23 September 2009 *For immediate release*

The Hotel Corporation plc

Interim Results for the Six Months ended 30 June 2009

The Hotel Corporation plc ("the Company"), an AIM listed investment company owning 49.9%[1] of Puma Hotels plc ("PHP"), announces its interim results for the six months to 30 June 2009. PHP is today separately announcing interim results for the six months to 30 June 2009.

[1] On 29 June 2009, when the PHP 20 million convertible preference share equity raise was completed, HCP subscribed to 11,770,000 convertible preference shares. Therefore, if in the future all the convertible preference shares are converted into ordinary shares, HCP will, on a fully converted basis, own 53.28% of PHP.

Highlights

The Hotel Corporation

- Net asset value per share of 152p (2008:239p) based on 49,819,050 (2008: 34,619,050) now in circulation
- Earnings per share of 5.8p (2008: (2.09p))
- £12.2m equity fundraising successfully completed and further investment of £11.77m invested in PHP
- Interim dividend of 1.8p (2008: 2.7p)

Puma Hotels

- Term of senior debt facility extended by three years to 31 December 2012
- £20 million equity raising successfully completed
- Substantial increase in Operating Profit during the first half of 2009
- New interest rate swaps executed will be fully effective for the year ending December 2010, reducing annual interest costs by £3.5 m

Barclay Douglas, Chairman of The Hotel Corporation plc, said:

"The Company's main investment is well-placed to protect and grow value for shareholders. It has an attractive portfolio of assets, let to a progressive tenant with a strong covenant. Cash flow will gradually improve and Puma Hotels is well placed to exploit any recovery in investment values and pick-up in inflation."

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 banqueting, 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*

Chairman's Statement

I am pleased to report on the interim figures for the first six months of the current year. The Company's principal asset comprises its interest in Puma Hotels plc and this statement therefore discusses the results of both the Company itself and also of Puma Hotels plc ("PHP"). It has been a busy period, both Companies have successfully completed their respective fundraisings and after the period end PHP concluded the refinancing of its bank borrowings. The Company has raised £12.16m in new equity and invested £11.77m in a convertible preference shareholding in PHP. If in the future all the convertible preference shares are converted into ordinary shares, HCP will, on a fully converted basis, own 53.28% of PHP. While we have no present intention of exercising our conversion rights, IFRS rules dictate that we must now consolidate the PHP results into our accounts. I will comment upon the Company only results and the consolidated results separately. It should be noted that as the additional investment in PHP was made at the end of the reporting period, there is no profit and loss or cash flow impact on HCP on a consolidated basis.

For consistency with previous periods, the consolidated balance sheet of PHP itself, as at 30 June 2009, the consolidated profit and loss account and consolidated cash flow statement of PHP for the six months ended 30 June 2009 are also provided in this report.

Results of the Company

Revenue for the period, including bank interest, was £1.0m (2008: £1.05m) and, following administrative expenses, operating profit was £918,000 (2008: £950,000). As a consequence of the recent investment in PHP at a discount to NAV, we incurred an unrealised investment gain of £1.12m (2008: £1.67m loss), generating a profit before tax of £2.04m (2008: £723,000 loss). No tax is payable reflecting the zero corporate taxation provisions in the Isle of Man. Operations and bank interest contributed 2.62p (2008: 2.74p) to earnings per share ("eps"), whilst unrealised investment gains generated a gain per share of 3.18p (2008: 4.83p loss). Total eps (both basic and diluted) amounted to 5.8p (2008 2.09p loss).

The Net Asset Value per share at 30 June 2009 is 152p (2008: 239p). The Company values its shareholding in PHP on the basis of PHP's future net cash flows discounted based on the terms of the Barceló Master Agreement and the banking arrangements. For the purpose of preparing its 30 June 2009 accounts, PHP has used the external professional valuation of its hotel portfolio completed by Colliers Robert Barry on 30 April 2009 and also recorded in the Company's 31 December 2008 audited financial statements. This valuation of the portfolio, which excludes land held for non-hotel development, is £480m. The Board of PHP considers that the current value of the land held for development is a further £3.5m.

