



INTERNATIONAL HOTEL INVESTMENTS p.l.c.

## COMPANY ANNOUNCEMENT

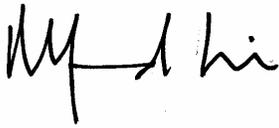
*The following is a Company Announcement issued by International Hotel Investments p.l.c, pursuant to MFSA Listing Rule 8.5.2.*

International Hotel Investments p.l.c. (IHI) announces the issue and allotment of 2,500,000 shares to HSBC No-Load Funds SICAV p.l.c.

IHI is currently in the process of raising new equity. The acquisition of 2,500,000 IHI shares by an investment fund managed by HSBC, at Euro 1 each, is therefore a further step in this strategy, which was started earlier this year when the Company's Annual General Meeting authorised the Directors to promote and issue fresh equity to fund further growth and development.

IHI was established in March 2000 to invest in the hotel sector. To date, the Company has acquired and developed four landmark five-star hotels in Malta, St Petersburg, Budapest and Lisbon, having a total of 1,600 hotel bedrooms and some 15,000 square metres of commercial real estate for lease to third parties. IHI is in the process of increasing its shareholding to 70 per cent in CHI Limited, an established hotel management company with exclusive management rights to the Corinthia, Wyndham and Ramada Plaza Brands in Europe, Africa and the Middle East. The remaining 30 per cent in CHI is in the process of being acquired by Wyndham Hotels Group International Inc. of the United States, one of the largest hotel companies worldwide. CHI plans to expand its business substantially over the coming years by managing hotels for third parties under each of its various Brands.

In parallel to this growth strategy in CHI, IHI also plans to acquire ownership and develop a number of other landmark hotels, primarily in emerging markets, with the aim of achieving capital growth. The Directors are therefore seeking to raise new equity from international investors, both private and institutional. To this end, National Projects Holding Company and Bayan Investments Co., both from Kuwait, have recently subscribed to 3,972,995 new shares, at Euro 1 per share, which, together with the HSBC investment, brings the total number of new shares issued to investors up to 6,472,995. Discussions are currently underway with other investors for the issue of further equity.

A handwritten signature in black ink, appearing to read 'Alfred Fabri', written in a cursive style.

Alfred Fabri  
Company Secretary

12<sup>th</sup> September 2006