The Hotel Corporation plc

Interim Report 2007

For the six months ended
30 June 2007

Paramount Group Overview

CENTRAL ENGLAND

1. Billesley Manor Hotel
2. Paramount Cheltenham Park Hotel, Cheltenham
3. Paramount Daventry Hotel, Northamptonshire
4. Paramount Hinckley Island Hotel, Leicestershire
5. Paramount Oxford Hotel, Oxford
6. Paramount Palace Hotel, Buxton
7. Paramount Walton Hall Hotel & Spa
8. The Lygon Arms

NORTHERN ENGLAND

9. Paramount Imperial Hotel, Blackpool
10. Paramount Majestic Hotel, Harrogate
11. Paramount Redworth Hall Hotel, County Durham
12. Paramount Shrigley Hall Hotel, Golf & Country Club, Cheshire

SCOTLAND

13. Paramount Carlton Hotel, Edinburgh
14. Paramount Marine Hotel, Troon
15. Paramount Stirling Highland Hotel, Stirling

SOUTHERN ENGLAND

16. Combe Grove Manor
17. Paramount Basingstoke Country Hotel
18. Paramount Imperial Hotel, Torquay
19. Paramount Old Ship Hotel, Brighton

WALES

20. Paramount Angel Hotel, Cardiff

Highlights

The Hotel Corporation plc

- Barceló transaction with DSH reaffirms the value of The Hotel Corporation's investment
- Net asset value per share maintained at 290p pending a December 2007 investment revaluation
- Interim dividend of 2.7p (2006: 2.65p)

Dawnay Shore Hotels plc

- Strategic review of DSH successfully concluded
- 45 year leases granted to Barceló which has taken over operational management of Paramount Hotels
- Increased certainty of income through lease structure
- Room count increased from 2,708 rooms to 2,872 rooms
- Substantial capital investment in renovation and room additions enhances quality and operating potential of portfolio
- DSH rent formula from year 4 takes account of profitability (subject to a minimum rent)
- Review underway of DSH capital and corporate structure

The Hotel Corporation plc is referred to as the "Company". Dawnay Shore Hotels plc is referred to as "DSH".

Chairman's Statement

I am pleased to report on the interim figures for the first six months of the current year.

As the Company's principal asset comprises its interest in DSH, this statement will focus on the results of both the Company itself and also of DSH. The consolidated balance sheet of DSH as at 1 July 2007, the consolidated profit and loss account and consolidated cashflow statement of DSH for the 26 week period ended 1 July 2007 are also provided in this statement.

Results of the Company

Revenue for the period, including bank interest, was £1.68m (2006: £1.24m) and, following administrative expenses, operating profit amounted to £1.5m (2006: £1.1m). Total profit before tax was £1.5m. No investment gains were recorded during this 6 month period as the hotel assets of DSH were not revalued by external valuers as at the period end, which they were in the comparable period of 2006. This was because they were revalued after the completion of the strategic review in their new status as investment properties and it would not be appropriate to use this carrying value for the end of June when DSH was still operating the hotels. Including investment gains of £29.8m, total profit before tax for the comparable period of 2006 was £31.0m. No tax is payable due to the zero corporate taxation provisions in the Isle of Man. Basic and diluted earnings per share were 4.5p (2006: 3.2p and 89.4p including the investment gains).

The Company values its shareholding in DSH on the basis of the net asset value of DSH as set out in that company's unaudited accounts. The post balance sheet effect of the independent professional valuation of DSH's hotel properties showed a further increase to £556 million (31 December 2006: £530m). DSH's accounts themselves include the valuation of its portfolio of hotels of £530 million, carried out by Colliers Robert Barry, third party independent valuers, as at 31 December 2006. The directors are therefore of the opinion that it is appropriate to carry the investment at the same value as at 31st December 2006.

Dividend

The Company has today declared an interim dividend of 2.7p per ordinary share (2006: 2.65p). The ex-div date will be 26 September 2007 and the record date 28 September 2007. Payment will be made to shareholders on 22 October 2007.

Dawnay Shore Hotels plc – Review of Operations and Financial Performance

The interim results cover the 26 weeks ended 1 July 2007. Throughout this period and up to 6 September 2007 DSH owned and managed the Paramount group of hotels and as with prior years DSH was responsible for all operating risks and benefits accruing from this activity.

