Temple Hotels Announces Sale of Property in Sherwood Park, AB, as Company Continues to Execute Strategic Business Plan

MISSISSAUGA, ON, Sept. 28, 2017 /CNW/ - Temple Hotels Inc. ("Temple" or "the Company") (TSX: TPH) announced today that the Company has completed the sale of the Holiday Inn Express Hotel & Suites in Sherwood Park, a suburb of Edmonton, AB. The disposition was completed for $9.6 million, excluding taxes and transaction costs.

"This divestiture is an important step in the execution of our strategic plan that will drive the long-term success of the Company," said K. Rai Sahi, Chief Executive Officer. "The opportunistic sale of this property enables us to meet our financial obligations while continuing to strategically diversify the Company's portfolio and decrease our reliance on a single geographic market."

The sale comes as Temple moves to mitigate exposure in Alberta, which continues to be impacted by the oil-related economic downturn, as part of the Company's overarching growth strategy. Temple's second quarter results showed positive progress and a strengthened financial position, with the Company posting increases in net income and revenue over previous periods.

The Company used the proceeds of the sale to repay $9.1 million of mortgages payable secured against the property. As reported in an earlier update, Temple has resolved five of the ten covenant violations reported at June 30, 2017. The Company continues to work diligently with its lenders to resolve the remaining mortgage covenant violations, which have primarily been caused by the downturn in the Alberta market. The outstanding breaches are expected to be resolved by debt refinancing, loan modifications agreements and/or a waiver of the covenant requirements.

"We appreciate the support of our lenders as we continue to make progress that will deliver the long-term success of Temple," said Sahi.

About Temple Hotels Inc.

Temple is a growth oriented hotel investment company with hotel properties located across Canada. Temple is listed on the Toronto Stock Exchange under the symbols TPH (common shares), TPH.DB.E and TPH.DB.F (convertible debentures). The primary long-term investment objectives of the Company are to yield stable and growing cash flows and to maximize the long-term share value of the Company through the active management of its assets, accretive acquisitions, and the performance of value-added capital improvement programs on selected properties, as deemed appropriate. For further information on Temple, please visit our website at www.templehotels.ca.

This press release contains certain statements that could be considered as forward-looking information. The forward-looking information is subject to certain risks and uncertainties, which could result in actual results differing materially from the forward-looking statements.

SOURCE Temple Hotels Inc.

View original content: http://www.newswire.ca/en/releases/archive/September2017/28/c7061.html

%SEDAR: 00024335E

For further information: Paul Miatello, Chief Financial Officer, T 905-281-3800; Beverley G. Flynn, Vice President, T 905-281-3800

CO: Temple Hotels Inc.

CNW 17:50e 28-SEP-17