



INTERNATIONAL HOTEL INVESTMENTS p.l.c.

## COMPANY ANNOUNCEMENT

### Interim Directors' Statement

The positive trend in the Company's performance continued through 2010 with third quarter results in IHI-owned hotels confirming a general marginal upward swing in Revenue per Available Room (RevPar).

However, notwithstanding the expected improved performance in the second six months, the Directors expect that as a consequence of the difficult trading conditions experienced in the first six months of the year, operating results for 2010 will be below the level registered in 2009. On the other hand, with indications of recovery in a number of key markets, forecasts for the first quarter of 2011 suggest improved performance over the corresponding quarter the year before.

This upward swing in key markets is evidenced in St Petersburg too, where leasing of the Company's retail mall and offices has gathered momentum. The first contract in the office development adjoining the Corinthia Hotel St Petersburg has been signed with a major international company which will occupy one of the five office floors. Internal fit-out has commenced and the company will relocate early in 2011.

In London, work on the refurbishment project on the Corinthia London Hotel has progressed significantly. Additional opportunities have been identified to expand the range of facilities, and to further enhance the specifications of the luxury hotel in order to position the property at the top end of the luxury hotel market segment.

Alfred Fabri  
Company Secretary  
5<sup>th</sup> November 2010