



INTERNATIONAL HOTEL INVESTMENTS p.l.c.

COMPANY ANNOUNCEMENT

Interim Directors' Statement

International Hotel Investments p.l.c. (IHI) has proceeded with its major refurbishment project at the Corinthia Hotel and Residences, London. This project is on track and the hotel is expected to be completed by the end of 2010. The senior members of the management team are already in place and a recruitment plan is being implemented leading to the opening of the hotel.

Work is also at an advanced stage both on the spa and on the adjoining 12 luxury apartments located in Whitehall Place.

CHI, the hotel management arm of IHI, has strengthened its structure with the appointment of a Chief Operations Officer and with a greater investment in global distribution systems.

International economic conditions have continued to affect the recovery of the hospitality sector with mixed results in the markets where IHI's hotels are located. Eastern Europe, in particular, is emerging out of the recession at a slower rate, while Libya has had a relatively slow start to the year. Overall, there are indications of a gradual recovery in the second half of 2010 which is likely to manifest itself in the last quarter of the year.

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

Alfred Fabri
Company Secretary

14th May 2010