



INTERNATIONAL HOTEL INVESTMENTS P.L.C.

COMPANY ANNOUNCEMENT

Intention to make a voluntary bid for Island Hotels Group Holdings p.l.c.

International Hotel Investments p.l.c. (IHI) refers to its announcement of 15th January 2015 when it announced the execution of a conditional agreement for the acquisition of all the issued share capital of Island Hotels Group Holdings p.l.c. (IHGH).

IHI states that it has now completed its due diligence exercise and that all other conditions precedent in the conditional agreement have been satisfied, including the approval by the shareholders of IHI at the Annual General Meeting held on 11th June 2015 to acquire all the issued share capital in IHGH (the "Transaction"). Accordingly, IHI confirms its intention to proceed with a conditional voluntary offer in respect of all the issued shares in IHGH to be launched in terms of Chapter 11 of the Listing Rules (the "Voluntary Bid").

The Voluntary Bid will be made by IHI in respect of all the issued shares in IHGH, and will be set out in an offer document to be issued by IHI on or around 1st July 2015 (the "Offer Document"). The Offer Document is expected to be dispatched to all shareholders in IHGH as at the record date, which for this purpose, includes all trades settled at the Malta Stock Exchange on 30th June 2015 and which includes any trades undertaken up until today, 25th June 2015 (provided they are settled by 30th June 2015).

The consideration to be offered to shareholders of IHGH will consist in either a Combined Consideration or a Cash Alternative.

- **The Combined Consideration**

The Combined consideration will consist of the Cash Component and the IHI Shares Component and is equivalent to:

€1 per Share in cash and 0.246 IHI shares for each IHGH share.

The total Combined Consideration is equivalent to €38,583,660 and approximately 9,492,000 IHI shares.

The Combined Consideration will be paid as follows:

Cash Component:

The Cash component of €1 per IHGH share will be paid as to €0.55 on the settlement date; and the balance of €0.45 per IHGH share on the first anniversary of the settlement date, interest free.

Share Component:

The Share Component of 0.246 IHI shares for each IHGH share will be issued and allocated to IHGH shareholders on the settlement date. The IHI shares to be issued and allocated to IHGH shareholders accepting the Offer as part of the Offer Consideration are ordinary shares in IHI that will entitle their holders to receive dividends, vote at general meetings and to participate in a distribution of assets in the same manner as the holders of all other ordinary shares in IHI.

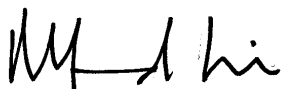
- **The Cash Alternative**

The Offeror is making available to IHGH shareholders, as required by Listing Rule 11.17, a full cash alternative of €1.13,7 per IHGH share, payable as follows:

- (a) €0.68,7 per IHGH share on settlement date; and
- (b) the balance of €0.45 per IHGH share on the first anniversary of the settlement date.

The Cash Alternative is based on the €1 cash component under the Combined Consideration and an additional €0.13,7 per IHGH share calculated as:

0.246 IHI shares for each IHGH share, multiplied by €0.55,8, where €0.55,8 is the price per IHI share announced by the Offeror as the weighted average price of IHI shares during the three months immediately preceding IHI's announcement on 15th January 2015.



Alfred Fabri
Company Secretary

25th June 2015