



Travelodge Announces Results for Year Ending 31st December 2007

17 March 2008

Travelodge, the UK's fastest growing hotel chain, today announces results for the year ended 31 December 2007.

Travelodge delivered significant revenue growth of 20% in 2007, while EBITDA for the company rose 30%, largely driven by a strong London market and improved cost controls. Rooms sold increased by 14% to a new record of 5.5 million and occupancy levels remained strong at 77% across the board.

Travelodge continued to deliver against its stated UK growth plan, opening 23 hotels across the UK in 2007 (2, 500 rooms). The year also marked the Company's first significant move outside the UK, committing €1 billion to open 100 Travelodge hotels in Spain by 2020.

Financial Highlights

- Revenues in 2007 increased 20% to £243.8 million (2006: £203.5 million)
- EBITDA in 2007 grew 30% to £55.8 million (2006: £42.8 million)*
- Free cashflow generation for the company stood at 60%
- Strong cash position: £54.8m cash in bank, with outstanding debt not due for repayment until 2014

UK Expansion Programme

- Travelodge opened 23 hotels (2, 500 rooms) including London City Road (392 rooms) and Heathrow Terminal 5 (297 rooms)
- 24 hotels are currently being built (2, 400 rooms)
- Planning has now been secured on a further 42 hotels (4,000 rooms)
- Strong pipeline of 205 hotel sites in place (18, 500 rooms)

Operational Highlights

- Occupancy in the UK was stable at 77% across the board
- Internet sales represented 87% of bookings in 2007 – travelodge.co.uk rated as the number one travel website in the UK**
- 29% revenue growth and 15% point increase in existing hotels in Spain
- Travelodge named number one budget hotel brand***

Positive outlook

- Current trading very strong
- 44 UK hotels (4,000 rooms) to be opened in 2008
- 2.5m rooms priced at £29 or less in 2008
- Strongest hotel pipeline in UK

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Grant Hearn, Travelodge CEO, commented: "Travelodge's performance has been outstanding in 2007: delivering strong growth in sales and operating profit as our 'no frills' offer gathers real momentum. We are perfectly positioned to accelerate our stated growth plans in the UK and international markets and we are looking forward to hitting record customer numbers for 2008.

"In the last three years Travelodge has focused on taking share from three and four star hotels but also growing the overall hotel market. We are stealing share from B&Bs, mid market and upmarket hotels as their customers seek genuine value from the budget sector. We are also now attracting 500,000 more low income families than in 2005, including first time users from camping and caravanning markets.

"Over the last 12 months we have opened major hotels in the thriving markets of London and Edinburgh and can now look forward to realising the benefits of these openings in 2008."

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**EBITDA number provided on a normalised basis*

***Hitwise October – December 2007*

****BDRC March 2008*

About Travelodge

The first budget hotel brand to launch in the UK in 1985, Travelodge now operates 330 hotels (over 20,000 rooms) - nine in Ireland, three in Spain and the rest in the UK. Travelodge aims to be the biggest hotel operator in London by the 2012 Olympics with over 7,000 rooms in the capital.

Six and a half million people stayed with Travelodge last year and 87% of reservations are currently made online at travelodge.co.uk, where room rates start at £19 a night. The chain employs 5,500 staff and is owned by Dubai International Capital.