

**Hostelworld Group plc
("Hostelworld" or the "Group")
2018 Interim Results Announcement**

21 August 2018: Hostelworld, the world's leading hostel-focused online booking platform, is pleased to announce its interim results for the period ended 30 June 2018.

Operational Highlights

- Hostelworld brand bookings up 6% during the period; Group bookings growth of 2% (to 4.0m bookings)
- Successful phased rollout of new free cancellation booking option, to further broaden customer offering:
 - Pilot launch in Q1 2018 followed by global roll out in July in response to customer demand, leading to increased conversion, longer lead times and higher booking values
 - Deferral of revenue recognition impacting reported earnings in 2018 as expected, but with no impact on cash receipts
 - All marketing costs relating to these bookings recognised in the period
- Continued delivery on marketing efficiencies:
 - Bookings from not-paid-for channels 64% of total (H1 2017: 62%)
 - Marketing investment per booking declined by 7%, representing 43% of Revenue (H1 2017: 41%), 39% excluding the impact of deferred revenue
- 57% of bookings coming from mobile devices, up from 50% in H1 2017
- Average commission rate increased to 15.3% (H1 2017: 14.2%)
- Increased investment in technology development centre in Portugal to accelerate product development

Financial Highlights

- Average Booking Value ("ABV") of €12.2, flat on H1 2017; up 5% on a constant currency basis reflecting the impact of pricing initiatives
- Group Net Revenue decreased by 9% to €42.6m (H1 2017: €46.6m) as a result of the impact of deferred revenue; 3% decrease at constant currency
 - €4.2m of revenue generated during the period from free cancellation bookings has been deferred (2017: €nil) and will be recognised, net of cancellations, in future periods, impacting reported revenue and earnings during 2018
- Adjusted EBITDA decreased by 24% to €9.8m (H1 2017: €12.9m); 18% decrease at constant currency
 - Adjusted EBITDA Margin 23% (H1 2017: 28%) impacted by deferred revenue
 - Excluding the impact of deferred revenue, Adjusted EBITDA would have increased 9% (€1.1m) to €14.1m, with margins maintained at 30%
- Group Adjusted Profit after Tax of €7.6m (H1 2017: €10.3m)
- Adjusted pro-forma Earnings Per Share of 7.97 euro cent per share (H1 2017: 10.82 euro cent per share)
- Strong underlying adjusted free cash conversion of 133% (H1 2017: 101%), 93% excluding the impact of deferred revenue
- Cash balances of €22.9m at 30 June 2018 (30 June 2017: €17.7m), after payment of 2017 final dividend in June 2018
- Interim dividend of 4.8 euro cents per share (H1 2017: 5.1 euro cents), in line with stated dividend policy. Post payment of the interim dividend for 2018, the Group will have returned €48.1m to shareholders in dividends in the three years since listing in November 2015

Gary Morrison, Chief Executive Officer, commented:

"Although I've only been here a very short time, I am pleased that my initial impressions have confirmed why I decided to join the Group. We have a strong Hostelworld brand, a relevant offering and a growing customer base.

Overall, our first half results were in line with our expectations. As previously reported, the market, particularly in Europe, is increasingly competitive. In addition the World Cup and the unusually hot weather in Europe have also led to a softness in bookings in the peak summer months of July and August. If these trends continue like for like, growth in Group bookings is likely to be flat for the full year given the expected declines in our supporting brands.

In response to these circumstances, we are continuing our program of rigorous cost control and our ABV continues to benefit from the increase in the base rate commission implemented in February. Weaker demand also leads to a natural reduction in variable marketing expenses. Combined, these actions will mitigate some of the softness in bookings at the EBITDA level. We continue to see strong underlying cash conversion.

The global rollout of our free cancellation booking option on the Hostelworld brand in July this year will further enhance our competitiveness. We are increasing our technology investment in Porto to further improve and differentiate us from competitors. Hostelworld has the ability to continue to be the OTA of choice for the experiential/backpacker traveller and I will give further details of our plans for developing the business later this year.”

ends

A presentation will be made to analysts at 9.00am today, a copy of which will be available on our Group website <http://www.hostelworldgroup.com>. If you would like to attend the presentation, please contact Powerscourt on the contact details below.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

For further information please contact:

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About Hostelworld Group

Hostelworld Group is the world's leading hostel-focused online booking platform. Connecting travellers with hostels around the world, Hostelworld offers more than ten million customer reviews across 36,000 properties in more than 170 countries, making the brand the leading online hub for social travel. The website operates in 19 different languages and mobile app operates in 13 different languages.

Hostelworld travellers are a unique, passionate breed; who want to see the world, make new connections and crave the adrenaline of new adventures. Hostelworld inspires them to 'Meet the World' through the social nature of hostels that turbo-charges their journeys and helps create unforgettable memories.

Headquartered in Dublin, Hostelworld has offices around the world in London, Porto, Seoul, Shanghai and Sydney with approximately 280 employees. The Hostelworld Group listed on the main London and Irish stock exchanges in November 2015.

HOSTELWORLD GROUP PLC

INTERIM MANAGEMENT REPORT

To the members of Hostelworld Group plc

Cautionary statement

This Interim Management Report (IMR) has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. The IMR should not be relied on by any other party or for any other purpose.

The IMR contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report but such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

This interim management report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Hostelworld Group plc and its subsidiary undertakings when viewed as a whole.

Strategic Update

The Group continues to make progress in implementing our key strategic objectives. In our most recent annual report, we reported the Group's key objectives for 2018 which were:

- (1) To invest in our **Core Products** competitiveness and **Differentiating USPs** to ensure our platforms are the preferred choice for hostels and the growing number of young independent travellers worldwide to visit when planning their trips;
- (2) to increase **Customer Lifetime Value** by delivering products and features that are unique to the hostel product, enhancing our customers experience before, during and after the trip and thereby increasing customer loyalty;
- (3) to build a vibrant Hostelworld **Community** that encourages direct engagement with our platform, with other travellers and with hostels.

