

The Hotel Corporation plc

Update re Investment in Puma Hotels

The Hotel Corporation plc (the "Company") is an AIM listed investment company owning 49.9% of Puma Hotels plc ("Puma Hotels"), owner of 20 four-star hotels across the UK. The hotels are leased to various UK subsidiary undertakings (together "the BCE Entities") of Barceló Corporación Empresarial S.A. ("BCE"), a leading Spanish hotel operator with substantial global operations, and carry the Barceló brand.

Further to the announcement dated 21 November 2011, the directors of Puma Hotels have informed the Company that Puma Hotels has signed a standstill agreement with Barceló Corporación Empresarial S.A. ("BCE"). This agreement relates to the leases ("the Leases") of the hotels owned by Puma Hotels, which are held by the BCE Entities.

This standstill agreement states that BCE will on or before 25 December 2011, pay or procure payment by the BCE Entities to Puma Hotels of £4.5m plus VAT in part payment of the rents and VAT due to be paid on 25 December 2011. The part payment is in consideration of Puma Hotels agreeing that it will not take any action before 25 February 2012 against the BCE entities in relation to non-payment of rents due on 25 December 2011 under any of the Leases. The rents would otherwise have been £8.09m plus VAT for the quarter commencing 25 December 2011 and ending on 24 March 2012.

The standstill agreement is expressly without prejudice to any other rights that Puma Hotels may have against BCE or the BCE Entities, including (without limitation) in relation to the unpaid sums due under the Leases.

In light of the reduced amount of rent received, the shareholder payments normally paid by Puma Hotels on 31 December, relating to the Deep Discount Bonds and Cumulative Convertible Preference Shares, will be deferred until further notice.

A further announcement will be made in due course.

Enquiries

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