

Peel Hotels PLC
30 August 2007

PEEL HOTELS PLC

('Peel Hotels' or the 'Company')

Disposal of Avon Gorge Hotel

Peel Hotels announced today that it has reached agreement for the sale of the business and assets, together with the freehold property, known as the Avon Gorge Hotel in Bristol together with the associated staff house at 10, Caledonia Place in Bristol for an aggregate consideration of £15,500,000 to be paid in cash at completion, with completion expected on Monday 3 September 2007. Attributable Earnings for the Avon Gorge Hotel for the Financial Year ended 11 February 2007 before Interest, Tax and Depreciation was £747,694.

Peel Hotels also announced today that it had reached agreement on Friday 24 August 2007 for the sale of the freehold of three quarters of an acre of land with planning permission for 99 new apartments, office space and associated car parking in Salem Street, Bradford for a consideration of £2,000,000 to be paid in cash at completion, with completion expected on 26 November 2007. This land had been acquired by Peel Hotels in conjunction with the acquisition of the Midland Hotel, Bradford in 1998. Attributable Earnings from Car Parking income at the Salem Street site for the Financial Year ended 11 February 2007 before interest, Tax and Depreciation was £55,658.

The aggregate consideration receivable will leave Peel Hotels PLC with no net debt and cash on deposit of approximately £2,000,000. The Company will own and operate eight hotels after the sale of the Avon Gorge.

Current Trading

The financial period for the 6 months ending on Sunday 26 August 2007 finished with turnover up 2.2% and Revpar up 4.2% when compared to the same period last year. The Company's interim Results will be announced on Tuesday 9 October 2007.

Chairman Robert Peel said: 'Our interim results will show encouraging progress from a trading perspective. In simple terms the net effect of the asset sales announced today (apart from significant capital gain) will be to leave the Company totally debt free at a time, perhaps when there is upwards pressure on the cost of borrowing and downward pressure on the value of assets. This environment should give the Company acquisition opportunities going forward.'

Enquiries:

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