Consolidated Results of the Company

As I indicated above, we are now for the first time consolidating the PHP results within our own results. Consequently no comparables are given. As the additional investment in PHP was made at the end of the reporting period, there is no profit and loss or cash flow impact on HCP on a consolidated basis.

As required by IFRS, the consolidated balance sheet of the Company takes account of goodwill, the fair value of interest rate swaps and deferred tax adjustments on consolidation. The resulting consolidated NAV per share remains the same as the company only NAV per share of 152p (after taking account of minority interests).

Dividend

The Company has today declared an interim dividend of 1.8p per ordinary share (2008: 2.7p). The ex-dividend date will be 30 September 2009 and the record date 2 October 2009. Payment will be made to shareholders on 31 October 2009.

Prospects

We are extremely pleased with the extension secured by PHP on the maturity of its senior debt facility and with the fact that the Company has satisfactory cash resources to meet future requirements.

The Company's main investment is well-placed to protect and grow value for shareholders. It has an attractive portfolio of assets, let to a progressive tenant with a strong covenant. Cash flow will gradually improve and PHP is well placed to exploit any recovery in investment values and pick-up in inflation.

Barclay Douglas
Chairman
23 September 2009

Puma Hotels plc Review of Operations and Financial Performance

Introduction

Since the granting of leases to Barceló Group ("Barceló") on 6 September 2007, Puma Hotels plc ("PHP") trades solely as an owner of hotel property receiving income from property rents. The Company's hotels are let on 45 year full repairing and insurance leases to Barceló, a leading Spanish hospitality group with substantial global hotel and other leisure related operations.

Financial Performance

Turnover for the six months ended 30 June 2009 of £14.9m represents rent received from Barceló (2008H1: £13.7m). Operating profit of £13.0m (2008H1: £11.4m) substantially increased reflecting the benefit of the increase in rent and the reduction in overhead costs.

The loss on ordinary activities of £1.1m (2008H1: £3.7m loss) for the period is after deducting bank interest payable on the Company's senior facility and after deducting £2m of payments to bondholders of the Company's deep discounted bonds. Therefore before payments to bondholders, the Company showed a net profit of circa £1m.

Net bank interest payable decreased by £1m against the prior period. This decrease reflects a combination of lower interest costs and the fact that the 2008H1 expense included the final tranche of amortisation of loan arrangement costs of £0.6m.

Anglo Irish Bank Debt Facility Extension and Issue of Equity

As announced on 14 May 2009 and subsequently on 13 July 2009, the Company has extended the term of its senior debt facility with Anglo Irish Bank Limited ("Anglo Irish"). This facility was due for repayment on 31 December 2009 but will now mature on 31 December 2012. In a volatile and difficult credit market, this extension by three years represents a key milestone in safeguarding the Company's financial position. The various conditions relating to the extension were fulfilled by 13 July 2009. Key features of the extension are:

- The facility was reduced to £332.3m from its previous ceiling of £350m (of which £347.5m was drawn) on 13 July 2009. PHP funded this reduction, together with associated costs, by raising an additional £20m in new equity mainly from the Company's shareholders.

- The new equity was issued in the form of cumulative convertible preference shares. 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.

- Anglo Irish have agreed that there will be no further loan to value covenant testing for the duration of the facility (i.e. up to and including 31 December 2012). This provides significant stability to shareholders in the current market.

- The margin on the facility has increased from 1.75% to 2.5% from 13 July 2009.

Puma Hotels plc Review of Operations and Financial Performance (continued)

- The maturity of the Group's outstanding bonds has also been extended to align it with the Bank facility, although approximately £2m of these bonds was, as previously scheduled, redeemed on 30 June 2009. Also, as detailed in the Post Balance Sheet events section of this Statement, the outstanding bonds have been listed on the Channel Islands Stock Exchange.

Leases and Property Revaluation

The leases granted to Barceló place full repairing and insuring obligations on the tenant. Therefore, PHP does not fund maintenance expenditure other than, as previously reported, that PHP has agreed, as part of the lease arrangements, to make a £10m contribution for capital works over the first 10 years of the lease. Of this, £4.3m has already been contributed in accordance with the agreement (£1.4m of this was paid in September 2009).