The Group is currently reviewing the strategy in order to deliver value to shareholders, customers and other stakeholders in the medium to long term. We will provide an update later in the year.

Business Model

As noted in our 2017 annual report, in early 2018 we piloted a new free cancellation booking option, to further broaden our product offering. This booking option was rolled out on a phased basis in the six months ended 30 June 2018 and in response to customer demand we have introduced this business model globally from July, which we see as a key strategic move for the business which will enhance our competitiveness.

As with our other booking options, at the time of booking, hostel travellers pay a deposit directly to us, and the remainder of the cost of their stay directly to the hostel at the time of their visit. If the hostel traveller cancels their free cancellation booking, within a specified period, we will refund their deposit. While, as previously announced this has led to a deferral of revenue recognition which will impact reported earnings in 2018, however this will not impact cash receipts.

Financial Review

Key Performance Indicators

	H1 '18	H1 '17	% Change Reported	% Change Constant Currency	Financial Year 2017
Bookings – Hostelworld brand (m)	3.80	3.58	6%		7.0
Bookings – supporting brands and channels (m)	0.16	0.31	(47%)		0.5
Total Booking Volume (m)	3.96	3.89	2%		7.5
Average Booking Value ("ABV") (gross) (€)	12.15	12.20	0%	5%	11.6
Revenue (€m)	42.6	46.6	(9%)	(3%)	86.7
Adjusted EBITDA (€m)	9.8	12.9	(24%)	(18%)	26.4
Deferred Free Cancellation Revenue (€m)	4.2	n/a			

Group bookings increased by 2% in the six months ended 30 June 2018 (2017: 11%) driven by good performance in our core Hostelworld brand in the period which grew by 6% (2017: 21%). This growth is consistent with trends seen in the latter half of 2017.

The Group's core brand, Hostelworld, now represents 96% of Group bookings as compared to 92% in the six months ended 30 June 2017. The Group has continued to deliberately focus its marketing initiatives and technology investments on this brand, whilst the managed decline in bookings of the Group's supporting brands was 47% in the six months ended 30 June 2018 (2017: 43% decline).

Bookings in not-paid-for channels represented 64% of total bookings (2017: 62%). The Group's booking volumes are seasonal and peak between May and August during the summer travel period in the northern hemisphere.

The associated Total Transaction Values ("TTV") in the six months ended 30 June 2018 were €300m (2017: €316m), a 5% decline in reported terms (flat in constant currency), while the average commission rate in the six months ended 30 June 2018 increased to 15.3% (2017: 14.2%). TTV is a measure of the total gross value of accommodation booked by our customers on Hostelworld Group platforms.

While the Group operates in one segment and is managed as such, business performance is reviewed on a bookings volume and average booking value basis for both the Hostelworld brand as well as all supporting brands (including Hostelbookers, Hostels.com, booking engines and affiliates).

Group revenue decreased by 9% for the six month period ended 30 June 2018 to €42.6m (H1 2017: €46.6m), as a result of the impact of deferred revenue, which corresponds to a 3% decrease on a constant currency basis. €4.2m of revenue generated during the period from free cancellation bookings has been deferred (2017: €nil) and will be recognised in future periods, net of any cancellations, when the last cancellation date has passed. All of the costs in relation to these bookings have been recognised in the six month period ended 30 June 2018.

Average Booking Value ("ABV") was flat during the period (2017: 3.5% increase), and on a constant currency basis grew by 5% for the six months. As part of a focus on pricing initiatives, base rate commissions were increased in February 2018, and together with a continuing increase in the underlying base price per bed. This has been offset by the continued decline in the number of bed nights per booking with the continued shift to mobile bookings and the negative impact of exchange rate movements in the six months ended 30 June 2018.

Bookings from mobile customers continue to grow representing 57% of total bookings in the six months ended 30 June 2018 (2017: 50%).

The Group continues to actively manage its marketing mix with marketing investment as a percentage of revenue of 43% in the six months ended 30 June 2018 as compared to 41% in the same period in 2017. Excluding the impact of deferred free cancellation revenue in the period, marketing investment would be 39% of revenue. While exchange rate movements had a negative impact on revenue and Adjusted EBITDA, there was a partial offsetting benefit to marketing expenses as the majority of marketing investment is denominated in US dollars.

Adjusted EBITDA

The Group uses Earnings before Interest, Tax, Depreciation and Amortisation, excluding exceptional and non-cash items ("Adjusted EBITDA") as a key performance indicator when measuring the outcome in the business from one period to the next, and against budget. Exceptional items by their nature and size can make interpretation of the underlying trends in the business more difficult. We believe this alternative performance measure reflects the key drivers of profitability for the Group and removes those items which do not impact underlying trading performance.

Group Adjusted EBITDA of €9.8m (2017: €12.9m) has decreased by €3.1m (24%) in the six months to 30 June 2018 and by 18% on a constant currency basis. Adjusted EBITDA as a percentage of revenue declined to 23% (2017: 28%) and has been particularly impacted by the change in booking option with free cancellation bookings, which has resulted in a deferral of €4.2m of revenue from the period. Excluding the impact of the deferral of this revenue, Group Adjusted EBITDA would have increased by €1.1m (9%) during the period, and EBITDA margin would have been maintained at 30%. Any future cancellations (made within a specified period) will reduce the amount of deferred revenue that can be recognised in future periods.

Administration expenses decreased by €0.9m (3%) to €33.2m in the six months ended 30 June 2018. A contributory factor in this was the exchange rate benefit to marketing expenses.

