major cities, building on the success of the brand in Amsterdam, Berlin, Cologne and Budapest.

We take an integrated and entrepreneurial approach and have a strong 30-year track record in creating value through owning, developing and operating prime hospitality real estate, a robust financial position and an attractive pipeline to deliver future growth in profits and real estate assets. We look forward to progressing these new opportunities along with our committed repositioning and renovation projects through 2019 and expect to deliver full year results in line with expectations.

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

PPHE Hotel Group Limited (the "**Group**"), the international hospitality real estate group which owns, co-owns and develops hotels, resorts and campsites, is pleased to announce its trading update for the three months ended 31 March 2019.



Performance during the three months ended 31 March 2019

- Like-for-like¹, revenue increased by 8.1% to £62.4 million (three months ended 31 March 2018: £57.8 million) driven by strong growth in the United Kingdom, with positive performances across the Netherlands, Germany and Hungary. Reported total revenue increased by 5.2% to £62.5 million (three months ended 31 March 2018: £59.4 million) reflecting hotel closures in the period.
- Like-for-like¹ RevPAR increased by 7.9% to £88.2 (three months ended 31 March 2018: £81.7). Reported RevPAR increased by 10.1% to £88.2 (three months ended 31 March 2018: £80.1).
- Like-for-like¹ average room rate increased by 4.3% to £115.4 (three months ended 31 March 2018: £110.6). On a reported basis, average room rate increased by 6.2% to £115.5 (three months ended 31 March 2018: £108.7).
- Like-for-like¹ occupancy increased by 260 bps to 76.4% (three months ended 31 March 2018: 73.8%). Reported occupancy increased by 270 bps to 76.4% (three months ended 31 March 2018: 73.7%).

Corporate activities and highlights

- Entry into the United States for art'otel with a joint venture agreement with a New York based real estate development and investment firm to develop a prime site located in Manhattan, New York;
- Site works started at the Group's 100% owned art'otel london hoxton, with approved improved planning consent. Works are also underway at art'otel london battersea power station, which will be managed by the Group on completion of the construction;
- Announced 22 May 2019 as the launch date for the Group's premium boutique Holmes Hotel London, with excellent progress made with repositioning projects at Park Plaza Vondelpark, Amsterdam, Park Plaza Utrecht and Arena Kazela Campsite in Croatia. Completion dates for these projects expected end of H1 2019; and

- Successful £149m placing by the Group's three largest shareholders of approximately 22% of the issued share capital, which should allow for greater liquidity for investors by expanding the shareholder base. As at the next FTSE review date of June 2019 the Company expects to meet the free float level and such other criteria required to qualify for potential inclusion in the FTSE UK series of indices.

Portfolio investments

The Group has an approximate £240 million committed investment programme in place for the development of art'otel london hoxton and several repositioning projects. 22 May 2019 will see the launch of the Group's first completed repositioning project for 2019, Holmes Hotel London. This will follow by the completion of repositioning projects at Park Plaza Vondelpark, Amsterdam, Park Plaza Utrecht and Arena Kazela Campsite in Croatia.

After the 2019 summer season, Arena is expected to commence the repositioning programmes of Verudela Beach Resort Pula and Hotel Brioni Pula, with anticipated completion timings of 2020 and 2022 respectively.

Works are ongoing on plans and pre-work for the planning and preliminary works on site for the Group's recent acquisition of a development site in New York.

A translation of Arena Hospitality Group d.d.'s (Arena) unaudited results for the three months ended 31 March 2019 will shortly be available on Arena's website www.arenahospitalitygroup.com.

Key Financial Statistics for the three months ended 31 March 2019

	Reported			Like-for-like ¹		
	Three months ended 31 March 2019	Three months ended 31 March 2018	% change ²	Three months ended 31 March 2019	Three months ended 31 March 2018	% change ²
Total revenue	£62.5 million	£59.4 million	5.2%	£62.4 million	£57.8 million	8.1%
Occupancy	76.4%	73.7%	270 bps	76.4%	73.8%	260 bps
Average room rate	£115.5	£108.7	6.2%	£115.4	£110.6	4.3%
RevPAR	£88.2	£80.1	10.1%	£88.2	£81.7	7.9%

1 The like-for-like numbers for 31 March 2018 exclude the first three months of operation from art'otel dresden due to termination of the lease. Furthermore, the like-for-like numbers for both 31 March 2019 and 31 March 2018 exclude the first three months of operation from Park Plaza Vondelpark, Amsterdam (temporarily closed for repositioning).

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 2019 with three months ended 31 March 2018.

Post period end event

On 26 April 2019, Arena announced that it had entered into a framework agreement to acquire the four-star 88 Rooms Hotel in Belgrade, Serbia, for a total consideration of HRK 47 million. The completion of this acquisition is subject to certain steps and conditions having been fulfilled, which the Group expects to happen by the end of 2019. This latest acquisition is in line with Arena's strategy to further expand its property portfolio within the CEE region.

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Notes to editors

PPHE Hotel 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 and one in New York City which are expected to add an additional 600 rooms by the end of 2022/2023.

PPHE Hotel Group 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 Hotel Group 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

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www.parkplaza.com
www.artotels.com
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