



INTERNATIONAL HOTEL INVESTMENTS p.l.c.

COMPANY ANNOUNCEMENT

The following is a Company Announcement by International Hotel Investments plc pursuant to Malta Financial Services Authority Listing Rules 8.6.12 and 8.6.15.

International Hotel Investments plc held its Sixth Annual General Meeting on 31st May 2006 when the shareholders approved all the resolutions on the Agenda including the special business.

It was announced during the Meeting that negotiations were at a very advanced stage with a leading United States company for the acquisition of a shareholding in CHI Limited, the management company in which IHI holds a 20 per cent stake.

The Managing Director of IHI, in reviewing the financial results for the financial year ending 31st December 2005, also highlighted the Company's forecasts and expectations of the performance of IHI for the financial year ending 31st December 2006. The following are the highlights of the expected Gross Operating Profit (GOP) for 2006:

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| • Five Star Hotels Limited
(Owners of Corinthia San Gorg Hotel) | Euro 993,000 |
| • IHI Hungary zRt
(Owners of Corinthia Grand Hotel Royal) | Euro 5,826,000 |
| • Alfa Investimentos Turisticos Limitada
(Owners of Corinthia Lisboa Hotel) | Euro 2,522,000 |
| • IHI Benelux BV
(Owners of Corinthia Nevskij Palace Hotel) | Euro 7,034,000 |
| • IHI Consolidated GOP | Euro 16,375,000 |

The Board of Directors is comprised of Mr Alfred Pisani, Mr Abdurazagh I. Zmirli, Mr Joseph Fenech, Dr Joseph J. Vella, Mr Lawrence Zammit, Mr Frank Xerri de Caro and Mr Simon Naudi.

Alfred Fabri
Company Secretary

31st May 2006