



INTERNATIONAL HOTEL INVESTMENTS p.l.c.

### **Company Announcement**

#### Acquisition of Hotel in Lisbon

International Hotel Investments plc, Malta's leading public hotel company, has announced the acquisition of the largest five-star hotel in Lisbon, capital of Portugal, in a deal valued at Euros 47 million.

The Alfa Lisboa Hotel & Congress Centre, as the hotel is currently named, is a 24-storey landmark property located right in the heart of Lisbon's financial district, a few minutes from the city's historical centre. It was opened in 1985 and currently operates 414 rooms and a major congress centre seating up to 1,400 persons. Other facilities include four restaurants, an outdoor swimming pool, an underground garage and a health club.

The acquisition of the Hotel Alfa, IHI's first international acquisition following the company's flotation on the Malta Stock Exchange, is the result of complex negotiations with the hotel's owners and creditors over the past months. The Euro 47 million price tag is being financed partly by IHI's own funds, and partly by Rheinhyp Hypothekenbank, a major German mortgage bank.

Following the acquisition, the Bank and IHI have also agreed to jointly provide additional funds totalling Euros 15 to 20 million to conduct a further upgrade of the property's interiors. This refurbishment project, which will commence over the coming months and proceed without interrupting the hotel's operation, will involve the redecoration of the hotel's public areas and the finishing of the hotel's top five floors which are currently unutilised. These additional floors will be converted into a number of executive rooms and suites, fully serviced by independent check-in, business centre and lounge facilities.

"The Hotel Alfa fits perfectly with our strategy to invest in hotels which offer huge potential for real estate appreciation", Mr Alfred Pisani, IHI Chairman said. "The hotel is already established as a major operator in Lisbon's hotel market. On the other hand, our refurbishment programme will bring its total number of rooms to over 500 and also re-emphasise the hotel's leading position in the city's five-star deluxe market. This will immediately add a further boost to the property's value, over and above the actual refurbishment cost, and over and above the appreciation of real estate in Lisbon".



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Following the hotel's acquisition, IHI has signed a management agreement with C.H.I. Limited to manage and market the hotel as the Corinthia Alfa Hotel.

Alfred Fabri  
Company Secretary

16 August 2001