



# INTERNATIONAL HOTEL INVESTMENTS P.L.C.

## COMPANY ANNOUNCEMENT

### Interim Directors' Statement

Year-end forecasts for IHI plc continue to show that targets set for the current financial year will be reached, with EBITDA numbers expected to out-perform 2018 results. Having closed the October results, the business continues to show growth, and bar major events internationally, the current outlook remains positive.

Furthermore, exchange rate fluctuations in key markets where IHI owns and operates hotels and real estate are expected, this year, to work in favour of the company's consolidated results when converted into Euro, reversing negative trends experienced over recent years in relation to IHI's businesses in currencies such as Sterling and Rouble. This will positively impact net profit after tax for the year. It is too early at this stage to determine the impact of any valuation movements on investment properties or assets held by the Company. This could only be assessed at year's end.

IHI owns or operates a diversified portfolio of Corinthia hotels and commercial real estate in Europe, the Gulf, Africa and the Mediterranean.

2019 will see the growth of the portfolio by way of a minority investment in a residential and hotel development in a prime site on Moscow's main boulevard, as well as the entering into arrangements to develop and lease an iconic palace in central Rome, formerly the seat of the Bank of Italy. Both projects will feature a Corinthia Hotel, on completion. Besides, a further investment was made by IHI's operating company Corinthia Hotels into the Global Hotels Alliance, a commercial organisation co-owned with five other global hotel brands providing marketing, distribution and loyalty program services to hotels worldwide.

In Q3, a three-year agreement to provide white label management services to the Meydan Group for its two existing hotels in Dubai was completed as pre-agreed. Notwithstanding, the relationship with Meydan remains in place, with the construction of a luxury beachfront Corinthia hotel progressing well. The hotel is owned by Meydan and will be operated by Corinthia Hotels when completed in 2021.

IHI has also acted upon its commitment to commence a program of asset disposals, and this to realise capital gains in its financially maturing hotels besides releasing equity to fund further acquisitions across the world. An international marketing exercise conducted by international brokers for the sale of the Corinthia Hotel in Prague is underway, with bids expected to be further negotiated by the year's end.



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Ongoing capital improvements in the existing portfolio include the near completion in 2019 of a three-year €14 million upgrade of the Corinthia in Lisbon, as well as the near completion in 2019 of a two-year €7m investment in the Corinthia Palace Hotel in Malta. Both projects will be completed by Q2 2020.

Other efforts include the consolidation of IHI's industrial and event catering business in Malta, now trading as Corinthia Caterers.

A handwritten signature in blue ink, appearing to read 'Jean-Pierre Schembri', with a stylized flourish at the end.

Jean-Pierre Schembri  
Company Secretary

5 November 2019