



# COMPANY ANNOUNCEMENT

ISLAND HOTELS

GROUP HOLDINGS PLC

**Date of Announcement:**  
**Reference:**

**16 January 2015**  
**62/2015**

The following is a Company Announcement issued by Island Hotels Group Holdings p.l.c. pursuant to the Malta Financial Services Authority Listing Rules.

## Quote

Island Hotels Group Holdings plc (IHGH) announces that its board of directors has been notified by a majority of its shareholders that they have been conducting negotiations with International Hotel Investments plc (IHI) with a view to merging all IHGH assets and operations within those of IHI through an acquisition of IHGH by IHI and that a conditional agreement has been reached regulating how this objective could be achieved.

The agreement regulates the mechanics of how the objective to acquire all of the IHGH shares could be achieved, and on terms that will be equal to all shareholders in IHGH. The agreement is subject to the satisfaction of various conditions over the coming months, including but not limited to, compliance with regulatory requirements and obtaining shareholders' approvals, as and where necessary, as well as, among other terms and conditions, conducting a satisfactory due diligence on IHGH. IHGH is itself not a party to the agreement however the board of directors will call a meeting of shareholders seeking authorisation to make available information subject to the relevant non disclosure and confidentiality undertakings, including unpublished information, as may be necessary for such due diligence to be completed by IHI.

Based on publicly available information and IHI's analysis, IHI has indicated a tentative Enterprise Value of € 106.5 million and a tentative Net Equity Value of IHGH of €50 million. In the event that the transaction were to proceed, and the indicative value confirmed, IHI will proceed with a voluntary offer for all the shares of IHGH in which the price for IHGH shares would be paid as to €1 in cash, split into two tranches, the first tranche of €0.55c payable on completion and the second tranche payable 12 months later. In addition to this cash component, IHGH shareholders will also receive 0.246 IHI shares for each IHGH share through the issuance of 9 million IHI shares by IHI.

IHGH believes that an acquisition of IHGH's assets, management expertise and businesses by IHI represents an opportunity for IHGH shareholders to crystallise their investment at a fair price while continuing to form part of the future growth and development of IHI.

The consolidation of the operations of IHGH and IHI will result in significant operational synergies across the board and additional development opportunities that will arise as a result of an amalgamation of IHGH's hotel operation in St George's Bay with that of IHI's own neighbouring hotels.

**Island Hotels Group Holdings p.l.c.**

**Registered Address:** Radisson Blu Resort St. Julians, Louis V. Farrugia Street, St. George's Bay, St. Julians STJ 3391 Malta

Company Registration No.: C44855

Island Hotels Group Holdings p.l.c. is a public limited company registered in terms of the Companies Act (Cap.386 of the Laws of Malta)

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Both companies are also actively involved in the catering sector, in Malta and overseas, and the acquisition of IHGH's assets, experience and contracts by IHI will create efficiencies in existing operations all round, and provide a stronger platform for international growth.

It is expected that IHGH will make a further announcement confirming the terms and conditions upon which IHI shall proceed to make a voluntary offer for all the shares in IHGH in the event that all conditions are ultimately satisfied.

IHGH emphasises that its management remains unchanged and will continue to operate all IHGH businesses as normal.

The issuing of this announcement coincides with another being issued by the board of directors of IHI confirming the agreement reached between the parties.

## Unquote

Signed:

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**Kenneth Abela**  
Company Secretary

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