

Trading Update

24 January 2013

PPHE Hotel Group, which 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 provide the following update on trading for the year ended 31 December 2012.

Group hotel revenue increased by approximately 19%, due, primarily, to two factors:

- a strong performance by the Group's London hotels, which significantly benefited from the Olympics; and
- the acquisition of 100% ownership of three of its hotels in the Netherlands.

On a like for like basis, Group hotel revenue increased by approximately 12%, reflecting strong underlying performance.

Group RevPAR increased by 9.4% to €101.3 (2011: €92.6). This growth was driven by a 9.8% increase in average room rate to €130.9 (2011: €119.2), with occupancy flat at 77.4% (2011: 77.7%).

As a result of this performance, the Company expects the results for the full year ended 31 December 2012 to be ahead of previous Company expectations.

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

"2012 has been yet another record year for us as we benefited from a strong performance from our hotels in London, several completed refurbishments and increased hotel ownership. Our continued focus on driving growth through the delivery of an excellent guest experience, paired with strong revenue management and our marketing and distribution platform, is expected to lead to an impressive overall result."

Enquiries:

PPHE Hotel Group Limited

Boris Ivesha, President and Chief Executive Officer Tel: +44 (0)20 7034 4800

Chen Moravsky, Chief Financial Officer Tel: +31 (0)20 717 8603

Hudson Sandler Financial Public Relations

Wendy Baker / George Parker Tel: +44 (0)20 7796 4133

Our Brands:

www.parkplaza.com

www.artotels.com

www.arenaturist.com

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

Our Company:

www.pphe.com

Notes to Editors

PPHE Hotel Group (formerly Park Plaza Hotels 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 Company has an exclusive licence from CarlsonSM, a global privately owned 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 Company.

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 39 hotels offering a total of more than 8,300 rooms. Our development pipeline includes three new hotels and two mixed-use developments, which together are expected to add nearly 900 rooms to the portfolio by the end of 2014.

Forward-looking statements

This trading update 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.