Gross staff costs (excluding share based payment expense) increased from €9.4m to €9.5m. Average headcount increased by 17% from 240 in the six months ended 30 June 2017 to 281 in the six months ended 30 June 2018, as the Group continues to invest in a technology development centre in Portugal which will further increase the development capacity of the Group.

Excluding the impact of the level of development labour capitalised in accordance with IFRS standards (2018: €0.8m; 2017: €0.4m), share based payment expense and the impact of a bonus accrual, staff costs increased by 13% on a constant currency basis.

Reconciliation between Operating Profit and Adjusted EBITDA:

(€m)	H1 18	H1 17	Financial Year 2017
Operating profit	2.9	5.2	11.9
Depreciation	0.6	0.5	1.1
Amortisation of development costs	0.9	1.6	2.9
Amortisation of acquired intangible assets	5.0	5.2	10.4
Exceptional items	0.0	0.0	(0.5)
Share based payment expense	0.4	0.4	0.6
Adjusted EBITDA	9.8	12.9	26.4

The share based payment expense for the period reflects the share based payment charge arising on the issuance of options in accordance with the Group's Long Term Incentive Plan ("LTIP") and Save as you Earn ("SAYE") plan.

Adjusted Profit after Taxation

€m	H1 18	H1 17	Financial Year 2017
Adjusted EBITDA	9.8	12.9	26.4
Depreciation	(0.6)	(0.5)	(1.1)
Amortisation of development costs	(0.9)	(1.6)	(2.9)
Corporation tax	(0.7)	(0.5)	(0.7)
Adjusted Profit after Taxation	7.6	10.3	21.7
Exceptional items	0.0	(0.0)	0.5
Amortisation of acquired intangibles	(5.0)	(5.2)	(10.4)
Net finance costs	0.0	0.0	(0.1)
Share based payment expense	(0.4)	(0.4)	(0.6)
Deferred taxation	(0.1)	(0.3)	0.1
Profit for the period	2.0	4.4	11.2

Adjusted Profit after Taxation (Adjusted "PAT") is an alternative performance measure that the Group uses to calculate the dividend payout for the year, subject to Company Law requirements regarding distributable profits. It excludes exceptional items, amortisation of acquired domain and technology intangibles, net finance costs, share based payment expenses and deferred taxation which can have large impacts on the reported result for the year, and which can make underlying trends difficult to interpret.

Adjusted PAT decreased from €10.3m to €7.6m due in part to the impact of €4.2m revenue related to free cancellation bookings that was received but deferred in the period.

Based on the weighted average number of shares in issue during the six months ended 30 June 2018, reported Earnings per Share ("EPS") is 2.14 euro cents per share (30 June 2017: 4.60 euro cent). Using Adjusted PAT as the measure of earnings would result in an adjusted EPS of 7.97 euro cent per share for the year. The corresponding adjusted EPS for 30 June 2017 calculated on the same basis, using the weighted average number of shares in issue as at 30 June 2017 is 10.82 euro cent per share. Adjusted EPS is an alternative performance measure that excludes exceptional items, amortisation of acquired domain and technology intangibles, net finance costs, share based payment expenses and deferred taxation which can have large impacts on the reported result for the year, and which can make underlying trends difficult to interpret.

Taxation

The Group's corporation tax charge of €0.7m (2017: €0.5m) is an effective tax rate (corporation tax as a percentage of Adjusted EBITDA) of 7.0% (2017: 4.0%) and 24.2% of reported profit before taxation (2017: 9.9%). The relatively low effective tax rate is primarily as a result of carried forward tax losses arising from the previous capital structure of the Group.

The Groups' deferred tax charge for the six months ended 30 June 2018 of €0.1m (2017: €0.3m) relates to the movement in deferred tax assets offset by the movement in deferred tax liabilities.

Adjusted Free Cash flow conversion

€m	H1 18	H1 17	2017
Adjusted EBITDA	9.8	12.9	26.4
Capitalised development spend	(0.9)	(0.4)	(1.8)
Capital expenditure	(0.2)	(0.8)	(1.8)
Interest and tax paid	(0.3)	(0.3)	(0.6)
Net movement in working capital ⁽¹⁾	4.7	1.6	(0.7)
Adjusted Free Cash flow	13.1	13.0	21.5
<i>Adjusted Free Cash flow conversion</i>	<i>133%</i>	<i>101%</i>	<i>81%</i>

(1) changes in working capital excludes the effects of exceptional costs

The Group has a business model which produces strong free cash flow conversion, with a negative working capital cycle on operational cash flows. The movement in working capital in the first six months of 2018 was at a higher level than in the same period in 2017, due to the impact of €4.2m of revenue related to free cancellation bookings which was received but deferred. This resulted in a higher adjusted free cash flow conversion of 133% (30 June 2017: 101%). Excluding the impact of the deferral of the revenue related to free cancellation bookings, adjusted free cash flow conversion would have been 93% (2017: 101%).

Total Cash at 30 June 2018 was €22.9m (30 June 2017: €17.7m), of which €nil is restricted. There were no borrowings at 30 June 2018 (30 June 2017: €nil).

Foreign exchange risk

The Group's primary operating currency is the euro. The Group also has significant sterling and US dollar cash flows. During the period the average euro to US dollar exchange rate weakened by 12% and the average euro to sterling exchange rate weakened by 2% in comparison to the prior period. Restated on a constant currency basis, ABV has increased by 5%, revenues have decreased by 3% (€1.5m) and Adjusted EBITDA has decreased by 18% (€2.1m) for the six months ended 30 June 2018. Revenue in relation to free cancellation bookings which was received but deferred during the period was €4.2m (2017: €nil). Constant currency is calculated by applying the average exchange rates for the six months period ended 30 June 2018 to the financial results for the six months period ended 30 June 2017 on a month by month basis. The Group's principal policy is to match cash flows of like currencies, with excess sterling and US dollar revenues being settled into euros on a timely basis.

