

Puma Hotels plc (“PHP” or “the Company”)

Completion of Refinancing and Convertible Preference Issue

Puma Hotels is pleased to announce the completion of the refinancing of its bank borrowings. Under the terms of this refinancing, Puma Hotels has extended the term of its loan facilities with Anglo Irish Bank (“Anglo Irish”) by an additional three years to 31 December 2012. Moreover, Anglo Irish has agreed that, for the duration of the facility, there will be no covenant to test loan to value, thus providing significant certainty to the Company about the availability of finance. The margin on the new facility is 2.5%.

As part of this refinancing exercise, Puma Hotels has also raised £20m from investors, who subscribed for convertible preference shares in the Company. These preference shares bear a cumulative 7% p.a. coupon beginning in 2010 and are convertible into new ordinary shares on a 1 for 1 basis. Of the £20m subscribed, £11.77m was subscribed by The Hotel Corporation plc, the AIM-listed investment company which owns 49.92% of the Company’s ordinary shares.

Howard Shore, Chairman of Puma Hotels commented:

“In the current economic climate, we are delighted to have secured such a large financing on these terms. The refinancing gives us three and a half years of committed funding, with a low and predictable borrowing cost as we benefit from interest rate swaps. We have an excellent portfolio, let to a strong tenant on an inflation-linked long term lease. Puma Hotels also benefits from a strong development pipeline for add-on facilities to hotels on land already owned, which can therefore be delivered at an attractive cost per room. “

Notes to Editors

1. Puma Hotels plc ("PHP") acquired 13 Paramount branded hotels in July 2004. Following further acquisitions, it now owns 20 four-star hotels across Scotland, Northern England, Central England, Southern England and Wales. See the table below for a full list of hotels.
2. The hotels offer extensive banquet, conference and leisure facilities and many of them have architectural and historical significance. The Group has 2,872 bedrooms and around 20,000 square metres of conference and meeting space and offers extensive facilities to both corporate and leisure guests.
3. From July 2004 until 6 September 2007, PHP owned and operated each of the 20 hotels. From 6 September 2007, PHP granted 45 year FRI leases for each hotel to Barceló Group, a leading Spanish operator with substantial global operations. From 1 January 2008, all 20 hotels have been rebranded and each hotel now carries the Barceló brand.
4. PHP's hotel locations are shown below:

	Bedrooms	No. of meeting rooms	Health & Leisure	Location
CENTRAL ENGLAND				
1 Barceló Billesley Manor Hotel, Nr. Stratford*	72	12	Y	Country
2 Barceló Cheltenham Park Hotel	152	11	Y	Country
3 Barceló Daventry Hotel	155	8	Y	Country
4 Barceló Hinckley Island Hotel	362	21	Y	Country
5 Barceló Oxford Hotel	168	25	Y	City
6 Barceló Buxton Palace Hotel	122	9	Y	Country
7 Barceló Walton Hall Hotel & Spa, Warwickshire* +	202	20	Y	Country
8 Barceló The Lygon Arms, Cotswolds*	77	8	Y	Country
NORTHERN ENGLAND				
9 Barceló Blackpool Imperial Hotel	180	15	Y	Coast
10 Barceló Harrogate Majestic Hotel	167	10	Y	City
11 Barceló Redworth Hall Hotel, Co. Durham*	143	10	Y	Country
12 Barceló Shrigley Hall Hotel, Cheshire*	148	12	Y	Country
SCOTLAND				
13 Barceló Edinburgh Carlton Hotel	189	10	Y	City
14 Barceló Troon Marine Hotel*	89	4	Y	Coast
15 Barceló Stirling Highland Hotel	96	7	Y	City
SOUTHERN ENGLAND				
16 Barceló Combe Grove Manor, Bath*	42	5	Y	Country
17 Barceló Basingstoke Country Hotel	100	10	Y	Country
18 Barceló Torquay Imperial Hotel	152	7	Y	Coast
19 Barceló Brighton Old Ship Hotel	154	11	N	Coast
WALES				
20 Barceló Cardiff Angel Hotel	102	7	N	City
Total	2,872	222		

* *Barceló Premium Hotels*

+ *Operationally, Barceló split this property into a Barceló Premium Hotel, Barceló Walton Hall and a Barceló Hotel, Barceló Walton Hotel*