With effect from 7 September 2007, as a result of the leases granted to wholly-owned subsidiaries of Barceló Corporación Empresarial, S.A. ("Barceló"), DSH has become a hotel investment company with a secure and growing income stream from a blue chip tenant. The Board of DSH envisages that the Company's continuing growth will come not only from further development of the existing property portfolio, but also from acquiring additional hotels and taking a similar approach with Barceló. The Board believes that DSH's strategic alliance with Barceló will play an important part in the Company's growth.

As shown on the attached Consolidated Financial Statements, on a total Group basis DSH's turnover for the 26 week period ended 1 July 2007 was £48.4m, generating hotel-level EBITDA of £15.7m. After depreciation, central and other costs, operating profit was £6.4m. Net interest payable was £12.5m and included £10.0m of interest on senior debt and £2.0m of interest on the deep discounted bonds which are owned by DSH shareholders. No tax is payable and the loss for the financial period was £6.1m.

Interest expense was around £0.9 million greater than the previous year, mainly reflecting the cost of capital expenditure facilities drawn to add rooms and renovate the Group's portfolio.

Dividends

DSH's policy remains to distribute its net surplus cash flow from time to time and during the period a dividend of £1,260,000 was paid. Trading in the first half of the year is traditionally less buoyant than the second half and as in previous years no dividend is proposed in relation to this period. Going forward, the Board of DSH intends to review its capital structure. As a result of the secure income stream generated by the leases and the resultant higher property valuation, the Company expects to be able to increase its borrowing. This extra funding should enable the Company to repay the deep discount bonds issued to its investors and, following a capital reduction, to return further value to shareholders.

Property valuation

External property valuers Colliers Robert Barry reported that the investment value, based on the Barceló lease terms, of DSH's interest in the 20 Paramount properties is £556.3 million. This valuation is after deducting 1.5% (of value) for assumed purchaser's costs. The overall valuation compares favourably with the 31 December 2006 vacant possession value of £530.2 million which made no deduction for assumed purchaser's costs. The 31 December 2006 valuation, rather than this new valuation on an investment basis, has been used to draw up the interim accounts as DSH continued to operate the hotels until 6 September 2007. However, as required by SSAP 19, the properties will be classified as investment properties from 7 September 2007 and an updated investment valuation will be sought at the year end and reflected in DSH's financial statements.

In addition to the above valuation of £556.3 million, certain non-hotel assets have been carved out of the lease to Barceló and it is estimated that further value in excess of £6 million should be generated from these retained assets.

Property development

In line with stated strategy, DSH has continued to exploit the development potential of its property portfolio through room additions and renovation during 2007. Whilst operating performance remained steady the renovation works did impact occupancy during the period. The capital investment has substantially improved the quality and capacity of the hotels

	H1 2007 (Unaudited)	H1 2006 (Unaudited)	% change
Turnover	**£48.4m**	£47.9m	1.1%
Hotel EBITDA*	**£15.7m**	£15.6m	0.6%
Occupancy	**65.8%**	66.3%	(0.8%)
Average Room Rate	**£72.51**	£71.09	2.0%
Revenue per Available Room	**£47.69**	£47.14	1.2%

* Hotel EBITDA is for the individual hotels, excluding head office costs

Chairman's Statement continued

and this is expected to have a positive impact on profitability and consequently on DSH rent, in the medium term.

At the end of 2006 the Group operated 2,708 rooms whilst at the time of granting the leases to Barceló this had been increased to 2,872 rooms, representing a 6% (164 rooms) increase. The Walton Hall redevelopment was fully completed during the period and this landmark hotel is a key focus as Barceló takes over operational management. Other hotels where rooms were added and renovations undertaken included the Lygon Arms, Majestic Hotel, Redworth Hall, Daventry, Hinckley and Brighton.

At present DSH holds planning and other permissions where construction has not yet been committed for 316 hotel rooms and 1,581 square metres of conference/meeting space. In addition the Group continues to pursue a significant number of further permissions. The agreement with Barceló envisages that DSH as landlord and Barceló as tenant will agree value-enhancing projects of this nature and it provides a formula for these improvements to add to the Company's rental income through the leases. As stated above, DSH has also excluded from the leased properties certain non-hotel assets.