Related party transactions

Related party transactions are disclosed in note 14 to the condensed financial statements. There have been no changes in the related party transactions described in the last annual report which would have had a material effect on the financial position or performance of the Group.

Risks and uncertainties

The principal risks and uncertainties facing the Group remain those disclosed in the annual report for the year ended 31 December 2017. While the nature of the principal risks and uncertainties faced by the Group remain unchanged on the whole, external geopolitical factors and an increasingly competitive marketplace have changed the Group's risk profile in certain areas. Amongst the most significant of these factors are increased competition, and the proposed exit of the United Kingdom from membership of the European Union (known as "Brexit"). In the six months ended 30 June 2018, the UK as a destination represented 6% of total group bookings (2017: 7%) and 14% of group bookings were from UK nationals (2017: 14%).

The business operates in an increasingly competitive marketplace and our relative scale and size could impact our ability to keep pace with changes in customer behaviour and technology change. We have seen increased competition from other online travel agents ("OTAs") and from the alternative accommodation sector, particularly in Europe as a destination during the period. The Group continues to invest in leveraging its unique data assets, marketing the social nature of the hostelling experience and optimising its overall marketing mix for this segment of the accommodation market. We continue to track our performance in key markets and seek feedback from customers as to the relevancy and competitiveness of our proposition as well as propensity to recommend to others.

The Group also continues to monitor changes in tax legislation and changes to tax laws based on recommendations made by the OECD in relation to its Action Plan on Base Erosion and Profits Shifting ("BEPS") or national governments which may result in additional material tax being suffered by the Group. In collaboration with our tax advisers, a Big 4 professional services firm, we continue to assess possible tax impacts in the jurisdictions in which we operate to ensure that our tax obligations are aligned to the operational nature of our business.

A detailed explanation of the risks and how the Group seeks to mitigate the risks, can be found on pages 32 to 37 of the 2017 Annual Report which is available at www.hostelworldgroup.com.

Going concern

As stated in note 2 to the condensed financial statements, the directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

Dividend

The Group maintains an attractive dividend policy and is pleased to declare an interim dividend of €4.6m or 4.8 euro cent per share (2017: 5.1 euro cent per share) which is in line with the Group's stated dividend policy. This dividend has not been included as a liability in these condensed financial statements. The interim dividend is payable on 21 September 2018 to all shareholders on the Register of Members on 31 August 2018.

In June 2018, the Group paid a final dividend of €11.5m or 12.0 euro cent per share in respect of the financial year ending 31 December 2017. After payment of the interim dividend for 2018, the Group will have returned €48.1m to shareholders in dividends in the three years since IPO in November 2015.

Board and management update

Feargal Mooney stepped down as Chief Executive Officer and Director on 11 June 2018, after more than 16 years with the Group. The Board would like to express its appreciation to Feargal for his contribution to the Group.

Following a thorough and rigorous search process, Gary Morrison was appointed as the Group's new CEO and Director on 11 June 2018. Gary joins the Group from Expedia where for the last seven years he served in a number of roles, most recently as Head of its Retail Operations, and prior to that heading up Expedia's EMEA region. Prior to Expedia, Gary worked with Google and Motorola.

The search for a Chief Financial Officer to replace Mari Hurley, who resigned as Chief Financial Officer and Director in 2018, has been completed. As we've just announced, TJ Kelly has been appointed as CFO and Director of the Group, with effect from November 21 2018. In the interim period, the current Head of Finance, Ruthanne Monaghan, is acting in the CFO role. We also continue to invest in the wider management team in line with our strategy to increase our technology investment and accelerate our product development so that we can continue to offer our customers the best experience in hostel booking.

Future outlook

As previously reported, the market, particularly in Europe, is increasingly competitive. In addition the World Cup and the unusually hot weather in Europe have also led to a softness in bookings in the peak summer months of July and August. If these trends continue like for like, growth in Group bookings is likely to be flat for the full year given the expected declines in our supporting brands.

In response to these circumstances, we are continuing our program of rigorous cost control and our ABV continues to benefit from the increase in the base rate commission implemented in February. Weaker demand also leads to a natural reduction in variable marketing expenses. Combined, these actions will mitigate some of the softness in bookings at the EBITDA level. We continue to see strong underlying cash conversion.

Gary Morrison

Chief Executive Officer

20 August 2018

Michael Cawley

Chairman

20 August 2018

We confirm that to the best of our knowledge:

- (a) The condensed set of consolidated financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting';
- (b) The interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- (c) The interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the board

Gary Morrison

Chief Executive Officer

Date: 20 August 2018

Michael Cawley

Chairman

20 August 2018

HOSTELWORLD GROUP PLC
**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2018**

		Six months ended 30 June 2018 €'000 (Unaudited)	Six months ended 30 June 2017 €'000 (Unaudited)	Year ended 31 December 2017 €'000 (Audited)
	Notes			
Revenue	3	42,621	46,649	86,672
Administrative expenses	4	(33,243)	(34,183)	(60,380)
Depreciation and amortisation	4	(6,518)	(7,250)	(14,395)
Operating profit		2,860	5,216	11,897
Financial income		4	4	9
Financial costs		(31)	(43)	(75)
Profit before taxation		2,833	5,177	11,831
Taxation	5	(789)	(784)	(582)
Profit for the period attributed to the equity owners of the parent company		2,044	4,393	11,249
Basic earnings per share (euro cent)	6	2.14	4.60	11.77
Diluted earnings per share (euro cent)	6	2.13	4.58	11.71

HOSTELWORLD GROUP PLC

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2018**

	Six months ended 30 June 2018 €'000 (Unaudited)	Six months ended 30 June 2017 €'000 (Unaudited)	Year ended 31 December 2017 €'000 (Audited)
Profit for the period	2,044	4,393	11,249
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(2)	3	3
Total comprehensive income for the period attributable to equity owners of the parent company	2,042	4,396	11,252

