



INTERNATIONAL HOTEL INVESTMENTS p.l.c.

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by International Hotel Investments p.l.c. pursuant to MFSA Listing Authority Listing Rules 8.6.19 and 8.6.22

At a meeting held on 4th June 2004, the Board of Directors of International Hotel Investments Plc approved the Financial Statements for the twelve months ended 31st December 2003.

The Directors have carried out an asset valuation and in terms of Listing Rule 8.6.22, details of such valuation are available at the Office of the Company Secretary.

A copy of the Preliminary Statement of Annual Results for 2003 is attached.

A handwritten signature in black ink, appearing to read 'Alfred Fabri'.

Alfred Fabri
Company Secretary

4th June 2004



INTERNATIONAL HOTEL INVESTMENTS p.l.c.
Preliminary Statement of Annual Results
for the Year ended 31 December 2003

PROFIT & LOSS ACCOUNTS

	The Group		The Company	
	2003 Euro	2002 Euro	2003 Euro	2002 Euro
Revenue	34,719,489	33,166,863	1,252,891	1,126,519
Direct Costs	(23,929,800)	(22,724,150)	(2,822,045)	(2,253,788)
Gross Profit / (Loss)	10,789,689	10,442,713	(1,569,154)	(1,127,269)
Marketing Costs	(2,991,418)	(2,544,435)	-	-
Administrative Expenses	(10,050,737)	(8,472,227)	(1,156,976)	(467,615)
Amortisation of Goodwill	(422,166)	(255,406)	-	-
Negative Goodwill	-	551,154	-	-
Other Net Operating Income	209,207	459,318	-	-
Impairment Losses	(17,838,218)	-	-	-
Revaluation to Fair Value of Available-for-Sale Investments	-	-	10,084,494	-
Operating Net Exchange Differences	(155,244)	491,124	788,566	9,994
Operating (Loss) / Profit	(20,458,887)	672,241	8,146,930	(1,584,890)
Staff Indemnities	(1,165,000)	-	-	-
Pre-Operating Expenses	(2,926,000)	(2,703,534)	-	-
Net Financing Costs	(7,544,284)	(3,365,803)	-	-
Realised Exchange Differences	608,444	349,154	-	-
Unrealised Net Exchange Differences on Intra-Group Balances	(314,752)	(454,252)	-	-
Other Unrealised Net Exchange Differences	1,317,868	3,174,640	-	-
Revaluation to Fair Value of Investment Property	24,442,102	-	-	-
Income from Associates	360,877	600,879	-	-
(Loss) / Profit before Taxation	(5,679,632)	(1,726,675)	8,146,930	(1,584,890)
Taxation	(3,634,648)	100,005	(3,378,538)	147,212
(Loss) / Profit for the Year	(9,314,280)	(1,626,670)	4,768,392	(1,437,678)
(Loss) / Earnings Per Share	€ (0.08)	€ (0.01)	€ 0.04	€ (0.01)

Basis of Preparation

These financial results are being published in terms of the MFSA listing rules 8.6.19 and 9.53. They have been extracted from the Group's audited financial statements for the year ended 31 December 2003.

The accounting policies have been consistently applied by all the companies within the Group and, except for the changes in accounting policy relating to intangible assets and investments, are consistent with those used in previous years.

Principal Activities

International Hotel Investments p.l.c. carries on the business of an investment company in connection with the ownership, development, and operation of hotels, leisure facilities and other activities related to the tourism industry. The Company has a number of wholly-owned subsidiaries through which it furthers the business of the Group.

On the 9 December 2003 the Company called an Extraordinary General Meeting wherein the Shareholders resolved *inter alia* to change the currency in which the Company's share capital was expressed from Maltese Lira to Euro. In line with this change and because the Group is exposed primarily to the Euro currency it was also resolved to change the Company's reporting currency to Euro.

Review of Performance

During 2003 the hotel industry globally was characterised by changes in economic and market conditions which have adversely affected the Group's business and operating results. Furthermore, during the year under review, one of the Group's hotels, the Corinthia Alfa Hotel and Congress Centre in Lisbon was closed down for refurbishment with substantial costs being

incurred by way of write-off of staff indemnity payments, pre-operating costs, and interest payable, without a corresponding income stream. Similarly, the Corinthia Grand Hotel Royal in Budapest was officially launched on the market mid-way through the financial year under review and, in line with industry norms, experienced a slow build-up in its performance in its first months of operation.

In line with the requirements of IAS 36 - Impairment of Assets, the carrying amounts of the Corinthia San Gorg Hotel and the Corinthia Grand Hotel Royal were tested for impairment resulting in an impairment loss of Euro 17,838,218.

The Group revalued its investment properties that are adjacent to its hotel in St. Petersburg, in the Russian Federation, which resulted in an uplift in value of Euro 24,442,102.

The one-time expenses incurred in relation to staff indemnities and the pre-opening costs of the Corinthia Alfa Hotel in Lisbon, amounted to Euro 4,091,000.

The Group's loss for the year after tax amounted to Euro 9,314,280, resulting in a loss per share of Euro 8 cents which is based on the loss for the year after tax divided by the weighted average number of ordinary shares in issue during the year amounting to 119,051,305. The Group's Balance Sheet net asset value as at 31 December 2003 amounts to Euro 130,484,419 which translates into a net asset value per share at that date of Euro 1.10.

The directors envisage that the removal of the economic embargo against Libya, the re-opening of the Corinthia Alfa Hotel and Congress Centre in Lisbon in May 2004, together with the recent accession of Malta and Hungary to the European Union, will contribute positively and will serve to enhance the Group's ability to generate future income streams.

The Board of Directors
4 June 2004

International Hotel Investments p.l.c.

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