

Hostelworld Group plc
("Hostelworld" or the "Group")

Pre-Close Trading Update

Hostelworld, the world's leading hostel-focused online booking platform, today issues a pre-close trading update ahead of its preliminary results for the year ended 31 December 2016 which will be announced on 28 March 2017.

Results for the full year to 31 December 2016 are anticipated to be in line with the Board's expectations.

The Group has delivered 21% growth in bookings for its flagship Hostelworld brand in H2 2016, resulting in 18% growth for the year as a whole. Across all brands, the Group returned to overall bookings growth increasing 2% during H2 2016, leading to a 1% decline for the year as a whole.

Hostelworld made good progress in its mobile business, with mobile (including tablet) now representing over 49% of Hostelworld brand bookings for the year (2015: 41%). The Group also saw further encouraging growth in penetration from its Elevate pricing product.

The Group's business model continued to generate excellent free cash flow, which contributed to a strong balance sheet at the period end.

The Board looks forward to announcing Hostelworld's first full year final dividend in March, in accordance with the policy stated at the time of the Group's IPO.

Feargal Mooney, Chief Executive of Hostelworld, commented:

"Set in the context of challenging market conditions, particularly in Europe in the second quarter, I am pleased with our second half performance and our continued momentum in the execution of strategy across mobile, pricing, geographic diversification, focused brand marketing and a more efficient booking mix. This positions the Group well to make further progress in 2017."

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