The leases also provide guaranteed rental growth over the first four years which is inflation-indexed thereafter and can also increase if hotel EBITDA performs well. Therefore the asset values on the balance sheet of PHP reflect these lease arrangements.

For the purpose of preparing its 30 June 2009 interim financial statements, PHP has used the external professional valuation completed by PHP's valuers Colliers Robert Barry on 30 April 2009 for the purposes of the bank valuation. This valuation of each property in the portfolio, which excludes land held for non-hotel development, is at £480m and is unchanged from 31 December 2008. The Board of PHP considers that the current value of the land held for development is a further £3.5m.

Interest Rate Hedging

As part of the maturity extension agreement with Anglo Irish, the Company executed three interest rate SWAP agreements on 30 April 2009. These SWAP agreements relate to a principal amount of £182.345m and commence on 31 December 2009 when the current SWAP arrangement relating to this amount expires. The profile of these SWAPS is as follows:

31 December 2009 to 31 December 2010: 2.230%
31 December 2010 to 31 December 2011: 3.330%
31 December 2011 to 31 December 2012: 3.945%

The remaining £150m of the facility is already subject to an interest rate SWAP agreement at a rate of 5.145% until 31 December 2014. The full benefit of the new SWAPs will accrue from the 2010 financial year, resulting in an annual interest cost saving of circa £3.5 million.

Development Plans

In the past, PHP has successfully exploited the potential for gains in value through developing the portfolio by adding extra rooms, conference and other facilities. This programme is expected to continue and at present PHP has the potential to add approximately 800 rooms (over 25 per cent of the current estate) of which 370 rooms have already received the necessary planning or listed building consent. There are also schemes for 2,500 sq.m (over 60 per cent of which has planning consent) of additional meeting rooms and upgrades for several leisure clubs. The economics of adding these rooms can be highly attractive for both parties. The value of the development potential of the portfolio is not typically fully recognised in a professional valuation and PHP therefore believes that fulfilling the programme will add significantly to net asset value over time.

Puma Hotels plc Review of Operations and Financial Performance (continued)

In order to realise these development plans PHP continues to monitor and protect planning permissions already granted.

Strategy and Plans

PHP's transformation into a hotel property investment company in September 2007 has proven to be very advantageous. The guaranteed and escalating income from Barceló, a blue chip tenant, has meant that the Group has been better able to withstand the effects of the economic downturn brought about by the deterioration in the global financial markets. Whilst the value of the Group's assets over the last two years reflects some of the reduction in investment yields, cash flow has increased. Further, the extension of the maturity date of the senior debt to 31 December 2012 illustrates the confidence of our Lender and Shareholders in the Group's operating structure and represents a significant milestone for the Group.

In the medium term, there is the opportunity to unlock significant value by executing the Group's development plans and consider selective asset disposals as and when the investment market recovers. The Board considers that as the investment market recovers, the Group's assets should once again prove highly attractive because of the longevity of the leases and the associated indexation. The extended maturity of the senior debt provides the flexibility to optimise the potential returns to shareholders.

Post Balance Sheet Date Events

On 13 July 2009, the Company announced 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 by an additional three years to 31 December 2012. Details of the refinancing were provided earlier in this statement.

As approved by bond-holders, the Group's deep-discount bonds have been listed on the Channel Islands Stock Exchange. The listing was completed on 21 August 2009. The listed bonds bear 12% interest, payable semi-annually.

Prospects

Puma Hotels plc is well-placed to protect and grow value for shareholders. It has an attractive portfolio of assets which is let to a progressive tenant with a strong covenant. Cash flow will gradually improve and the Company is well placed to exploit any recovery in investment values and pick-up in inflation.

INDEPENDENT REVIEW REPORT TO THE HOTEL CORPORATION PLC

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2009 which comprise the consolidated and company income statements, balance sheets, statements of changes in equity, cash flow statements and related notes 1 to 11. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410"Reviewing the Interim financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Director's responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules of the London Stock Exchange.

