

QMH LIMITED

UNAUDITED INTERIM REPORT 2008

1. Business description

QMH Limited is a holding company. It operates 18 hotels in the UK, 19 hotels in The Netherlands and a further 22 hotels in Germany.

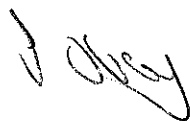
2. Review of half-year activities

Group overview

The group's hotel business continued to grow in the first six months of 2008, with underlying gross operating profit (before exceptional items) increasing by 6.3%.

Risks and uncertainties

Details of the risks and uncertainties associated with the operating activities of QMH Limited are provided within the Directors' Report of the QMH Limited Annual Report and Accounts 2007. Other principal risks and uncertainties detailed in that report remain unchanged at 30 June 2008. The scarcity of liquidity currently being experienced in the debt capital markets is not expected to impact upon the group's financial performance in the short-term.



Director
29 September 2008