

DSH Response

14 July 2008

The following replaces the 'DSH - response to media speculation' announcement released on 14 July 2008 at 17:10 and RNS number 0375Z.

Amendments have been to the Notes for Editors paragraph.

The full amended text is shown below.

THE HOTEL CORPORATION PLC

Dawnay Shore Hotels plc - response to media speculation

The Board of The Hotel Corporation plc, whose principal asset is a 49.9% stake in Dawnay Shore Hotels plc ('Dawnay Shore Hotels'), announces that it has been informed by Dawnay Shore Hotels that Dawnay Shore Hotels is issuing the following press release.

A copy of the announcement released today by Dawnay Shore Hotels is attached to this announcement.

Ends –

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Dawnay Shore Hotels plc

Dawnay Shore Hotels plc (DSH) notes the media speculation surrounding Dawnay, Day, which has an 8 per cent interest in the equity of DSH.

This speculation does not affect the continued successful management of DSH and its hotel portfolio. DSH is an independent company which has leased its 20 hotel properties to a single blue chip tenant for 45 years. The hotels are now operated under its tenancy by the Barceló group of Spain, one of Europe's leading hotel operators.

A spokesman for Barceló said:

'DSH is independent of the ownership of Dawnay, Day and the operation of Barceló Hotels in Britain is unaffected.'

Notes for Editors

Paramount Group of Hotels was established in 1994 and was acquired by Dawnay Shore Hotels plc in July 2004. Following further acquisitions it now owns 20 four star hotels across Scotland, Northern England, Central England, Southern England and Wales, including the Lygon Arms in the Cotswolds, the Carlton Hotel in Edinburgh, The Marine in Troon, The Majestic in Harrogate, The Imperial in Torquay, The Imperial in Blackpool and the Oxford Hotel in Oxford.

The hotels offer extensive banqueting, conference and leisure facilities and many of them have architectural and historical significance. The Group has some 2,872 bedrooms and around 20,000 square metres of conference and meeting rooms and offers extensive facilities to both corporate and leisure guests.

Barceló Hotels & Resorts, which manages over 182 hotels in 15 countries in four continents, took on the management and operation of the UK hotel group formerly branded as Paramount Hotels, in September 2007. From January 2008 the Paramount properties were rebranded as Barceló Hotels.

Barceló Group is a privately owned Spanish hospitality and travel company. The activities of the company include the management and operation of over 182 hotels across more than 15 countries under an ownership, leasing or management basis as

well as the operation of retail travel agencies. The Barceló Group also promotes projects broadly related to the tourism and hotel industries, owning shares in other companies. The Barceló Group carries out its activities in Spain, the Dominican Republic, Costa Rica, Nicaragua, the United States, Mexico, the Czech Republic, Turkey and Switzerland, among other countries.

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