As disclosed in note 2 of the annual financial statements of the company, those financial statements are prepared in accordance with IFRSs. The condensed set of financial statements included in this half-yearly financial report have been prepared in accordance with the accounting policies the company intends to use in preparing its next annual financial statements.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2009 is not prepared, in all material respects in accordance with the AIM Rules of the London Stock Exchange.

Deloitte & Touche
Chartered Accountants
23 September 2009
Isle of Man

Consolidated Income Statement
For the six months ended 30 June 2009

	Note	Unaudited Period from 1 January 2009 until 30 June 2009
		£'000
Continuing Operations		
Revenue		993
Administrative expenses		(83)
Profit from operations		910
Bank interest receivable		8
Investment gain-unrealised		1,117
Profit before tax		2,035
Taxation		-
Profit after tax for the period from continuing operations		2,035
Earnings per share		
Basic and diluted	7	5.80p

Consolidated Balance Sheet
As At 30 June 2009

	Note	Unaudited as at 30 June 2009	
Assets			
		£'000	**£'000**
Non-Current Assets			
Intangible assets- Goodwill	2	28,382	
Tangible assets	3	486,010	
			514,392
Current Assets			
Trade and other receivables		15	
Cash and Cash Equivalents		28,721	
			28,736
Total assets			543,128
Equity & Liabilities			
Current Liabilities			
Trade and other payables		13,937	
Fair Value of Interest Rate Swaps		17,238	
			31,170
Creditors amounts falling due after more than one year			
Creditors	4	363,752	
Provisions for liabilities	5	44,521	
			408,273
Total Liabilities			439,443
Net Assets			103,685
Capital & Reserves			
Share Capital		2,491	
Share Premium Account		11,015	
Retained Earnings		62,305	
Equity attributable to equity holders of the parent		75,811	
Minority interest		27,874	
Total Equity			103,685
Net asset value per share			152p

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Barclay Douglas
Director

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David Craine
Director

23 September 2009

Consolidated Statement of Changes in Equity

	Share capital	Share premium account	Retained earnings	Total
	£'000	**£'000**	**£'000**	**£'000**
Opening reserves	2,491	11,015	60,270	73,776
Profits for the period	-	-	2,035	2,035
Balance at 30 June 2009	**2,491**	**11,015**	**62,305**	**75,811**

Consolidated Cash Flow Statement
For the six months ended 30 June 2009

	Notes	Unaudited Period from 1 January 2009 until 30 June 2009
		£'000
Net cash Outflow From Operating Activities	8	(76)
Investing activities		
Interest receivable		8
Acquisition of a subsidiary	2	15,224
Proceeds received on the maturity of investments		993
Net cash from investing activities		16,225
Financing activities		
Dividends paid		(900)
Shares issued		12,160
Placing costs		(385)
Net cash from financing activities		10,875
Net increase in cash and cash equivalents		27,024
Cash and cash equivalents at beginning of period		1,697
Cash and cash equivalents at end of period		28,721

Company Income Statement
For the six months ended 30 June 2009

	Notes	Unaudited Period from 1 January 2009 until 30 June 2009	Unaudited Period from 1 January 2008 until 30 June 2008	Audited Year to 31 December 2008
		£'000	£'000	£'000
Continuing Operations				
Revenue	9	993	993	1,986
Administrative expenses		(83)	(97)	(215)
Profit from operations		910	896	1,771
Bank interest receivable		8	54	88
Unrealised investment gain(loss)	6	1,117	(1,673)	(21,602)
Profit/(Loss) before tax		2,035	(723)	(19,743)
Taxation		-	-	-
Profit /(Loss) after tax for the period from continuing operations		**2,035**	**(723)**	**(19,743)**
Earnings per share				
Basic and diluted	7	5.80p	(2.09p)	(57.0p)

