



INTERNATIONAL HOTEL INVESTMENTS p.l.c.

## COMPANY ANNOUNCEMENT

*The following is a Company Announcement by International Hotel Investments p.l.c. pursuant to Malta Financial Services Authority Listing Rules 9.51 and 9.53.*

### INTERIM DIRECTORS' STATEMENT

The Company has during the period commencing 1 January 2007 and the date of this announcement, focused on achieving the objectives outlined in its 2006 Annual Report and Financial Statements. The acquisition process of the Corinthia Bab Africa Hotel and Commercial Centre in Tripoli and the Corinthia Towers Hotel in Prague from Corinthia Palace Hotel Company Limited for a total consideration of Euro 312 million made up of Euro 192 million ordinary shares in IHI at nominal value, a cash payment of Euro 15 million and the assumption by IHI of Euro 105 million of existing debt on the books of these two hotel properties is well underway. Once these two transactions are finalised, the conditions precedent to the capital injection of Euro 178 million by Istithmar FZE, to be used for the acquisition of additional hotel properties, would have been fulfilled, paving the way to the issue and allotment of 5 million Bonus Shares as approved at the Company's Extraordinary General Meeting held on 31 January 2007.

During the period under review, the refurbishment projects at the Corinthia San Gorg Hotel and the Corinthia Lisboa Hotel continued as planned. Progress was also under way on the development project at the Corinthia Nevskij Palace Hotel

The hotels owned by the Group have in the four-month period ending 30 April 2007, generated improved revenues resulting from an increase in room occupancy combined with an improved average room rate. The resulting Gross Operating Profit up till end of April 2007 also increased as a result of improved operational performance.

These positive results continue to sustain the Company's resolve to achieve its targets.

A handwritten signature in black ink, appearing to read 'Alfred Fabri', written in a cursive style.

Alfred Fabri  
Company Secretary

22 May 2007