Prospects

Trading during July was ahead of the prior year driven by the strength of the provincial hotel market and by the substantial capital investment. August traditionally relies heavily on the leisure segment and the very poor weather during this month affected the operating performance. As noted above, with effect from 7 September DSH's income comprises rental income from Barceló. The first year's rent is £28 million, rising to £30 million in the second and third years and to between £31 million and £34 million in the fourth year, depending upon hotel profitability. Thereafter the rent will be adjusted by inflation which can be supplemented in later years by a link to hotel profitability. The Directors believe that this arrangement provides security of income whilst also allowing DSH to share in future upside. Refer to Appendix 1 for a summary of the lease terms.

We are very pleased with the outcome of the DSH strategic review. Our investment is now strongly underpinned by a long lease with a top hotel operator and is structured to allow value to be created in a variety of ways looking ahead to the future.

Barclay Douglas
Chairman
20 September 2007

Independent Review Report to The Hotel Corporation plc

Introduction

We have been instructed by the company to review the financial information for the six months ended 30th June 2007 which comprises the income statement, the balance sheet, the statement of changes in equity, the cash flow statement and related notes 1 to 5. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company, in accordance with Bulletin 1999/4 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.

Directors' Responsibilities

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are also responsible for ensuring that the accounting policies and presentation applied to the interim figures are consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review Work Performed

We conducted our review in accordance with the guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review Conclusion

As more fully explained in Note 2, in estimating the fair value of the investment in Dawnay Shore Hotels plc (DSH), the directors have adopted a valuation which was the same net asset value of DSH as at 31st December 2006 in the absence of an updated valuation of the DSH portfolio at 30th June 2007

On the basis of our review, except for any changes to the valuation of investment which might have been required if a valuation of the portfolio of DSH had been available at 30th June 2007, we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30th June 2007.

Deloitte & Touche

Chartered Accountants

Douglas

Isle of Man

20 September 2007

An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the financial statements since first published. These matters are the responsibility of the directors but no control procedures can provide absolute assurance in this area. Legislation in the United Kingdom governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

Income Statement

For the six months ended 30 June 2007

	Notes	**Unaudited period from 1 January 2007 until 30 June 2007 £'000**	Unaudited period from 1 January 2006 until 30 June 2006 £'000	Audited Year to 31 December 2006 £'000
Continuing operations				
Revenue	5	**1,622**	1,192	2,185
Administrative expenses		**(107)**	(111)	(231)
Profit from operations		**1,515**	1,081	1,954
Bank interest receivable		**57**	45	92
Investment gains-unrealised	2	**–**	29,829	49,169
Profit before tax		**1,572**	30,955	51,215
Taxation		**–**	–	–
Profit after tax for the period from continuing operations		**1,572**	30,955	51,215
Earnings per share		**2007**	2006	2006
Basic and diluted	3	**4.5p**	89.4p	147.9p

Balance Sheet

As at 30 June 2007

	Notes	**Unaudited as at 30 June 2007 £'000**	Unaudited as at 30 June 2006 £'000	Audited as at 31 December 2006 £'000
ASSETS				
Non-current assets				
Investments	2	**97,976**	78,636	97,976
Current assets				
Trade and other receivables		**7**	13	10
Cash and cash equivalents		**2,331**	2,325	2,321
		2,338	2,338	2,331
Total assets		**100,314**	80,974	100,307
EQUITY & LIABILITIES				
Capital & reserves				
Share capital		**1,731**	1,731	1,731
Share premium account		**33,300**	33,301	33,300
Retained earnings		**65,266**	45,909	65,252
		100,297	80,941	100,283
Current liabilities				
Trade and other payables		**17**	33	24
		100,314	80,974	100,307
Net asset value per share		**290p**	234p	290p

Barclay Douglas
Director

David Craine
Director

20 September 2007

Statement of Changes in Equity

For the six months ended 30 June 2007

	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000
Balance at 31 December 2006	1,731	33,300	65,252	100,283
Profit for period	–	–	1,572	1,572
Dividend paid	–	–	(1,558)	(1,558)
Balance at 30 June 2007	**1,731**	**33,300**	**65,266**	**100,297**