Company Balance Sheet
As At 30 June 2009

Assets	Notes	Unaudited as at 30 June 2009 £'000	Unaudited as at 30 June 2008 £'000	Audited as at 31 December 2008 £'000
Non-Current Assets				
Investments	6	74,108	81,150	61,221
Current Assets				
Trade and other receivables		15	5	11
Cash and Cash Equivalents		1,727	1,719	1,697
		1,742	1,724	1,708
Total assets		75,850	82,874	62,929
Equity & Liabilities				
Current Liabilities				
Trade and other payables		39	18	28
Net Assets		75,811	82,856	62,901
Capital and Reserves				
Share Capital		2,491	1,731	1,731
Share Premium Account		11,015	33,300	-
Retained Earnings		62,305	47,825	61,170
		75,811	82,856	62,901
Net asset value per share		152p	239p	182p

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Barclay Douglas **David Craine**
Director **Director**

23 September 2009

Company Statement of Changes in Equity
For the six months ended 30 June 2009

	Share capital	Share premium account	Retained earnings	Total
	£'000	£'000	£'000	£'000
Balance at 31 December 2008	1,731	-	61,170	62,901
Profit for period	-	-	2,035	2,035
Dividend paid	-	-	(900)	(900)
Shares issued	760	-	-	760
Premium on shares issued	-	11,400	-	11,400
Placing costs	-	(385)	-	(385)
Balance at 30 June 2009	**2,491**	**11,015**	**62,305**	**75,811**

Company Cash Flow Statement
For the six months ended 30 June 2009

	Notes	Unaudited Period from 1 January 2009 until 30 June 2009	Unaudited Period from 1 January 2008 until 30 June 2008	Audited Year to 31 December 2008
		£'000	£'000	£'000
Net cash (Outflow) From Operating Activities	8	(76)	(102)	(216)
Investing activities				
Interest receivable		8	54	88
Preference shares in Puma		(11,770)	-	-
Proceeds received on the maturity of investments		993	993	1,986
Net cash from/(used in) investing activities		(10,769)	1,047	2,074
Financing activities				
Dividends paid		(900)	(1,558)	(2,493)
Shares issued		12,160	-	-
Placing costs		(385)	-	-
Net cash from/(used in) financing activities		10,875	(1,558)	(2,493)
Net increase (decrease) in cash and cash equivalents		30	(613)	(635)
Cash and cash equivalents at beginning of period		1,697	2,332	2,332
Cash and cash equivalents at end of period		1,727	1,719	1,697

Notes to the Accounts
For the six months ended 30 June 2009

1. Basis of Accounting

The financial information in this announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS). Certain information and disclosures normally required to be included in the notes to the annual financial statements have been omitted or condensed. These interim financial statements should be read in conjunction with the financial statements and the notes thereto in the Company's Annual Report for the year ended 31 December 2008. With the exception of the new accounting policies on the basis of consolidation and business combinations, the accounting policies are consistent with those set out in the Company's financial statements for the year ended 31 December 2008.

The interim financial statements have been prepared on the going concern basis as disclosed in the Chairman Statement.

The statutory accounts for the year ended 31 December 2008 have been filed with the Registrar of Companies and contained an unqualified audit report.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to the period end. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination (see below) and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Business combinations
The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non Current Assets Held for Sale and Discontinued Operations,* which are recognised and measured at fair value less costs to sell.

Basis of Accounting (continued)

Goodwill arising on acquisition is recognised as an asset and initially measured at costs, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

2. Acquisition of Subsidiary

The Company had adopted the provisions of IFRS3, Business Combinations (2008). On 29 June 2009 the Company purchased 11,770,000 convertible preference shares of Puma Hotels plc ("PHP"). The Company already held 16,550,000 ordinary shares of PHP. If this holding were to be converted into PHP ordinary shares the Company's combined investment would be 53.28% of PHP.

