

20 July 2016

Safestay plc
("Safestay", the "Company" or the "Group")

Revaluation of Safestay Elephant & Castle

Safestay (AIM: SSTY), the owner and operator of a new brand of contemporary hostel, announces that it has completed an independent revaluation of its flagship site in London's Elephant & Castle ("Safestay Elephant & Castle").

The valuation was carried out by Cushman and Wakefield. As a result of the exercise, the carrying value of Safestay Elephant & Castle has increased from £12.2m, as disclosed in the Company's 2016 Annual Report, to £16m.

The uplift has been driven by the hostel's strong trading performance since it was acquired by Safestay in 2014, building further on the year-on-year increases in occupancy, average bed rate and revenue per available room announced in our Final Results in April. This continued improvement in performance reflects the strength of the hostel's location in an exciting, rapidly developing area of central London, improvements made to food and beverage offering and the high quality of service our staff are delivering to customers.

Larry Lipman, Group Chairman, commented "We are very pleased with the performance of Safestay Elephant & Castle and are confident we can continue to drive further improvements from this great site."

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This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

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