Cash Flow Statement

For the six months ended 30 June 2007

	Notes	**Unaudited period from 1 January 2007 until 30 June 2007 £'000**	Unaudited period from 1 January 2006 until 30 June 2006 £'000	Audited Year to 31 December 2006 £'000
Net cash inflow/(outflow) from operating activities	4	**518**	85	(41)
Investing activities				
Interest receivable		**57**	45	92
Purchase of investments		**–**	–	–
Proceeds received on the maturity of investments		**993**	993	1,986
Net cash from investing activities		**1,050**	1,038	2,078
Financing activities				
Dividends paid		**(1,558)**	(1,108)	(2,025)
Preliminary expenses		**–**	(7)	(8)
Net cash (used in) financing activities		**(1,558)**	(1,115)	(2,033)
Net increase in cash and cash equivalents		**10**	8	4

Notes to the Accounts

For the six months ended 30 June 2007

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 2006. The accounting policies are consistent with those set out in the Company's financial statements for the year ended 31 December 2006.

The statutory accounts for the year ended 31 December 2006 have been filed with the Registrar of Companies and contained an unqualified audit report.

2. Investments

	Unaudited period from 1 January 2007 to 30 June 2007 £'000	Unaudited period from 1 January 2006 to 30 June 2006 £'000	Audited Year to 31 December 2006 £'000
Classified as:			
Fair value through profit and loss investments	**81,426**	62,086	81,426
Held to maturity	**16,550**	16,550	16,550
	97,976	78,636	97,976
Fair value through profit or loss investments			
Fair value at start of period	**81,426**	32,257	32,257
Increase in fair value	**–**	29,829	49,169
Fair value at end of period	**81,426**	62,086	81,426

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 Dawnay Shore Hotels plc, which comprises 49.92% of the issued share capital of that company. Investments in the ordinary shares of Dawnay Shore Hotels plc ("DSH.") held at the balance sheet date are measured at their fair value. In determining the fair value attributable to the ordinary shares in DSH., the directors drew upon the net asset value of DSH. as set out in the financial statements of that company as at 31st December 2006 and utilised that net asset value for each ordinary share held in DSH. by the Company, making an appropriate adjustment for the carried interest attributable to the founder shares in DSH. (as defined in the Hotel Corporation plc prospectus issued on 9th July 2004). In the absence of an updated valuation of the DSH Hotel portfolio as at 30th June 2007, the directors have adopted a valuation which used the same DSH net asset value as at 31st December 2006 making an appropriate adjustment for the carried interest attributable to the founder shares in DSH at that date.

2. Investments continued

	Unaudited period from 1 January 2007 to 30 June 2007 £'000	Unaudited period from 1 January 2006 to 30 June 2006 £'000	Audited Year to 31 December 2006 £'000
Investments held to maturity			
At start of period	**16,550**	16,550	16,550
Additions	**–**	–	–
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 unlisted investments in unsecured deep discount bonds issued by DSH (Finance) plc, a subsidiary of Dawnay Shore Hotels plc, maturing at nominal value over a period of five years. The bonds have a coupon rate of nil percent.

3. Earnings per share

	Unaudited period from 1 January 2007 to 30 June 2007	Unaudited period from 1 January 2006 to 30 June 2006	Audited Year to 31 December 2006
Basic and diluted earnings per share	**4.5p**	89.4p	147.9p
This comprises:			
Basic and diluted earnings per share from operations and bank interest	**4.5p**	3.2p	5.9p
Basic and diluted earnings per share from investment gains	**Nil**	86.2p	142.0p

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

	£'000	£'000	£'000
Earnings			
Profit from operations and bank interest	**1,572**	1,126	2,046
Investment gains	**–**	29,829	49,169
Net profit for period	**1,572**	30,955	51,215
Number of shares			
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**34,619,050**	34,619,050	34,619,050

There are no convertible investments in existence at 30 June 2007 and therefore diluted earnings per share does not differ from basic earnings per share.