	Acquiree's carrying amount combination	**Fair Value Adjustment**	**Fair Value**
	£'000	**£'000**	**£'000**
Net Assets acquired			
Goodwill	8,221	(8,221)	-
Investment Property	486,010		486,010
Bank and Cash balances	26,994		26,994
Trade Payables	(13,898)		(13,898)
Bank Loan	(347,152)		(347,152)
Bonds	(33,150)		(33,150)
Deferred tax liability	-	(44521)	(44,521)
Interest Rate Swaps	-	(17,233)	(17,233)
	127,025	(69,975)	57,050

Fair Value of previously held interest	(45,788)
Minority interest share of fair value assets acquired	(27,874)
Goodwill arising on acquisition	28,382
Total consideration satisfied by cash	11,770

	£'000
Net Cash inflow arising on acquisition	
Cash consideration paid	(11,770)
Cash and cash equivalents acquired	26,994
	15,224

Notes to the Accounts
For the six months ended 30 June 2009 (continued)

3.	**Tangible Assets**	**£'000**
	Investment properties	£486,010

4.	**Creditors**	**£'000**
Secured borrowing		
	Bank loans	347,152
	Bonds	16,600
		£363,752

The Bank Loans are with Anglo Irish Bank Limited and mature on 31 December 2012. The maturity of the Group's outstanding bonds is also 31 December 2012. Subsequent to the period end the bonds were listed on the Channel Island Stock Exchange.

5. Provision for Liabilities	**£'000**	**£'000**
Deferred tax		£44,521

6. Investments

	Unaudited Period from 1 January 2009 to 30 June 2009	Unaudited Period from 1 January 2008 30 June 2008	Audited Year to 31 December 2008
	£'000	**£'000**	**£'000**
Classified as:			
Fair Value through Profit and Loss Investments	57,558	64,600	44,671
Held to maturity	16,550	16,550	16,550
	74,108	81,150	61,221

Fair Value through Profit or Loss Investments

Fair value at start of period	44,671	66,273	66,273
Investments made during period	11,770	-	-
Increase/(Decrease) in fair value	1,117	(1,673)	(21,602)
Fair value at end of period	57,558	64,600	44,671

6. Investments (Cont'd)

The investment classified as 'Fair Value through Profit and Loss' shown above represents a holding of 16,550,000 ordinary shares of £1 par value in PHP, which comprises 49.92% of the issued share capital of that company and 11,770,000 Convertible Preference shares in PHP of £1 carrying a cumulative 7% coupon commencing in 2010.

In determining the fair value attributable to the ordinary shares and convertible preference shares in PHP, the Directors drew upon the discounted future net cash flows arising from PHP and utilised that net asset value for each ordinary share, including an assumed conversion of all of the convertible preference shares held in PHP by the Company, making an appropriate adjustment for the carried interest attributable to the founder shares in PHP. If all the convertible preference shares were converted the subsequent holding would represent 53.28% in the issued share capital of PHP.

For the purpose of preparing its 30 June 2009 interim financial statements, PHP has used the external professional valuation of its Hotel portfolio completed by Colliers Robert Barry on 30th April 2009.

The convertible preference shares in PHP will rank ahead of the ordinary share capital in a winding up of PHP.

	Unaudited Period from 1 January 2009 to 30 June 2009	**Unaudited Period from 1 January 2008 30 June 2008**	**Audited Year to 31 December 2008**
	£'000	**£'000**	**£'000**
Investments Held to Maturity			
At start of period	16,550	16,550	16,550
Redeemed in Period	(993)	(993)	(1,986)
Amortisation of Discount	993	993	1,986
At end of period	16,550	16,550	16,550

The investments included above represent investments in unsecured deep discount bonds issued by DSH (Finance) plc, a subsidiary of Puma Hotels plc, maturing at nominal value on 31 December 2012. The bonds have a coupon rate of 12% percent. Subsequent to the period end the bonds were listed on the Channel Island Stock Exchange.

Notes to the Accounts
For the six months ended 30 June 2009 (continued)

7. Earnings Per Share - Company

	Unaudited Period from 1 January 2009 to 30 June 2009	Unaudited Period from 1 January 2008 30 June 2008	Audited Year to 31 December 2008
Basic and Diluted Earnings Per Share	5.80p	(2.09p)	(57.0p)
This comprises:			
Basic and diluted earnings per share from operations and bank interest	2.62p	2.74p	5.4p
Basic and diluted earnings per share from investment gains/(losses)	3.18p	(4.83p)	(62.4p)

The calculation of basic earnings per share is based on the following data:

	£'000	£'000	£'000
Earnings			
Profit from operations and bank interest	918	950	1,859
Investment gains/(losses)	1,117	(1,673)	(21,602)
Net profit/(loss) for period	2,035	(723)	(19,743)
Number of shares			
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	35,034,350	34,619,050	34,619,050

There are no convertible instruments in existence at 30 June 2009 and therefore diluted earnings per share does not differ from basic earnings per share.

