

PRESS RELEASE

FOR IMMEDIATE RELEASE

TRAVELODGE SELLS IRISH PORTFOLIO FOR €22.2 MILLION AND SIGNS MASTER FRANCHISE AGREEMENT

29 April 2004

Travelodge has today sold eight Travelodge hotels to Smorgs Limited for €22.15 million and has signed a back-to-back master franchise agreement for the Travelodge brand in Ireland and Northern Ireland.

Smorgs Limited is a privately owned company specializing in the hotel sector owned and operated by Seamus McGowan and Richard O'Sullivan, both who have extensive experience in the hotel industry.

The deal provides Travelodge with the opportunity to retain its presence in Ireland and commits the new owner to developing the brand across Ireland.

CB Richard Ellis Hotels' teams in London and Dublin acted for Travelodge in the sale of the portfolio and the negotiation of the franchise agreement.

Grant Hearn, Chief Executive of Travelodge, commented: "This is an excellent deal for Travelodge which allows us to achieve our strategic goals to grow the brand internationally whilst enabling us to focus on the growth of the brand across the UK."

Derek Gammage, Managing Director of CBRE Hotels, stated: "This is a ground-breaking deal for Travelodge which could herald the start of the international roll out of the Travelodge brand. We believe the model created in this deal will provide fantastic opportunities for the brand to look at development across other parts of Europe."

Commenting on the acquisition Seamus McGowan stated: "We are delighted to have been able to acquire the master franchise for Travelodge, which is the leader in the branded budget hotel sector in Ireland. Travelodge is an extremely strong international budget brand, offering a consistent high level of accommodation at very affordable prices. We were attracted by the extremely strong locations, the quality of each Travelodge supported by knowledgeable customer orientated staff."

The Travelodge Ireland portfolio currently comprises a total of 520 bedrooms and the new owner intends to double the size of the group in the next five years.

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Notes to Editors:

CB Richard Ellis Hotels

CB Richard Ellis Hotels is the world's leading full-service real estate advisory group focused exclusively on the hospitality industry and the only such company based in the City of London. CB Richard Ellis Hotels offers investment, capital advisory, consulting and asset management services with European offices in London, Ireland, France, Spain, Czech Republic and Scandinavia.

In the past three years CB Richard Ellis Hotels has been involved in nearly all the major hotel transactions, including the acquisition by Nomura International of Le Meridien Hotels and the sale and leaseback of eleven Hilton Hotels and twelve Le Meridien / Principal Hotels to the Royal Bank of Scotland. In January 2004, CB Richard Ellis Hotels acted on behalf of Jarvis Hotels and the Royal Bank of Scotland in the privatisation of Jarvis Hotels.

Please contact Heather Thomas (heather.thomas@cbrehotels.com) for copies of any photographs used in Press Releases.

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