HOSTELWORLD GROUP PLC
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

		30 June 2018 €'000 (Unaudited)	30 June 2017 €'000 (Unaudited)	31 December 2017 €'000 (Audited)
	Notes			
Non-current assets				
Intangible assets	7	123,117	133,257	128,108
Property, plant and equipment	8	3,356	3,344	3,774
Deferred tax assets		278	217	480
		<u>126,751</u>	<u>136,818</u>	<u>132,362</u>
Current assets				
Trade and other receivables	9	4,365	3,970	3,966
Cash and cash equivalents		22,895	17,662	21,294
		<u>27,260</u>	<u>21,632</u>	<u>25,260</u>
Total assets		<u>154,011</u>	<u>158,450</u>	<u>157,622</u>
Issued capital and reserves attributable to equity owners of the parent				
Share capital	10	956	956	956
Other reserves		-	3,628	-
Foreign currency translation reserve		16	18	18
Share based payment reserve		1,386	735	960
Retained earnings		135,591	139,405	145,015
		<u>137,949</u>	<u>144,742</u>	<u>146,949</u>
Total equity attributable to equity holders of the parent company		<u>137,949</u>	<u>144,742</u>	<u>146,949</u>
Non-current liabilities				
Deferred tax liabilities		359	592	457
		<u>359</u>	<u>592</u>	<u>457</u>
Current liabilities				
Trade and other payables	11	14,909	12,651	9,832
Corporation tax		794	465	384
		<u>15,703</u>	<u>13,116</u>	<u>10,216</u>
Total liabilities		<u>16,062</u>	<u>13,708</u>	<u>10,673</u>
Total equity and liabilities		<u>154,011</u>	<u>158,450</u>	<u>157,622</u>

HOSTELWORLD GROUP PLC
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2018**

	Share capital €'000	Retained earnings €'000	Other reserves €'000	Foreign currency translation reserve €'000	Share based payment reserve €'000	Total €'000
As at 1 January 2017	<u>956</u>	<u>154,986</u>	<u>3,628</u>	<u>15</u>	<u>351</u>	<u>159,936</u>
Total comprehensive income for the period	-	4,393	-	3	-	4,396
Dividends	-	(19,974)	-	-	-	(19,974)
Credit to equity for equity settled share based payments	-	-	-	-	384	384
As at 30 June 2017 (unaudited)	<u>956</u>	<u>139,405</u>	<u>3,628</u>	<u>18</u>	<u>735</u>	<u>144,742</u>
Total comprehensive income for the period	-	6,856	-	-	-	6,856
Dividends	-	(4,874)	-	-	-	(4,874)
Credit to equity for equity settled share based payments	-	-	-	-	225	225
Release of merger reserve	-	3,628	(3,628)	-	-	-
As at 31 December 2017 (audited)	<u>956</u>	<u>145,015</u>	<u>-</u>	<u>18</u>	<u>960</u>	<u>146,949</u>
Total comprehensive income for the period	-	2,044	-	(2)	-	2,042
Dividends	-	(11,468)	-	-	-	(11,468)
Credit to equity for equity settled share based payments	-	-	-	-	426	426
As at 30 June 2018 (unaudited)	<u>956</u>	<u>135,591</u>	<u>-</u>	<u>16</u>	<u>1,386</u>	<u>137,949</u>

HOSTELWORLD GROUP PLC
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2018**

	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
	€'000 (Unaudited)	€'000 (Unaudited)	€'000 (Audited)
Cash flows from operating activities			
Profit before tax	2,833	5,177	11,831
Depreciation of property, plant and equipment	598	483	1,064
Amortisation of intangible assets	5,920	6,767	13,331
Financial income	(4)	(4)	(9)
Financial expense	31	43	75
Employee equity settled share based payment expense	440	398	623
<i>Changes in working capital items:</i>			
Increase in trade and other payables	5,063	2,969	149
Increase in trade and other receivables	(399)	(1,343)	(1,340)
<i>Cash generated from operations</i>	14,482	14,490	25,724
Interest paid	(31)	(43)	(75)
Interest received	4	4	9
Income tax paid	(275)	(275)	(551)
Net cash from operating activities	14,180	14,176	25,107
Cash flows from investing activities			
Acquisition/capitalisation of intangible assets	(929)	(405)	(1,820)
Purchases of property, plant and equipment	(180)	(770)	(1,780)
Net cash used in investing activities	(1,109)	(1,175)	(3,600)
Cash flows from financing activities			
Dividends paid	(11,468)	(19,974)	(24,848)
Net cash used in financing activities	(11,468)	(19,974)	(24,848)
Net increase/ (decrease) in cash and cash equivalents	1,603	(6,973)	(3,341)
Cash and cash equivalents at the beginning of the period	21,294	24,632	24,632
Effect of foreign exchange rate changes	(2)	3	3
Cash and cash equivalents at the end of the period	22,895	17,662	21,294

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2018**

1. GENERAL INFORMATION

Hostelworld Group plc, hereinafter "the Company", is a public limited company incorporated in the United Kingdom on the 9 October 2015. The condensed consolidated interim financial statements of the Company for the six months ended 30 June 2018 comprise the Company and its subsidiaries (together referred to as "the Group"). The condensed consolidated interim financial statements for the period ended 30 June 2018 are unaudited.

The information for the year ended 31 December 2017 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts and their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

These interim financial statements were authorised for issue by the Board of Directors of Hostelworld Group plc on 20 August 2018.

2. ACCOUNTING POLICIES

Basis of preparation

The annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed consolidated financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as adopted by the European Union.

Going concern

The directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed consolidated financial statements.