Notes to the Accounts
For the six months ended 30 June 2009 (continued)

8. Reconciliation of Profit from Operations to Net Cash from Operating Activities

	Unaudited Period from 1 January 2009 to 30 June 2009	**Unaudited Period from 1 January 2008 30 June 2008**	**Audited Year to 31 December 2008**
	£'000	**£'000**	**£'000**
Profit from operations	910	896	1,771
Decrease/(increase) in receivables	(4)	5	(1)
(Decrease)/increase in trade and other payables	11	(10)	-
Amortisation of discount on investments	(993)	(993)	(1,986)
Net cash inflow/(outflow) from operating activities	(76)	(102)	(216)

9. Revenue

	Unaudited Period from 1 January 2009 to 30 June 2009	**Unaudited Period from 1 January 2008 30 June 2008**	**Audited Year to 31 December 2008**
	£'000	**£'000**	**£'000**
Amortisation of Discount on purchase of investments	993	993	1,986
Dividend Received	-	-	-
	993	993	1,986

10. Post Balance Sheet Event

On 13 July 2009 PHP announced the completion of the refinancing of its bank borrowings. Under the terms of this refinancing PHP has extended the term of its loan facilities with Anglo Irish Bank Limited by an additional three years to 31 December 2012.

As approved by bond holders PHP's deep-discount bonds have been listed on the Channel Island Stock Exchange. The listing was completed on 21 August 2009

On 23 September 2009 the Directors of the Company recommended a dividend of 1.8p per share on the recently enlarged issued share capital being a total dividend of £896,742.90.

11. Share Capital - Company

On 26 June 2009 the Company issued 15,200,000 new ordinary shares of 5p each at a placing price of 80 pence per share to raise £12.16 million (before placing costs). The total number of shares in issue at 30 June 2009 was 49,819,050.

For the six months ended 30 June 2009
Appendix

Puma Hotels plc
Consolidated Profit and Loss Account
6 Months Ended 30 June 2009

	Unaudited 6 months ended 30 June 2009	Unaudited 6 months ended 30 June 2008	Audited Year ended 31 December 2008
	£'000	£'000	£'000
Turnover	**14,877**	13,696	28,455
Cost of Sales	**-**	-	-
Gross profit	**14,877**	13,696	28,455
Administrative expenses	**(1,909)**	(2,333)	(4,540)
Deficit on revaluation of properties	**-**	-	(3,283)
Operating Profit	**12,968**	11,363	20,632
Interest receivable and similar income	**17**	26	71
Bank interest payable	**(12,112)**	(12,416)	(24,796)
Interest on shareholder loans	**(1,983)**	(1,989)	(4,000)
Other interest payable and similar charges	**-**	(675)	(686)
Total Interest payable and similar charges	**(14,095)**	(15,080)	(29,482)
Loss on ordinary activities before taxation	**(1,110)**	(3,691)	(8,779)
Tax on loss on ordinary activities	**-**	-	3
Retained loss for the financial period	**(1,110)**	(3,691)	(8,776)

No statement of Total Recognised Gains and Losses has been presented as all items have been reported in the profit and loss account.

