

Acquisition of Joint Venture Interest in London

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PPHE Hotel Group Limited

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("PPHE Hotel Group" or the "Company")
Acquisition of Joint Venture Interest in London

PPHE Hotel Group, which owns, leases, develops, operates and franchises full service upscale, upper upscale and lifestyle hotels in major gateway cities and resort destinations, predominantly in Europe, is pleased to announce that one of its wholly owned subsidiaries, has exchanged contracts to buy from its joint venture partner its fifty percent interest in its joint venture company, Aspirations Limited ('Aspirations'), for a consideration of thirty-five million pounds (subject to working capital adjustments to be made on completion).

Aspirations owns the site located by Old Street, Rivington Street, Great Eastern Street and Bath Place, London EC1 on which it plans to develop art'otel london hoxton.

The Company initially entered into this joint venture in 2008 by investing £11.0 million for its fifty percent interest. This acquisition will be funded through cash resources.

The acquisition will enable the Company to control the timetable for construction and hence construction of a mixed-use scheme consisting of the 318 room art'otel london hoxton, office and commercial space and ancillaries are now expected to commence in the second quarter of this year.

The sale is expected to complete by the end of March 2018.

Boris Ivesha, President and Chief Executive Officer of PPHE Hotel Group, commented:

"We are excited about this latest transaction which is part of realising the next phase of growth for our group. Construction of art'otel london hoxton is now expected to commence in the second quarter of this year and this lifestyle hotel, located in one of London's most exciting neighbourhoods, will complement our other art'otel already under construction, the landmark art'otel london battersea power station."

- Ends -

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Notes to editors

The Company is a Guernsey registered company and through its subsidiaries, jointly controlled entities and associates, 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® Hotels & Resorts or art'otel® brands. The group has an exclusive licence from Carlson Hotels Worldwide Inc., one of the world's largest hotel groups, to develop and operate Park Plaza® Hotels & Resorts 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 group's 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 2021.

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