

**The Hotel Corporation plc**  
**("The Hotel Corporation" or the "Company")**

**Fundraising to raise £12.16 million**

The Board of The Hotel Corporation is pleased to announce that it has placed 15,200,000 new Ordinary Shares of 5p each ("Placing Shares") with institutional and other investors at a price of 80 pence per share ("Placing Price") to raise £12.16 million for the Company (the "Placing").

As announced on 4 June 2009, The Hotel Corporation will be seeking approval from its Shareholders to disapply existing pre-emption rights to facilitate the Placing through Shore Capital Stockbrokers Limited.

Conditional on the passing of a special resolution at the Extraordinary General Meeting of the Company to be held on Friday 26 June 2009, dealings in the Placing Shares are expected to commence on 29 June 2009. The Placing is not being underwritten. Application will be made for the Placing Shares to be admitted to trading on AIM.

**Participation in the Placing by The Hotel Corporation directors**

As part of the Placing, the directors of the Company have subscribed for Placing Shares at 80 pence per share as detailed below:

| <b>Director</b> | <b>Previous holding</b> | <b>Placing Shares subscribed for in the Placing</b> | <b>New holding following the Placing</b> | <b>Percentage of the enlarged issued share capital following the Placing</b> |
|-----------------|-------------------------|---|--|--|
| Barclay Douglas | 107,739                 | 62,500  | 170,239                                  | 0.34%  |
| David Craine    | 5,500                   | 15,000  | 20,500                                   | 0.04%  |
| Derek Short     | 10,000                  | 30,000  | 40,000                                   | 0.08%  |

**Use of proceeds – Investment in Puma Hotels plc**

The net proceeds of the Placing will largely be used by the Company to invest in new Convertible Preference Shares of £1 each ("Preference Shares") to be issued by Puma Hotels plc ("Puma Hotels"). Puma Hotels has in total raised £20 million by the issue of the Preference Shares.

The key characteristics of the Preference Shares to be issued by Puma Hotels are as follows:

- The Preference Shares will rank ahead of the ordinary share capital on a winding up of Puma Hotels;
- The Preference Shares will benefit from a cumulative 7% per annum coupon beginning in 2010 payable in two equal instalments on 30 June and 31 December in each year;
- The Preference Shares can be converted into ordinary shares in the capital of Puma Hotels at any time at the option of the holder of the Preference Shares upon 21 days' notice, thereby allowing the investor to share in the anticipated prospect of capital appreciation as a result of an improvement in the property market over the next two to three years; and
- The Preference Shares do not carry the right to vote except on a resolution modifying the rights attaching to the Preference Shares.

The issue of the Preference Shares in Puma Hotels is subject to, and conditional upon, the passing of resolutions at a General Meeting of Puma Hotels which has been convened for 9 a.m. on 24 June 2009.

**Enquiries:**

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