



Wednesday 8 October 2014

easyHotel plc

(“easyHotel”, the “Company” or the “Group”)

Trading Update

easyHotel, the owner, developer, operator and franchisor of "super budget" branded hotels is pleased to announce a trading update for the financial year ended 30 September 2014.

Trading for the year ended 30 September 2014 was in line with management's expectations in both its owned and franchised hotels. The year has seen a number of milestones achieved by the Company, including the opening of its Glasgow **easyHotel** (125 bedrooms) in January 2014, the refurbishment of the Old Street London **easyHotel** (162 bedrooms) and most recently the £24.5 million capital raising in conjunction with the admission to trading on AIM of Company's shares in June 2014.

Management is pleased with the performance of the Group's Glasgow hotel which has already reached high levels of occupancy, achieving 84% occupancy in the three months to the end of September 2014.

The Group's third owned hotel, the 103-bedroom Croydon **easyHotel**, is on track to open on budget in November 2014, with prices starting at a competitive £19 per room per night.

The Group is in the process of expediting ways to improve profitability further for both its owned and franchised hotels, which in particular will involve a new multi-lingual website, making it easier for overseas visitors to book and simplifying the booking process on mobile devices.

Since the Company's shares were admitted to trading on AIM in June 2014, and in line with its strategy, management has considered a number of potential site acquisitions. To date few of the sites or opportunities under review have met the Group's strict acquisition criteria. There is a steady supply of new opportunities and management is confident of delivering against their stated owned hotel roll-out strategy. During the period, the Board also explored a potential corporate transaction in considerable detail. The Board has decided not to proceed with this transaction, and the Group will incur professional costs of approximately £230,000 in relation to the transaction which will be reported as one-off costs.

Our core strategy is to be an owner-operator in both the UK and mainland Europe. Our franchise strategy is to focus outside Europe, but a number of franchise commitments will continue to open in Europe in the next six months. The Company is pleased to announce that the franchised 132-bedroom Frankfurt **easyHotel** will open on 1 December 2014, with the hotel already open for bookings. The franchised Prague **easyHotel** is under construction and is scheduled to open in Spring 2015.

Simon Champion, Chief Executive Officer, commented:

“We are pleased with the trading performance over the past few months. We believe that there are a number of opportunities to improve owned and franchised revenues which we will be implemented in the coming months, and we will continue to maintain our tight cost discipline. We remain excited about the growth potential of our strong brand, driven by our unique international customer base and the increasing number of business customers looking for a value hotel proposition.”

The Company expects to announce its full year results for the year ended 30 September 2014 on 9th December 2014.

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Notes to Editors:

Information on easyHotel:

easyHotel is the owner, developer, operator and franchisor of branded hotels. Its strategy is to target the "super budget" segment of the hotel industry by marketing "clean, comfortable and safe" hotel rooms to its customers. easyHotel currently has three owned hotels comprising 390 rooms, and a further 17 franchised hotels with approximately 1,300 rooms.