



INTERNATIONAL HOTEL INVESTMENTS p.l.c.

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by International Hotel Investments Plc pursuant to MFSA Listing Authority Listing Rules 8.5.2 and 8.5.15.

International Hotel Investments Plc (IHI) announces that it has entered into a Framework Agreement and other related agreements with each of

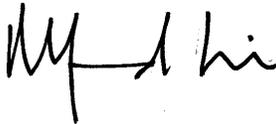
- i. Wyndham Hotel Group International Inc. a company registered in New Jersey, United States of America (WHGI), a subsidiary of Wyndham Hotel Group, a unit of Wyndham Worldwide Corporation, a company listed on the New York Stock Exchange,
- ii. Corinthia Palace Hotel Company Limited (CPHCL), the majority shareholder in IHI, and
- iii. CHI Limited, a hotel management company in which IHI currently holds a 20 per cent shareholding.

Under the terms of the Framework Agreement and other agreements being entered into today, and subject to further arrangements being finalised including certain European Union regulatory approvals:

- i. WHGI is acquiring a 30 per cent shareholding (from CPHCL) in CHI in return for cash and a capital injection in CHI to fund further growth;
- ii. IHI is acquiring the remaining shares of CPHCL in CHI, thereby increasing IHI's shareholding in CHI to 70 per cent, in return for the issue of 15,000,000 shares in IHI to CPHCL;
- iii. CHI is entering into licensing arrangements with CPHCL to offer management services in the EMEA region for the Corinthia Brand, and with WHGI to offer management services in the EMEA region for the Wyndham Grand, Wyndham and Ramada Plaza Brands.

The above agreements are conditioned on the approval by the European Commission's Directorate on Competition on the control of concentrations between undertakings and other approvals to be finalised. Once the necessary approvals are obtained, IHI will issue a Company Announcement and a Circular to its Shareholders in terms of the Listing Rules.

Wyndham Hotel Group is engaged in the lodging business, franchises hotels and provides property management services to owners of its brands. Through steady organic growth and acquisitions of established lodging franchise systems over the last 15 years, Wyndham Hotel Group has become the world's largest lodging franchisor as measured by the number of franchised hotels. Its lodging business has more than 6,400 franchised and managed hotels, which represent more than 535,000 rooms on six continents. Its franchised hotels operate under one of its ten lodging brands, which are Wyndham, Wingate Inn, Ramada, Baymont Inn, Days Inn, Super 8, Howard Johnson, AmeriHost Inn, Travelodge and Knights Inn.

A handwritten signature in black ink, appearing to read 'Alfred Fabri', with a stylized flourish at the end.

Alfred Fabri
Company Secretary

10th August 2006