Changes in accounting policies

Aside from the adoption of IFRS 9 and 15, which are described on the pages that follow, since the last Annual Report there are a number of amendments to existing accounting standards that have been adopted. These had no material impact on the financial statements.

There are no new IFRIC interpretations that are effective for the first time for the financial year beginning on 1 January 2018 that have had a material impact on the Group.

Changes in accounting policies – IFRS 9

In the current period, the Group has applied IFRS 9 Financial Instruments and the related consequential amendments to other IFRSs. IFRS 9 introduces new requirements for the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. There is no material impact on the Group in relation to the adoption of this standard, as detailed below.

The Group's accounting policy under IFRS 9 is as follows:

The financial assets held are trade receivables and cash, which will continue to be carried at amortised cost. Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Changes in accounting policies – IFRS 9 (continued)

In relation to the impairment of financial assets, as at 1 January 2018, the directors reviewed and assessed the Group's existing trade receivables for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of IFRS 9 to determine the credit risk of the respective items at the date they were initially recognised. There is no additional credit loss recognised against retained earnings at 1 January 2018. In line with the transition guidance in IFRS 9 the Group has not restated the 2017 prior period on adoption.

The Group recognises lifetime expected credit losses for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and assessment of the current as well as the forecast direction of conditions at the reporting date. The change from an incurred loss model under IAS 39 to an expected loss model has not had a material impact.

The directors determine the classification of the Group's financial liabilities at initial recognition. The Group's financial liabilities are classified as trade and other payables.

Changes in accounting policies – IFRS 15

In the current financial year the Group has adopted IFRS 15 Revenue from Contracts with Customers. There is no material impact on the Group in relation to the adoption of this standard, due to the nature of the contracts in place with customers. In line with the transition guidance in IFRS 15 the Group has not restated the 2017 prior period on adoption.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services. The Group has adopted the five-step approach to the timing of revenue recognition based on performance obligations in customer contracts. This involves identifying the contract with customers, identifying the performance obligations, determining the transaction price, allocating the price to the performance obligations within the contract and recognising revenue when the performance obligations are satisfied.

The Group generates substantially all of its revenues from the technology and data processing fees and service fees that it charges to accommodation providers and the transaction service fees it charges to consumers.

The Group's accounting policy under IFRS 15 is that revenue is recognised at the time the reservation is made in respect of non-refundable commission on the basis that the Group has met its performance obligations at the time the booking is made. In respect of the free cancellation product, which offers the traveller the opportunity to make a booking on a free cancellation basis and to receive a refund of their deposit in certain circumstances, such related revenue is not recognised until the last cancellation date has passed as one party can withdraw from the contract until such a date has passed.

The Group also generates revenues from technology and data processing fees that it charges to providers of other travel products and associated transaction service fees, from cancellation protection fees, payment protection fees and from advertising services.

Where the Group provides an ancillary service to allow a flexible booking option which allows a booking to be cancelled for no charge or a new booking to be made, such revenue is deferred, until such time as the related cancellation date has passed or for a six month period from the date of cancellation, at which time the credit expires.

Ancillary advertising revenues are recognised over the period when the service is provided and performance obligations are met. Revenue is measured at the fair value of the consideration received or receivable.

Revenue is stated net of discount, sales taxes and value added taxes.

Changes in accounting policies – IFRS 16

The Group is currently assessing the impact of other standards and interpretations that are effective for the first time for the financial year beginning on 1 January 2019. IFRS 16 Leases provides guidance on the classification, recognition and measurement of leases to help provide useful information to the users of financial statements. The main aim of this standard is to ensure material leases will be reflected on the balance sheet. The new standard will replace IAS 17 “Leases” and is effective for annual periods beginning on or after 1 January 2019 unless adopted early. The operating leases in the Group relate primarily to three office premises. From the Group’s initial review of its contractual leases, IFRS 16 will result in an increase in finance leased assets (right-of-use asset) of approximately €3m, and a corresponding increase in financial liabilities of €3m, in the Group’s consolidated financial statements. The expected impact in the consolidated income statement is €1m of rental costs that are currently classified as operating expenses will be classified as depreciation and finance costs.

Accounting estimates and judgements

In preparing these interim consolidated financial statements, the directors have made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Aside from the adoption of IFRS 9 and 15, the significant judgements made by the directors in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2017.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2018

3. REVENUE & SEGMENTAL ANALYSIS

The Group is managed as a single business unit which provides software and data processing services that facilitate hostel, hotel and other accommodation bookings worldwide, including ancillary on-line advertising revenue.

The directors determine and present operating segments based on the information that is provided internally to the CEO, who is the Company's Chief Operating Decision Maker (CODM). When making resource allocation decisions, the CODM evaluates booking numbers and average booking value. The objective in making resource allocation decisions is to maximise consolidated financial results.

All segmental revenue is derived wholly from external customers and, as the Group has a single reportable segment, inter-segment revenue is zero. There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss.

Reportable segment information is presented as follows:

	Six months ended 30 June 2018 €'000 (Unaudited)	Six months ended 30 June 2017 €'000 (Unaudited)	Year ended 31 December 2017 €'000 (Audited)
Europe	25,778	28,606	52,114
Americas	7,757	8,503	16,196
Asia, Africa and Oceania	9,086	9,540	18,362
Total revenue	42,621	46,649	86,672

As at 30 June 2018, €4,236k of revenue generated from bookings into European destinations relating to free cancellation bookings has been deferred (2017: €nil). This deferred revenue has contributed to the decline in revenue recognised from Europe as a segment.

