

Pula, 9 December 2016

Arenaturist d.d.

("Arenaturist" or the "Company")

**Implementation of the strategic plan continued by entering into an agreement to acquire the freeholds of art'otel cologne and art'otel berlin kudamm in Germany**

Arenaturist, which has until now owned and managed hotels, tourist resorts and camps solely in Istria, Croatia is pleased to announce that it has, via its wholly owned subsidiaries (the "**Purchasers**") entered into an agreement to acquire the freehold interests in art'otel cologne and art'otel berlin kudamm (formerly known as art'otel berlin city center west) located in Berlin, Germany, from a third party for an aggregate €54,500,000 million net of any applicable VAT (of which €2,329,000 is on account of Fixture, Fitting and Equipment payable by the operating companies of the hotels which are owned by PPHE Hotel Group) (the "**Acquisition**").

The Acquisition is subject to receiving local authority consent. Funding arrangements for the Acquisition are currently being negotiated.

This Acquisition is in line with the Company's strategic intention to integrate PPHE Hotel Group's hotels and hotel operations in Central and Eastern Europe into Arenaturist and it is the first step towards developing Arenaturist into a leading Central and Eastern European leisure and hospitality company with a business model that includes owning and managing its own assets and those of others, primarily under the Park Plaza brand.

art'otel cologne is located on the Rheinaudocks in the centre of Cologne and has been operated by PPHE Hotel Group since 2010. The newbuild hotel opened in 2010 and offers 218 guest rooms, a bar, restaurant, several meeting rooms and a sauna. The signature artist for this art'otel is the Korean artist SEO.

art'otel berlin kudamm is a 152 room hotel located in Berlin's Charlottenburg area, just minutes away from the Kurfürstendamm and has been operated by PPHE Hotel Group since 2001. Facilities include a bar, restaurant, several meeting rooms, a sauna and gym. The hotel is dedicated to Andy Warhol, with over 250 art pieces and photos taken by his best friend, Christoper Makos.

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