



## - CONVENIENCE TRANSLATION -

### Design Hotels AG publishes Annual Results 2015

- **Revenue increases by about 11 percent to Euro 16.878m**
- **EBITDA increases by 12 percent to Euro 1.939m**

*Berlin, March 23, 2016* – Design Hotel AG (m:access, Munich: LBA; ISIN: DE0005141006) publishes results for the financial year 2015. Revenue increased by about 11% and meets the expectations set forth in the beginning of the year. The operational result increased by 12% and, therefore, also complies with the expected result.

#### Key Events:

On November 12, 2015, Design Hotels AG announced the conclusion of a Services Agreement with Starwood Hotels & Resorts Worldwide, Inc. ("Starwood") and its subsidiary company Preferred Guest, Inc. The agreement allows Design Hotels AG to connect a selection of its member hotels to the Starwood Preferred Guest ("SPG") customer loyalty program and Starwood's distribution channels.

#### Key Financials:

**Total Revenue** increased by about 11% Euro 16.878m (15.207).

Revenue from **License Fees** for membership with Design Hotels increased by 12% to Euro 3.883m (3.462). This contributes 23% (23) to total revenue. On December 31, 2015, Design Hotels had 306 (288) member hotels in its portfolio with 23,202 (22,262) rooms in 190 destinations and 59 countries.

**Booking commissions** came in at Euro 7.773m (7.082) in 2015, which means a 10% increase compared to the previous year. Commissions accounted for 46% (46) of the total revenue.

Revenue from **Marketing and Consulting Services** increased with 12% in 2015 and reached Euro 5.222m (4.663). It accounts for 31% (31) of total revenue.

The **Gross Margin** is slightly below last year's level and came in at 65% (68). **Gross Revenue** was Euro 10.934m (10.373), which is an increase of 5% compared to the previous year. The increase is disproportionally lower compared to the increase of total revenue. This is due to an unfavorable value of the Euro against the US-Dollar with the reservation services provider as well as the higher share of the low-margin marketing and consulting services in total revenue.



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The average number of employees increased from 75 to 78. Therefore, **Staff Expenses** grew from Euro 5,758m to Euro 5,940m. At the same time, **Revenue per Employee** went up from Euro 0.203m to Euro 0.216m. The increase of staff was necessary to manage the growing business from the increasing number of member hotels as well as the intensified and more individualized customer service.

**Selling Expenses** came in at Euro 1.689m (1.433). They are directly related to the revenue development and increased slightly to 10% (9) compared to the previous year. The increase of the selling expenses is mainly due to increasing advertising expenses in relation to seasonal marketing products.

**Other Operating Expenses** decreased slightly to Euro 1.452m (1.578).

**EBITDA** increased by about 12% to Euro 1.939m (1.727) in 2015.

The **EBITDA margin** was 11% (11).

**EBIT** reached Euro 1.567m (1.402) in 2014. **Net Profit** came in at Euro 1.592m (1.418).

On December 31, 2015, the Company had **cash and cash equivalents** in the amount of Euro 1.304m, as compared to Euro 5.713m on December 31, 2014. The decrease in cash and cash equivalents and other current assets resulted from an intercompany loan in the amount of EUR 5.25m Starwood (M) France Holdings SAS, a subsidiary of the main shareholder Starwood Hotels & Resorts Worldwide, Inc. The Management Board assumes that in 2016, all payment obligations arising from the current operations can be covered by the cash inflows from operating activities.

**Shareholders' equity** increased from Euro 6.132m to Euro 7.262m. The equity ratio amounts to 66% (66%).

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## Further Comments:

The international travel industry experienced an upswing in 2015 with already more than 1 billion travelers worldwide in October. Economic factors, geopolitical challenges, riots and terrorist attacks have rather regional effects on the travel sector; the industry in general proved to be stable against crises. Key figures from the tourism industry - revenue per available room, average rates and occupancy – increased worldwide compared to the previous year. Design Hotels was able to benefit from these developments and has even grown disproportionately compared with the average market development.

CEO Claus Sendlinger commented: "We are very pleased with the company's development and the corresponding figures for 2015. We were able to increase revenues in all business areas and meet the expectations expressed in the beginning of the financial year. The assumption, that Earnings before Interest and Taxes would decrease compared to the previous year, which we expressed in mid-2015, did not prove true. The reason for this are lower costs in 2015 from the collaboration with Starwood Hotels & Resorts. Also for the year 2016, we expect an increase in revenue and operating profit."

As to the services agreement with Starwood Hotels & Resorts, Inc. Sendlinger further commented: "The conclusion of the services agreement enables us to expand the product and service offering to our member hotels now. Participating hotels get access to Starwood's customer loyalty program Starwood Preferred Guest SPG and connectivity to Starwood's distribution channels, namely the Starwood websites, the SPG mobile application, and the customer contact center."