Puma Hotels plc
Consolidated Balance Sheet
As at 30 June 2009

	Unaudited As at 30 June 2009 £'000	Unaudited As at 30 June 2008 £'000	Audited As at 31 December 2008 £'000
Fixed assets			
Intangible assets – Goodwill	**8,221**	8,742	8,481
Tangible assets	**486,010**	531,852	483,520
	494,231	540,594	492,001
Current Assets			
Debtors	**-**	61	2,387
Cash at Bank and in hand	**26,994**	9,540	8,748
	26,994	9,601	11,135
Creditors amounts falling due within one year	**(13,898)**	(14,161)	(361,846)
Net current assets / (liabilities)	**13,096**	(4,560)	(350,711)
Total assets less current liabilities	**507,327**	536,034	141,290
Creditors amounts falling due after more than one year	**(400,302)**	(378,490)	(33,155)
Provision for liabilities	**-**	(3)	-
Net assets	**107,025**	157,541	108,135
Capital and reserves			
Called up share capital	**1,658**	1,658	1,658
Share premium account	**32,137**	32,137	32,137
Revaluation reserve	**105,104**	149,425	105,104
Profit and loss account	**(31,874)**	(25,679)	(30,764)
Equity shareholders' funds	**107,025**	157,541	108,135

Puma Hotels plc
Consolidated Cash Flow Statement
6 Months ended 30 June 2009

	Unaudited 6 months ended 30 June 2009	Unaudited 6 months ended 30 June 2008	Audited Year ended 31 December 2008
	£'000	£'000	£'000
Net cash inflow from operating activities	**15,311**	5,979	18,621
Returns on investments and servicing of finance			
Interest received	**17**	26	71
Interest paid	**(13,289)**	(13,106)	(26,480)
Interest paid on finance leases	**-**	(1)	(12)
Net cash outflow from returns on investments and servicing of finance	**(13,272)**	(13,081)	(26,421)
Taxation			
Corporation tax paid	**-**	-	-
Capital expenditure			
Purchase of tangible fixed assets	**(2,490)**	(792)	(1,564)
Net cash outflow before financing	**(451)**	(7,894)	(9,364)
Financing			
Issue of preference share capital	**20,000**	-	-
New term loans raised	**-**	11,940	13,929
Bonds repaid	**(1,110)**	(1,259)	(2,448)
Term loan issue costs	**(193)**	(205)	(195)
Repayment of principal under finance leases	**-**	(21)	(153)
Net cash inflow from financing	**18,697**	10,455	11,133
Increase in cash	**18,246**	2,561	1,769

Notes to the Financial Statements of Puma Hotels plc

1. ACCOUNTING POLICIES

The interim financial information for the 6 months ended 30 June 2009 has been prepared in accordance with applicable United Kingdom accounting standards using policies consistent with those applied to the year ended 31 December 2008 and the 6 months ended 30 June 2008. The interim information, together with the comparative information contained in this report for the year ended 31 December 2008, does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. The interim financial information has not been audited by the Company's auditor. The interim financial information has been reviewed by the Company's auditor and the Independent review report is set out in this document. The statutory accounts for the year ended 31 December 2008 have been reported on by the Company's auditors, Deloitte LLP, and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

2. SEGMENTAL ANALYSIS

The Group's turnover, loss before taxation and net assets are derived from its principal activity within the UK and as such no segmental information has been disclosed.

3. RELATED PARTY TRANSACTIONS

The Group has been involved in transactions with companies within the Shore Capital Group:

	Profit and loss charge in the period	**Outstanding creditor at the period end**
	£'000	**£'000**
Management fees charged by Shore Capital Limited to Puma Hotels plc	1,510	755

The management fee charged by Shore Capital Limited is based on 60 basis points of gross asset value per annum.

Notes to the financial statements of Puma Hotels plc (continued):

4. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Unaudited 6 months ended 30 June 2009 £'000	Unaudited 6 months ended 30 June 2008 £'000	Audited Year ended 31 December 2008 £'000
Operating profit	12,968	11,363	20,632
Impairment of tangible fixed assets	-	-	3,283
Depreciation of tangible fixed assets	-	-	-
Amortisation of goodwill	260	260	521
Decrease / (Increase) in debtors	2,387	776	(68)
(Decrease) in creditors	(304)	(6,420)	(5,747)
Net cash inflow from operating activities	15,311	5,979	18,621

5. POST BALANCE SHEET DATE EVENTS

On 13 July 2009, the Company announced 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 by an additional three years to 31 December 2012.

As approved by bond-holders, the Group's deep-discount bonds have been listed on the Channel Islands Stock Exchange. The listing was completed on 21 August 2009.