



INTERNATIONAL HOTEL INVESTMENTS p.l.c.

COMPANY ANNOUNCEMENT

The following is a Company Announcement by International Hotel Investments Plc pursuant to MFSA Listing Authority Listing Rules 8.6.12 and 8.6.13.1

International Hotel Investments Plc (IHI) announces the execution of an agreement with National Projects Holding Company (NPHC), a subsidiary of National Real Estate Company (NREC) of Kuwait, which, subject to certain approvals by the general meeting of IHI, will establish a strategic partnership aimed at consolidating and growing IHI through further hotel acquisitions and developments across Europe and the Middle East.

Under the terms of an agreement signed on 30th April 2006, IHI will issue 2,000,000 shares to NPHC at a price of Euro 1 each, whilst simultaneously granting NPHC a six-month option expiring on 31st October 2006 to subscribe to a further 33 million shares at Euro 1 each. Thereafter, NPHC and IHI aim to raise a further Euro 75 million in equity by 31st May 2007 at a price per share to be determined at the time.

The agreement is subject to the waiver of pre-emption rights by the current shareholders. This matter will be discussed at the Annual General Meeting of IHI being held on 31st May 2006.

Listed on the Kuwait and Dubai Stock Exchange and with a market capitalization of \$1.5 billion, NREC is a leading real estate company with multinational investments in large developments. Besides, NREC owns a majority shareholding in one of the world's largest logistics and warehousing companies, PWC Logistics, with a turnover of \$8 billion. NREC owns and manages the largest retail malls in Kuwait and has recently signed a strategic partnership with the government of Jordan for the development and management of a 2,000,000 square metre business park.

The strategic alliance with IHI represents a bold commitment on the part of NREC to enter the international hotel sector, and to employ IHI as a vehicle for such investment.

Alfred Fabri
Company Secretary

1st May 2006