## Financial Calendar:

**16. June 2016** – 18<sup>th</sup> Annual Shareholder Meeting in Berlin

**1. August 2016** – Publication of Half Year Results 2016

**13. October 2016** – Investor Presentation at m:access Conference in Munich

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**Group Overview**  
According to HGB  
Consolidated Profit & Loss Statement  
(all figures in Thousand Euro)

<b>Total as per 31. December</b>		
	2015	2014
<b>Revenue</b>		
Annual License Fee	3.883	3.462
Commissions	7.773	7.082
Marketing Products/Consulting	5.222	4.663
<b>Total Revenue</b>	<b>16.878</b>	<b>15.207</b>
Cost of Sales	5.944	4.834
<b>Gross Profit</b>	<b>10.934</b>	<b>10.373</b>
Staff Expenses	5.940	5.758
Selling Expenses	1.689	1.433
Administration Expenses	1.452	1.578
<b>Total Operating Expenses</b>	<b>9.081</b>	<b>8.769</b>
Other Operating Income	358	307
Other Operating Expenses	272	184
<b>EBITDA</b>	<b>1.939</b>	<b>1.727</b>
<b>EBIT</b>	<b>1.567</b>	<b>1.402</b>
<b>EBT</b>	<b>1.592</b>	<b>1.418</b>
<b>After-Tax Profit</b>	<b>1.120</b>	<b>998</b>
Average Number of Employees	78	75
Revenue per Employee	216	203



## Consolidated Statement of Cash Flow

(all figures in Thousand Euro)

<b>As per December 31</b>		
	2015	2014
<b>EBITDA from Profit and Loss Statement</b>	<b>1.939</b>	<b>1.727</b>
Cashflow from investment activities	-5.573	-265
Balance of cash changes in operating activities	-775	-140
Change in cash and cash equivalents	-4.409	1.306
Cash and cash equivalents at start of period	5.713	4.407
<b>Cash and cash equivalents at end of period</b>	<b>1.304</b>	<b>5.713</b>
Guarantees	99	76
<b>Cash and cash equivalents</b>	<b>1.208</b>	<b>5.637</b>



## Consolidated Balance Sheet

	31.12.2015		31.12.2014	
<b>Assets</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
<b>Long-term Assets</b>				
Fixed assets		772		798
<b>Short-term Assets</b>				
Inventory	379		381	
Accounts Receivable	2.293		1.963	
Receivables from affiliated companies	5.667		0	
Other Assets	521		429	
Liquid Funds and Securities	1.304	10.164	5.713	8.486
<b>Total Assets</b>		<b>10.936</b>		<b>9.284</b>
<b>Liabilities</b>				
<b>Shareholder's Equity</b>				
Share Capital	8.972		8.972	
Cumulative other equity capital	-1.727		-1.727	
Net Profit / Accumulated losses	7	7.262	-1.113	6.132
<b>Short-Term Liabilities</b>				
Accruals	1.530		1.334	
Down-payments	738		693	
Accounts payable	401		231	
Other liabilities	1.005	3.491	894	3.152
<b>Total Liabilities</b>		<b>10.936</b>		<b>9.284</b>



## Change in Shareholder's Equity

(all figures in Thousand Euro)

	Share Capital	Loss carried forward	Directly in shareholder's equity included charges, profit, and loss	Total
<b>As of 1.1.2014</b>	<b>8.972</b>	<b>-2.111</b>	<b>-1.743</b>	<b>5.118</b>
Group annual profit		998		998
Other consolidated results			16	16
<b>Total result</b>		<b>998</b>	<b>16</b>	<b>1.014</b>
<b>As of 31.12.2014</b>	<b>8.972</b>	<b>-1.113</b>	<b>-1.727</b>	<b>6.132</b>
<b>As of 1.1.2015</b>	<b>8.972</b>	<b>-1.113</b>	<b>-1.727</b>	<b>6.132</b>
Group annual profit		1.120		1.120
Other consolidated results			10	10
<b>Total result</b>		<b>1.120</b>	<b>10</b>	<b>1.130</b>
<b>As per 31.12.2015</b>	<b>8.972</b>	<b>7</b>	<b>-1.717</b>	<b>7.262</b>

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### About Design Hotels™

Design Hotels™ represents and markets a curated selection of more than 300 privately owned hotels in over 55 countries across the globe. Design Hotels offers them an international platform as well as comprehensive services: Conception, positioning, marketing, sales and other services and measures to optimize their revenues. As part of a worldwide creative network Design Hotels provides for innovation and exchange of ideas among its members, guests and visionary people from other branches. None of the Design Hotels members equals another. Each one has its own character, history and kind and manner how it blends in with the environment. All houses are connected through their uniqueness. They are formed by their creators, hoteliers, architects, designers and other creative minds whose passion form unrivalled events based on good ideas.

[www.designhotels.com](http://www.designhotels.com), ISIN: DE0005141006, m:access Munich Stock Exchange (Regulated Unofficial Market)