Disaggregation of revenue is presented as follows:

	Six months ended 30 June 2018 €'000 (Unaudited)	Six months ended 30 June 2017 €'000 (Unaudited)	Year ended 31 December 2017 €'000 (Audited)
Technology and data processing fees	41,423	45,615	84,517
Ancillary services and advertising revenue	1,198	1,034	2,155
Total revenue	42,621	46,649	86,672

In the six months ended 30 June 2018, the Group generated 97% (2016: 98%) of its revenues from the technology and data processing fees that it charged to accommodation providers.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2018

4. OPERATING EXPENSES

Profit for the period has been arrived at after charging/ (crediting) the following operating costs:

	Six months ended 30 June 2018 €'000 (Unaudited)	Six months ended 30 June 2017 €'000 (Unaudited)	Year ended 31 December 2017 €'000 (Audited)
Marketing expenses	18,360	19,353	33,068
Credit card processing fees	1,236	1,105	2,048
Staff costs	9,119	9,484	17,543
FX gain	(15)	(74)	(102)
Exceptional items	-	-	(494)
Other administrative costs	4,543	4,315	8,317
Total administrative expenses	33,243	34,183	60,380
Depreciation of property, plant and equipment	598	483	1,064
Amortisation of intangible fixed assets	5,920	6,767	13,331
Total operating expenses	39,761	41,433	74,775

5. TAXATION

The corporation tax charge for the six month period is €684k (30 June 2017: €514k), representing the best estimate of the average annual effective tax rate expected for the full year, applied to the pre-tax income of the six month period.

The deferred tax charge for the six month period of €105k (30 June 2017: €270k) relates to the movement in deferred tax assets offset by the movement in deferred tax liabilities.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2018

6. EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit for the period available to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period:

	Six months ended 30 June 2018 (Unaudited)	Six months ended 30 June 2017 (Unaudited)	Year ended 31 December 2017 (Audited)
Weighted average number of shares in issue ('000s)	95,571	95,571	95,571
Profit for the period (€'000s)	2,044	4,393	11,249
Basic earnings euro cent per share	2.14	4.60	11.77

Diluted earnings per share is computed by dividing the net profit for the period by the weighted average number of ordinary shares outstanding and, when dilutive, adjusted for the effect of all potentially ordinary shares.

	Six months ended 30 June 2018 (Unaudited)	Six months ended 30 June 2017 (Unaudited)	Year ended 31 December 2017 (Audited)
Number of Shares:			
Weighted average number of ordinary shares in issue ('000s)	95,571	95,571	95,571
Effect of dilutive potential ordinary shares:			
Share options ('000s)	481	400	473
Weighted average number of ordinary shares for the purposes of diluted earnings per share ('000s)	96,052	95,971	96,044
Diluted earnings euro cent per share	2.13	4.58	11.71

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2018

7. INTANGIBLE ASSETS

The table below shows the movements in intangible assets for the period:

	Goodwill €'000	Domain Names €'000	Technology €'000	Affiliates Contracts €'000	Capitalised Development Costs €'000	Total €'000
<u>Cost</u>						
Balance at 1 January 2017	47,274	214,640	13,814	5,500	8,120	289,348
Additions	-	-	42	-	363	405
Balance at 30 June 2017	<u>47,274</u>	<u>214,640</u>	<u>13,856</u>	<u>5,500</u>	<u>8,483</u>	<u>289,753</u>
Additions	-	-	31	-	1,384	1,415
Balance at 31 December 2017	<u>47,274</u>	<u>214,640</u>	<u>13,887</u>	<u>5,500</u>	<u>9,867</u>	<u>291,168</u>
Additions	-	-	122	-	807	929
Balance at 30 June 2018	<u>47,274</u>	<u>214,640</u>	<u>14,009</u>	<u>5,500</u>	<u>10,674</u>	<u>292,097</u>
<u>Accumulated amortisation and impairment</u>						
Balance at 1 January 2017	(29,426)	(96,304)	(13,445)	(5,500)	(5,054)	(149,729)
Charge for the period	-	(5,074)	(165)	-	(1,528)	(6,767)
Balance at 30 June 2017	<u>(29,426)</u>	<u>(101,378)</u>	<u>(13,610)</u>	<u>(5,500)</u>	<u>(6,582)</u>	<u>(156,496)</u>
Charge for the period	-	(5,075)	(92)	-	(1,397)	(6,564)
Balance at 31 December 2017	<u>(29,426)</u>	<u>(106,453)</u>	<u>(13,702)</u>	<u>(5,500)</u>	<u>(7,979)</u>	<u>(163,060)</u>
Charge for the period	-	(4,939)	(53)	-	(928)	(5,920)
Balance at 30 June 2018	<u>(29,426)</u>	<u>(111,392)</u>	<u>(13,755)</u>	<u>(5,500)</u>	<u>(8,907)</u>	<u>(168,980)</u>
<u>Carrying amount</u>						
At 30 June 2017	<u>17,848</u>	<u>113,262</u>	<u>246</u>	<u>-</u>	<u>1,901</u>	<u>133,257</u>
At 31 December 2017	<u>17,848</u>	<u>108,187</u>	<u>185</u>	<u>-</u>	<u>1,888</u>	<u>128,108</u>
At 30 June 2018	<u>17,848</u>	<u>103,248</u>	<u>254</u>	<u>-</u>	<u>1,767</u>	<u>123,117</u>

Additions during the period comprised of internally generated additions of €807k (2017: €363k) and other separately acquired additions of €122k (2017: €42k). At 30 June 2017 and 30 June 2018, there were no indicators that the intangible assets of the Group are carried at an amount higher than their recoverable amount.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2018

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2018, the Group invested €180k on additional property, plant and equipment (30 June 2017: €770k)

9. TRADE AND OTHER RECEIVABLES

	30 June 2018 €'000 (Unaudited)	30 June 2017 €'000 (Unaudited)	31 December 2017 €'000 (Audited)
Amounts falling due within one year			
Trade receivables	1,129	1,216	1,017
Prepayments and accrued income	1,473	999	932
Value Added Tax	1,763	1,755	2,017
	4,365	3,970	3,966

10. SHARE CAPITAL

Share capital as at 30 June 2018 amounted to €955,708 (30 June 2017: €955,708). There were no additional shares issued during the six month period ending 30 June 2018.