Notes to the Accounts continued

For the six months ended 30 June 2007

4. Reconciliation of profit from operations to net cash from operating activities

	Unaudited period from 1 January 2007 to 30 June 2007 £'000	Unaudited period from 1 January 2006 to 30 June 2006 £'000	Audited Year to 31 December 2006 £'000
Profit from operations	**1,515**	1,081	1,954
Decrease in receivables	**3**	6	9
Decrease in trade and other payables	**(7)**	(9)	(18)
Amortisation of discount on investments	**(993)**	(993)	(1,986)
Net cash inflow/(outflow) from operating activities	**518**	85	(41)

5. Revenue

	Unaudited period from 1 January 2007 to 30 June 2007 £'000	Unaudited period from 1 January 2006 to 30 June 2006 £'000	Audited Year to 31 December 2006 £'000
Amortisation of discount on purchase of investments	**993**	993	1,986
Dividend received	**629**	199	199
	1,622	1,192	2,185

Appendix – Dawnay Shore Hotels plc Interim Results 2007

Dawnay Shore Hotels plc
Consolidated Profit and Loss Account
For the 26 weeks ended 1 July 2007

	Unaudited 26 weeks ended 1 July 2007 £'000	Unaudited 26 weeks ended 2 July 2006 £'000	Audited Year ended 31 December 2006 £'000
Turnover	**48,430**	47,902	101,228
Cost of sales	**(5,594)**	(5,765)	(12,166)
Gross profit	**42,836**	42,137	89,062
Administrative expenses	**(36,457)**	(34,973)	(70,334)
Operating profit	**6,380**	7,164	18,728
Profit on sale of fixed assets	**–**	–	(2)
	6,380	7,164	18,726
Interest receivable and similar income	**30**	86	160
Interest payable and similar charges	**(12,541)**	(11,696)	(23,662)
Loss on ordinary activities before taxation	**(6,131)**	(4,446)	(4,736)
Tax on profit on ordinary activities	**–**	–	1,474
Dividends	**(1,260)**	(398)	(398)
Retained loss for the financial period	**(7,391)**	(4,844)	(3,660)

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

Note: Reconciliation of Operating Profit

	1 July 2007 £m
Hotel EBITDA excluding Walton Hall	**15.7**
Depreciation and amortisation	**(4.5)**
Central and other costs	**(4.8)**
Operating profit as shown above	**6.4**

Appendix – Dawnay Shore Hotels plc Interim Results 2007 continued

Dawnay Shore Hotels plc
Consolidated Balance Sheet
As at 1 July 2007

	Unaudited As at 1 July 2007 £'000	Unaudited As at 2 July 2006 £'000	Audited As at 31 December 2006 £'000
Fixed assets			
Intangible assets – Goodwill	**9,263**	9,652	9,523
Tangible assets	**543,398**	467,973	527,550
	552,661	477,625	537,073
Current assets			
Stocks	**745**	832	862
Debtors	**8,477**	7,509	9,995
Cash at bank and in hand	**3,946**	2,190	2,407
	13,168	10,531	13,264
Creditors: amounts falling due within one year	**(27,785)**	(22,583)	(22,947)
Net current liabilities	**(14,617)**	(12,052)	(9,683)
Total assets less current liabilities	**538,044**	465,573	527,390
Creditors: amounts falling due after more than one year	**(339,434)**	(307,040)	(321,389)
Provision for liabilities and charges	**(8,021)**	(9,478)	(8,021)
Net assets	**190,589**	149,055	197,980
Capital and reserves			
Called up share capital	**1,658**	1,658	1,658
Share premium account	**32,137**	32,137	32,137
Revaluation reserve	**168,043**	120,461	168,043
Profit and loss account	**(11,249)**	(5,201)	(3,858)
Equity shareholders' funds	**190,589**	149,055	197,980

Dawnay Shore Hotels plc
Consolidated Cash Flow Statement
26 weeks ended 1 July 2007

