



INTERNATIONAL HOTEL INVESTMENTS p.l.c.

## COMPANY ANNOUNCEMENT

### Interim Directors' Statement

There has been a marked improvement in the performance of IHI-owned hotels during the first quarter of 2012 over the corresponding period in 2011. This improvement is largely led by the Corinthia Hotel Tripoli which is gradually returning to a stabilised performance.

The Corinthia London Hotel has been registering improved performances in the first quarter of 2012 compared to the budget set for the period. The seven penthouse suites which were launched in early 2012 are making a considerable contribution to revenue. Work is close to completion on the twelve luxury apartments in Whitehall Place.

Significant improvements in performance were also registered by the St Petersburg and Prague properties as each of these hotels improved their market share in their respective locations. For the first time the results for this quarter include the Marina Hotel which was acquired by IHI earlier on this year.

These improved results have been registered in the first quarter of the year under review despite the difficult economic conditions in the main feeder markets - a situation that is expected to remain challenging in 2012.

A major reorganisation is being implemented in IHI's management arm CHI, to create a leaner organisation which is more responsive to market requirements. In particular, the company's internally-developed reservation and distribution system has been successful, generating a sustained increase in higher-rated business.

Alfred Fabri  
Company Secretary

11<sup>th</sup> May 2012