INTERNATIONAL HOTEL INVESTMENTS p.l.c.

25 September 2017

Dear Shareholder,

I am writing to you to share some thoughts on our performance so far this year and our business outlook generally.

Firstly, I must express my appreciation for the continuous support to the Company from all our Shareholders, counting over 3,100 in total. At our Annual General Meeting in June, and separately in various conversations with many of you, I sense that today you have a clear understanding of our Company, with its diversified asset base that allows us to source revenue across many countries while also spreading our risk. I believe we all appreciate the work that has taken place in growing our Company over the past 17 years, to a point where IHI is now valued at €1.6 billion. This growth in our valuation is the result of well-timed and astute acquisitions, efficient development of properties, and professional management. As a result, we have over the years, benefitted from an appreciation in the value of our hotels and real estate.

It is relevant to point out that besides additional investment in the Company from our institutional shareholders who continue to support our growth, we have also taken out bank loans and issued bonds to accelerate our expansion. Had we only utilized shareholders' funds, the number of hotels we own would have been half of what we currently have. Consequently, property value appreciation is being made not only on the number of hotels we developed through our own equity, but equally, on those hotels which were acquired through funds from borrowings.

In the process of growing our Company, we have also created value in our three wholly owned service companies: Corinthia Hotels, our hotel management company (CHL); Corinthia Developments International, our development company (CDI); and QP Management – our architectural and project management company (QP). These three service companies initially thrived on the strength of our owned hotels and real estate by providing knowhow at a fee. Today, as we progress, these subsidiary service companies are gaining international recognition by offering similar services to third parties. This is an additional major revenue stream from sources outside the Group, which will gather further momentum in the coming years.

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Furthermore, while growing our Company on these various fronts, we have concurrently honoured all our capital and interest payments as they fell due. We have also benefitted from the sustained reduction in interest costs which are now running at their lowest levels since the formation of the Company in 2000.

Finally, we have a committed management team and a workforce which forms the backbone of our success.

Following on the growth in value of our asset base over the years, we have issued tax free bonus shares which carry a cumulative effect on future issues, whether cash dividends or further bonus shares. In the following table I am showing the distributions made by the Company by way of dividends and bonus shares over the past 10 years, which is equivalent to an average net distribution of 3.5% per annum.

Date	Type	Percentage
29 May 2007	Bonus share*	16.67
15 May 2008	Bonus share	3.0
27 August 2010	Bonus share	4.0
16 May 2014	Cash dividend	3.0
22 October 2015	Bonus share	3.0
8 July 2016	Bonus share	3.0
7 July 2017	Bonus share	3.0

**The bonus shares issued in 2007 gave the shareholders the option to either retain as a share or convert into cash at par at €1 per share.*

As mentioned at the AGM in June, our total EBITDA for 2016, was €53 million, an increase of 20% over that of 2015. This record EBITDA was achieved despite the situation in Tripoli, where our hotel has operated at a slight loss, compared to its annual operating profit exceeding €20 million in past years. It is a major feat for the Company to have weathered the collapse of this income from Tripoli, and at the same time significantly increase its profitability. As you can see from the chart, today no single property accounts for more than 15% of the Group's EBITDA, which means that we are no longer heavily reliant on one single property.

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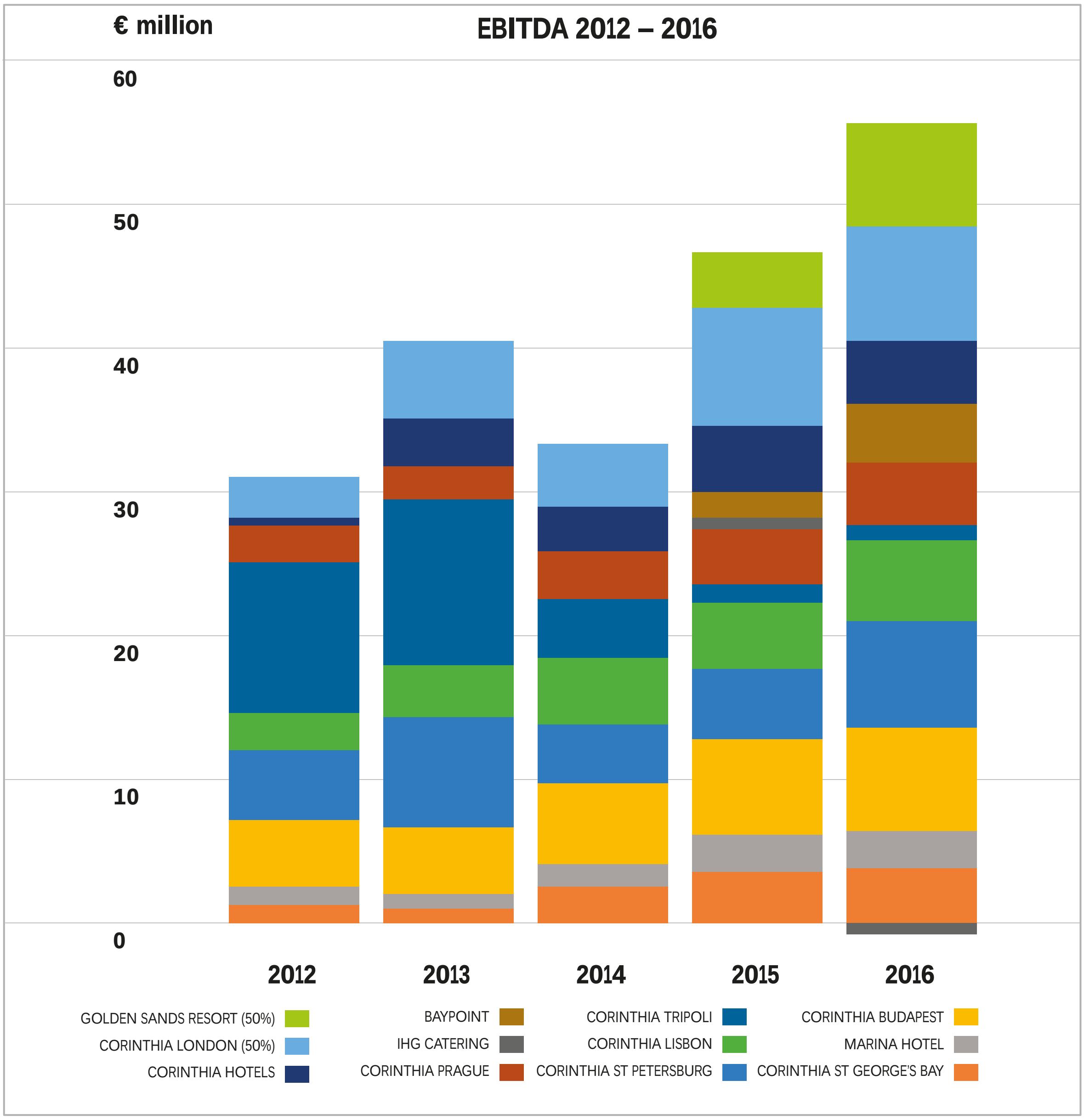

Going forward, and addressing the issue of dividends, we shall continue to focus on improving our performance. This will enable us to issue dividends once we have achieved an EBITDA which covers comfortably the interest on our commitments and depreciation which last year collectively amounted to €52 million, when our EBITDA was €53 million. Our performance for the first six months of this year is encouraging as our EBITDA has improved from €22.0 million last year to €25.8 million this year. Likewise, looking forward, we should see a marked improvement on last year's performance when considering the full 12 months of 2017.

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