

Thame and London Limited
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United Kingdom

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Information Release

Introduction

Thame and London Limited (“Travelodge”) and its subsidiaries (together, the “Group”) provide the information release attached as Annex A hereto (the “Information Release”) which contains an update on the Group’s financial performance for Q1 2017 (as defined below).

This Information Release or any part of it is for informational purposes only and does not constitute, and should not be construed as, part of any offer or invitation to sell, or any solicitation of any offer to purchase or subscribe for, any securities in the Group, and it is not intended to provide the basis of any investment decision nor does it nor is it intended to form the basis of any contract for acquisition of or investment in the Group, financial promotion, or any offer or invitation in relation to any acquisition of or investment in the Group in any jurisdiction, nor should it be considered as legal, financial or tax advice in relation to the same. This announcement may constitute a public disclosure of inside information by the Issuer under Regulation (EU) 596/2014 (16 April 2014).

This Information Release contains and refers to certain forward-looking statements with respect to the Group’s financial condition, results of operations and business. Forward-looking statements are statements of future expectations that are based on management’s current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among others, statements concerning the potential exposure to market risks and statements expressing management’s expectations, beliefs, plans, objectives, intentions, estimates, forecasts, projections and assumptions. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are typically identified by words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “objectives,” “outlook,” “probably,” “project,” “will,” “seek,” “target” and other words of similar meaning in connection with a discussion of future operating or financial performance. All of these forward-looking statements are based on estimates and assumptions made by such entities that, although believed to be reasonable, are inherently uncertain. Therefore, undue reliance should not be placed upon any forward-looking statements. There are important factors that could cause actual results to differ materially from those contemplated by such forward-looking statements. In addition even if the Group’s actual results are consistent with the forward-looking statements contained in this Information Release, those results or developments may not be indicative of results or developments in subsequent periods.

The foregoing factors should not be construed as exhaustive. You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All forward-looking statements are expressly qualified in their entirety by the cautionary statements referred to in this section and contained in the Group’s latest annual report, including those set forth under the section “*Risk Factors*” thereof, which is available on the Group’s investor relations website. In light of these risks, our results could differ materially from the forward-looking statements contained in this Information Release. None of the information contained on the Group’s website is incorporated by reference into or otherwise deemed to be linked to this Information Release.

You are reminded that past financial performance is not a reliable indicator of any potential future performance, and prospective and current investors are solely responsible for making their own independent appraisal of and investigations into the financial and other information presented in this Information Release. No member of the Group assumes any obligation to review or confirm analyst expectations or estimates. Nothing in this Information Release constitutes investment advice.

Annex A

Current Trading

The first quarter is traditionally the hotel industry's lowest seasonal demand period and our smallest quarter in financial terms.

For the first quarter of 2017 ("Q1 2017"), we believe that market growth largely reflected the general economic position in the United Kingdom, together with the impact of the lower level of sterling exchange rates on inbound travel, particularly to London, and the effect of new supply across the United Kingdom.

During the first quarter, we believe the overall UK hotel market growth was largely driven by the luxury and upscale sectors and the strong performance of London, against weak comparables, as well as the movement of Easter from first quarter in 2016 ("Q1 2016") to the second quarter in 2017. The MS&E segment, which does not tend to strongly benefit from inbound Asian and U.S. tourists or from large volumes of group demand, has seen more modest growth.

Our revenue was £127.9 million for Q1 2017, an increase of £8.4 million, or 7.0%, compared to £119.5 million for Q1 2016, with like-for-like RevPAR growth of 2.0% from £32.14 for Q1 2016 to £32.77 for Q1 2017.

We performed slightly below the MS&E segment growth rate in Q1 2017 by approximately 0.5 percentage points, impacted in London by the closure of one of our hotels for further external improvements (as part of a redevelopment by the landlord) and a number of rooms during our refit program, and also by strong comparatives during the Easter period in 2016, which will fall in the second quarter this year.

Our EBITDA was £6.4 million for Q1 2017, an increase of £3.3 million, compared to £3.1 million for Q1 2016. Our EBITDA was impacted by the strong revenue growth, with cost pressures, including from the National Living Wage, mitigated by lower costs as we migrated from a broad television advertising strategy in Q1 2016 to a targeted digital and direct sales strategy in Q1 2017.

It is still early in the year, and we remain relatively cautious about the immediate outlook, in the context of the prevailing economic uncertainty relating to Brexit and the expected cost pressures, including those from the National Living Wage, the increase in business rates and other regulated cost increases. However, we remain well positioned to benefit from demand from value conscious consumers and our strong and growing development pipeline.

The preliminary interim financial information for Q1 2017 above is based on management's assessment of trading conditions and our internal management accounts which have not been prepared in accordance with IFRS. This information has not been audited, reviewed or compiled, nor have any procedures been performed by our independent auditors with respect thereto. Accordingly, you should not place undue reliance on it, and no opinion or any other form of assurance is provided with respect thereto. Our preliminary interim financial information for Q1 2017 is based upon a number of assumptions and judgments that are subject to inherent uncertainties and are subject to change, and are not intended to be a comprehensive statement of our financial or operational results for Q1 2017. We have not yet prepared consolidated financial statements for Q1 2017. Accordingly, the preliminary interim financial information for Q1 2017 presented above is subject to the completion of our results for Q1 2017, may change and those changes may be material.