11. TRADE AND OTHER PAYABLES

	30 June 2018 €'000 (Unaudited)	30 June 2017 €'000 (Unaudited)	31 December 2017 €'000 (Audited)
Amounts falling due within one year			
Trade payables	3,077	4,183	2,265
Accruals and other payables	5,484	6,217	5,273
Deferred revenue	5,757	1,718	1,734
Payroll taxes	591	529	560
Value Added Tax	-	4	-
	14,909	12,651	9,832

At 30 June 2018, €4,236k deferred revenue related to free cancellation bookings is included in Deferred Revenue (30 June 2017: €nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2018

12. DIVIDENDS

Amounts recognised as distributions to equity holders in the financial period:

	Six months ended 30 June 2018 €'000	Six months ended 30 June 2017 €'000	Year ended 31 December 2017 €'000
Final 2016 dividend of €0.104 per share (paid 6 June 2017)		9,939	9,939
Supplementary 2016 dividend of €0.105 per share (paid 6 June 2017)		10,035	10,035
Interim 2017 dividend of €0.051 per share (paid 22 September 2017)			4,874
Final 2017 dividend of €0.120 per share (paid 14 June 2018)	11,468		
	11,468	19,974	24,848
Interim dividend for the year ended 31 December 2018 of €0.048 per share (2017: €0.051 per share)	4,587	4,874	-

The directors declare an interim dividend of 4.8 euro cent per share amounting to €4.6m (30 June 2017: €4.9m) be paid to shareholders on 21 September 2018. This dividend has not been included as a liability in these condensed consolidated interim financial statements. The interim dividend is payable to all shareholders on the Register of Members on 31 August 2018.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2018

13. SHARE BASED PAYMENTS

During the six months ended 30 June 2018, there were two invitations made to executive directors and selected management to participate in the Company's long term incentive plan. On 11 April 2018, 499,554 nil cost options were granted and these options will vest on 10 April 2021 subject to meeting performance conditions. At 30 June 2018, 114,578 of these share options have been forfeited leaving 384,976 still in issue. On 29 June 2018, a further 175,723 nil cost options were granted and will vest on 28 June 2021.

On 29 March 2017, 847,663 nil cost share options were granted to employees as part of a long term incentive plan. 289,970 of these share options have been forfeited leaving 557,693 still in issue at 30 June 2018. These share options will vest on 28 March 2020, subject to meeting performance conditions.

On 5 April 2016, 928,464 nil cost share options were granted to employees as part of a long term incentive plan. 271,563 of these share options have been forfeited leaving 656,901 still in issue at 30 June 2018. These share options will vest on 4 April 2019, subject to meeting performance conditions.

Details of the share options outstanding during the period are as follows:

	30 June 2018	30 June 2017	31 December 2017
	No. of share options	No. of share options	No. of share options
Outstanding at beginning of period	1,324,039	928,464	928,464
Granted during the period	675,277	847,663	847,663
Forfeited during the period	(224,023)	(19,380)	(452,088)
Exercised during the period	-	-	-
Expired during the period	-	-	-
Outstanding at the end of the period	<u>1,775,293</u>	<u>1,756,747</u>	<u>1,324,039</u>
Exercisable at the end of the period	<u>-</u>	<u>-</u>	<u>-</u>

On 5 July 2017 181,208 options were granted to a number of eligible employees in the Group as part of a Save as You Earn scheme. As at 30 June 2018, 40,431 of these options have been cancelled. These options will vest in August 2020 subject to a number of conditions.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2018

14. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

On 11 June 2018, Feargal Mooney resigned as Chief Executive Officer and as a director of the Company. Details of his termination arrangements are disclosed below, and are available on our corporate website at www.hostelworldgroup.com.

Salary, benefits and pension - pursuant to his contract of employment and the Company's remuneration policy, Feargal will continue to receive salary, benefits and pension until 11 June 2019 (including during any period of gardening leave).

Annual bonus - pursuant to the Company's remuneration policy, the Remuneration Committee has determined that Feargal will continue to be eligible to receive an annual bonus for the 2018 financial year, subject to performance against the relevant financial and personal targets which will be tested following the 2018 year end, and with Feargal's bonus opportunity reduced on a pro-rata basis for the period commencing 1 January 2018 up to 11 June 2018.

Share options - pursuant to the Company's remuneration policy and the rules of the LTIP, the Remuneration Committee has determined that Feargal's subsisting LTIP awards will continue until the normal time of vesting at which point they will vest subject to performance against the relevant targets. The rules of the LTIP state that, unless the Remuneration Committee determines otherwise, awards will be pro-rated up to the date of cessation of employment (i.e. 11 June 2019). For Feargal's 2016 award, the date of cessation is after the vesting date in April 2019 and so no pro rating is applicable. His 2017 award will be pro-rated using his date of cessation to calculate the reduction in shares as per the LTIP rules and policy. However, the Remuneration Committee has determination to adopt a different approach to pro rating of Feargal's 2018 awards with the earlier date on which Feargal stepped down from the Board (11 June 2018) being used to calculate the pro rata reduction, rather than the later date of cessation.

On 17 June 2018, Mari Hurley resigned as Chief Financial Officer and resigned as director of the Company on 10 April 2018. Details of her termination arrangements were disclosed in the 2017 Annual Report and are also available on our corporate website at www.hostelworldgroup.com.

15. EVENTS AFTER THE REPORTING DATE

An interim dividend declaration of 4.8 euro cent per share amounting to €4.6m (30 June 2017: €4.9m) is referred to in note 12 above.

There were no other material subsequent events since the reporting date.