

PPHE HOTEL GROUP LIMITED
("PPHE Hotel Group", the "Company" or the "Group")

Interim Management Statement

PPHE Hotel Group Limited, which owns, leases, develops, operates and franchises full service upscale and lifestyle hotels in major gateway cities and regional centres, predominantly in Europe, today announces its results for the three months ended 31 March 2012.

Highlights for the quarter ended 31 March 2012

- Total revenue up by 9.4% to €46.7 million (for the three months to 31 March 2011: €42.7 million).
- Average room rate increased by 4.9% to €122.4 (for the three months to 31 March 2011: €116.7), primarily due to a strong performance of the Group's London hotels.
- Group RevPAR increased by 5.3% to €83.2 (for the three months to 31 March 2011: €79.0), primarily driven by the increase in average room rate.
- Contracted to acquire remaining 50 per cent interests in four hotels in The Netherlands from Elbit Imaging Limited, which will result in the Group owning 100 per cent of Park Plaza Victoria Amsterdam, Park Plaza Amsterdam Airport, Park Plaza Utrecht and art'otel amsterdam (under construction).
- Company name changed to PPHE Hotel Group Limited to reflect the Group's expanded portfolio and multi-brand approach.
- Refurbishment of art'otel berlin city center west, including a 61 room extension, completed and trading in line with expectations. art'otel budapest completed the refurbishment of 75 rooms during the period and trading exceeded the first quarter of 2011.
- Residential sales at the Group's Pattaya Bay project in Thailand commenced, with 110 of the 301 apartments contracted for sale as at 29 March 2012.
- Paid a final dividend of 6.0 pence per share for the year ended 31 December 2011 on 27 April 2012.
- Trading since 31 March 2012 continues to be in line with the Board's expectations.

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

"Following our 2011 record performance, we are pleased to report a 9.4% growth in total revenue for the first quarter of 2012, traditionally the industry's weakest quarter of the year. This performance was primarily achieved through increased average room rates during the period, particularly at the Group's London hotels. Other highlights for the quarter include the renaming of our Company to PPHE Hotel Group, underlining our multi-brand approach, and our agreement to acquire the remaining interest in four hotels in The Netherlands, including the landmark Park Plaza Victoria Amsterdam and the exciting art'otel amsterdam project."

Looking ahead, we will continue to focus on growing our RevPAR through further improving our average room rates and increasing occupancy and we remain optimistic about the benefits the Diamond Jubilee and sports events in London will bring. Following refurbishment at three of our resorts in Croatia we are thrilled by their imminent June re-opening under the Park Plaza brand.”

First quarter unaudited key financial statistics

		Reported	
	Three months ended	Three months ended	%
	31 March 2012	31 March 2011	change[#]
Total revenue	€46.7 million	€42.7 million	+9.4%
Occupancy	68.0%	67.7%	+0.3%
Average room rate	€122.4	€116.7	+4.9%
RevPAR	€83.2	€79.0	+5.3%

[#]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 2012 with three months ended 31 March 2011. All financial information in this report reflects PPHE Hotel Group's interest.

Trading since 31 March 2012

Whilst continuing to be mindful of the broader macro economic uncertainty which could potentially impact the hotel markets in which the Company operates, the Group has started the year well and trading since 31 March 2012 has continued to be in line with the Board's expectations.

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Note to editors:

PPHE Hotel Group Limited (formerly Park Plaza Hotels Limited) 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 Group has an exclusive licence from Carlson, 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 PPHE Hotel Group and it has a minority ownership interest in the Arenaturist group, one of Croatia's leading hospitality companies.

Through its strategic partnership with Carlson, PPHE Hotel Group has access to their powerful reservation and distribution system, loyalty programmes such as Club CarlsonSM for guests and Look To BookSM for travel agents, 23 airline partnerships and cross-selling opportunities.

The portfolio of owned, leased, managed and franchised hotels comprises 38 hotels offering a total of 8,376 rooms. The development pipeline includes three new hotels and two mixed-use developments, which together are expected to add approximately a further 900 rooms to the portfolio by the end of 2014.

PPHE Hotel Group's shares are admitted to trading on the main list of the LSE (Standard Listing).

Our company:

www.pphe.com / www.parkplazahotels.net

Our brands:

www.parkplaza.com

www.artotels.com

www.arenaturist.com

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

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