	Unaudited 26 weeks ended 1 July 2007 £'000	Unaudited 26 weeks ended 2 July 2006 £'000	Audited Year ended 31 December 2006 £'000
Net cash inflow from operating activities	**11,633**	10,212	24,530
Returns on investments and servicing of finance			
Interest received	**30**	86	160
Interest paid	**(5,429)**	(9,575)	(19,488)
Interest paid on finance leases	**(22)**	(37)	(57)
Dividends paid	**(1,260)**	(398)	(398)
Net cash outflow from returns on investments and servicing of finance	**(6,681)**	(9,924)	(19,783)
Taxation			
Corporation tax paid	**–**	–	–
Capital expenditure			
Purchase of tangible fixed assets	**(19,875)**	(7,351)	(23,169)
Sale of tangible fixed assets	**–**	–	34
Net cash outflow from capital expenditure and financial investment	**(19,875)**	(7,351)	(23,135)
Acquisitions			
Purchase of hotels	**–**	–	–
Purchase of subsidiary undertakings	**–**	–	(197)
Cash balances less overdraft acquired with hotels and subsidiary undertakings	**–**	–	–
Net cash outflow from acquisitions	**–**	–	(197)
Net cash outflow before financing	**(14,923)**	(7,063)	(18,585)
Financing			
Issue of share capital	**–**	–	–
New term loans raised	**18,251**	4,551	17,802
New bonds issued	**–**	–	–
Bank loan note issued	**–**	–	114
Bank loans repaid	**–**	–	–
Bonds repaid	**(1,416)**	(1,591)	(3,091)
Term loan issue costs	**(266)**	–	–
Repayment of principal under finance leases	**(107)**	(181)	(307)
Net cash inflow from financing	**16,462**	2,779	14,518
Increase/(decrease) in cash	**1,539**	(4,284)	(4,067)

Appendix 1

Details of the Leases

45 year leases (35 year initial term with a tenant's right to renew) will be held by wholly-owned subsidiary undertakings of Barceló. In the extreme circumstance that, for at least a year, total hotel EBITDA is less than the total rent, then DSH may, in certain circumstances after the end of the third year but before the end of the tenth year, either put the portfolio to Barceló at a fixed price (initially £530 million but increasing with inflation) or cancel the lease on receiving a payment of two years' rent (years 4 – 7) or one year's rent (years 8 – 10). The leases benefit from a parental company guarantee from Barceló Corporación for the first three years of the lease in relation to rent and for ten years in relation to these other obligations.

The rent for the portfolio with its current room capacity is as follows:

Year	£m
1	28
2	30
3	30
4	31 – 34 (within the band, 65% of hotel level EBITDA)
5	based on previous year + annual RPI capped at 5.5% p.a., ("Indexation")
10 – 14	higher of 63.75% of hotel level EBITDA or Indexation
15 – 19	higher of 63% of hotel level EBITDA or Indexation
20 – 24	higher of 62% of hotel level EBITDA or Indexation
25 – 35	higher of 61% of hotel level EBITDA or Indexation

If agreed improvements (such as room additions) are made, the extra rent will be 65% of the agreed EBITDA increase resulting from the development.

The leases are standard UK full repairing and insuring leases with the Tenant being responsible for maintaining the properties' furnishings, fixtures and equipment, towards which DSH has agreed to make a contribution.

Officers and Professional Advisers

Directors	James Barclay Douglas LLB CA (Chairman) Donald Lindsay Adamson MA MSI Derek William Short FCIB MSI FinstD David Peter Craine FCA JP
Registered Office	Burleigh Manor, Peel Road Douglas Isle of Man IM1 5EP
Company Secretary	David Peter Craine Burleigh Manor, Peel Road Douglas Isle of Man IM1 5EP
Nominated Adviser	Shore Capital and Corporate Limited Bond Street House 14 Clifford Street London W1S 4JU
Stockbroker	Shore Capital Stockbrokers Limited Bond Street House 14 Clifford Street London W1S 4JU
Solicitors to the Company	SJ Berwin 10 Queen Street Place London EC4R 1BE
Isle of Man Advocates to the Company	Dickinson Cruickshank 33 Athol Street Douglas Isle of Man IM1 1LB
Auditors	Deloitte & Touche Grosvenor House Athol Street Douglas Isle of Man IM99 1XJ
Registrars & Crest Service Provider	Computershare Investors Services PLC PO Box 83 Ordnance House 31 Pier Road St Helier Jersey JE4 8PW
Isle of Man Administration	Peregrine Corporate Services Limited Burleigh Manor, Peel Road Douglas Isle of Man IM1 5EP

The Hotel Corporation plc
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