



ISLAND HOTELS

GROUP HOLDINGS PLC

COMPANY ANNOUNCEMENT

Date of Announcement	23 rd December 2009
Reference	3/2009
Listing Rule	LR 8.7.16

This is a company announcement being made by the Company in compliance with Chapter 8 of the Listing Rules and specifically Listing Rule 8.7.16:

Quote

Island Hotels Group Holdings plc today announced the completion of the transaction with the Government of Malta and Air Malta plc whereby it acquired the perpetual emphytheusis over a tract of land of approximately 83,000 square metres adjacent to the Radisson Blu Golden Sands Resort and Spa as well as the shares in Hal Ferh Company Limited for a total cost of acquisition of circa €12 million. This follows the award of a public tender issued by the Government of Malta in March 2009.

The Group intends to develop the site through its newly established affiliate, The Heavenly Collection Limited, in which its partners in Golden Sands Resort Limited also have a 50% equity interest. This development will be a natural extension of the Radisson Blu Golden Sands Resort & Spa and will operate on a business model similar to the one currently in operation. The Group is confident that with the current infrastructure of the Radisson Blu Golden Sands Resort & Spa the additional room stock that this extension on the Hal Ferh site will provide should have a long-term positive effect on the over-all profitability and financial performance of the Group.

In the coming months the Group will draw up detailed designs and plans and work with MEPA to obtain the necessary permits within the context of the development brief already issued by MEPA for this site. The Group expects to be in a position to commence development and construction works by early 2011.

Unquote

Signed:

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