



INTERNATIONAL HOTEL INVESTMENTS p.l.c.

COMPANY ANNOUNCEMENT

The following is a Company Announcement by International Hotel Investments p.l.c. pursuant to Listing Authority Listing Rules 8.7.1, 8.7.2, 8.7.9, 8.7.11, 8.7.13 and 8.7.16.

Consequent to the resolutions approved by the Extraordinary General Meeting of International Hotel Investments p.l.c. (IHI) held on 31st January 2007, and the subsequent fulfilment on 29th May 2007 of the conditions required for conclusion of the Subscription Agreement dated 5th December 2006 entered into by and between IHI, Corinthia Palace Hotel Company Limited (CPHCL) and Istithmar Hotels FZE (Istithmar), IHI has acquired the entire shareholding of Corinthia Towers Tripoli Limited, the Maltese company owning the Corinthia Bab Africa Hotel in Tripoli, Libya, and Corinthia Towers s.r.o., the Czech company owning the Corinthia Towers Hotel in Prague, the Czech Republic. These acquisitions have been effected against the issue and allotment to CPHCL of 192 million Ordinary Listed shares of 1 Euro each in IHI, in addition to the payment by IHI to CPHCL of Euro 15 million in cash.

Concurrently with the above, pursuant to the terms of the said Subscription Agreement, IHI has issued and allotted 178 million Ordinary Unlisted shares of 1 Euro each to Istithmar, of which up to the date of this announcement Euro 44.5 million (representing 25 per cent of the nominal value) have been paid-up, with the remaining Euro 133.5 million to be paid by Istithmar by 30th August 2007.

Furthermore, on 4th June 2007 IHI capitalized Euro 4,961,223 from its revaluation reserves through the issue of 4,961,223 fully-paid up bonus shares of a nominal value of Euro 1 per share, in accordance with the terms detailed in the previous IHI company announcement dated 29th May 2007.

Alfred Fabri
Company Secretary

5th June 2007