



INTERNATIONAL HOTEL INVESTMENTS P.L.C.

OFFER DOCUMENT

Dated 1 July 2015

CONDITIONAL VOLUNTARY PUBLIC TAKEOVER OFFER

by

International Hotel Investments p.l.c.

**In respect of all the issued shares in
Island Hotels Group Holdings p.l.c.
for a combined consideration in cash and IHI Shares
*(as described in this document)***

Acceptance period:

From 2 July 2015 at 8:30 hours to 31 July 2015 at 17:00 hours

OFFEROR

LEGAL COUNSEL



INTERNATIONAL HOTEL INVESTMENTS P.L.C.

CAMILLERI PREZIOSI

ADVOCATES



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1. IMPORTANT INFORMATION AND RESPONSIBILITY STATEMENTS

1.1 General

This document is being published and distributed by the Offeror in accordance with the requirements of Chapter 11 of the Listing Rules for the purpose of making a voluntary public takeover offer of all the issued share capital of Island Hotels Group Holdings p.l.c. (the “Company”). It has been prepared by the Offeror pursuant to the requirements of the Listing Rules, as applicable, in order to provide the necessary information for the launch of the Offer and is addressed to the Shareholders in the Company.

All capitalized terms used in this Offer Document are defined in Section 2 titled “**Definitions and Interpretation**” and reference should be made thereto for explanatory purposes.

In accordance with the Listing Rules, the Listing Authority has been duly informed of the launch of the Offer, and of the contents of this Offer Document. Such communication however does not mean, whether by implication or otherwise, and should not be construed as meaning that the Listing Authority has in any manner approved, ratified, or otherwise accepted any responsibility whatsoever for the contents of this Offer Document.

The Listing Authority accepts no responsibility for the contents of this Offer Document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offer Document.

1.2 Reliance

Shareholders must rely upon their own examination and evaluation of this Offer Document, which should be read and studied carefully in order to ensure that a well-considered judgment is made in relation to the Offer and of all the information contained herein. Shareholders are urged to seek the advice of financial, tax and legal advisors in this process.

No person or entity other than the Offeror, and persons authorised by the Offeror, is entitled or authorized by the Offeror to provide any information or to make any representations in connection with the Offer. The Offeror will not accept responsibility for any consequences arising from use or reliance on any unauthorized representation or other information. All costs connected directly or indirectly with the advice of financial, tax, legal and/or other professionals that may be sought by or offered to individual Shareholders in connection with this document and the information contained herein, shall be borne by the Shareholders concerned.

1.3 Responsibility Statements

The Offeror confirms that as at the date of this document:

- (A) this Offer Document contains all information with respect to the Offer which is material in the context of the Offer;
- (B) the information contained herein in respect of the Offer is accurate in all material respects and is not misleading;
- (C) any opinions and intentions expressed herein are honestly held and based on reasonable assumptions;
- (D) there are no other facts, the omission of which would make any statement in this Offer Document, whether of fact or opinion, misleading in any material respect; and
- (E) all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained herein.

Where information included in this Offer Document has been sourced from a third party, such information has been accurately reproduced and as far as the Offeror is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This document includes information given in compliance with Chapter 11 of the Listing Rules, as applicable, for the purpose of giving information with regard to the Offer. This Offer Document and the Annexes hereto should be read in their entirety by Shareholders before deciding whether to accept the Offer.

This Offer Document can only be used for the purposes for which it has been published.

1.4 Publication and Dissemination of the Offer Document

This Offer Document is being made available, free of charge, as follows:

- (i) In printed form, sent by mail, to all Shareholders appearing on the Register at the Central Securities Depository of the MSE as at the Record Date; and
- (ii) In printed form, sent by mail, to New Shareholders (as such term is defined in Section 6.8 below) up to the Closing Date; and
- (iii) In electronic form on the Offeror’s website at www.ihplc.com.



The publication, dispatch, distribution or dissemination of the Offer Document or any other documents related to the Offer, outside of Malta, may result in the applicability of the laws of jurisdictions other than Malta and may be subject to legal restrictions in such other jurisdictions. Therefore, the Offer Document as well as any other documents related to the Offer, notwithstanding their publication on the internet, are not designated for publication, dispatch, distribution or dissemination in jurisdictions other than Malta and are being dispatched outside Malta solely and exclusively to Shareholders who are already members appearing on the Register as at the Record Date and to New Shareholders (as such term is defined in Section 6.8 below) up to the Closing Date.

1.5 Acceptance of Offer Outside of Malta

The Offer can be accepted by all Maltese and non-Maltese Shareholders (other than those Shareholders resident in an Excluded Territory) in accordance with the terms and provisions set out in this Offer Document and the respective applicable legal provisions. However, the Offeror points out that the acceptance of the Offer outside Malta may be subject to legal restrictions. Shareholders who are in possession of this Offer Document outside Malta, who wish to accept the Offer outside Malta and/or who are subject to legal provisions other than the legal provisions applicable in Malta, are advised to inform themselves of the relevant applicable legal provisions and to comply with them. The Offeror assumes no responsibility for the acceptance of the Offer outside Malta being permissible under the relevant applicable legal provisions.

The Offer is not directed to, and Acceptances received will not be approved from or on behalf of, Shareholders in any Excluded Territories. All Shareholders who accept the Offer must provide the Offeror with a resident address outside an Excluded Territory and a bank account for the crediting of the settlement outside these jurisdictions.

It is the responsibility of any person in possession of this document to inform themselves of and to observe and comply with all applicable law and regulations of any relevant jurisdiction. Shareholders must rely on their own legal advisers, accountants and other financial advisers as to legal, tax, investment or any other related matters concerning the Offer.

This Offer Document does not constitute, and may not be used for the purposes of an offer, invitation or solicitation to anyone in any jurisdiction: (a) in which such offer, invitation or solicitation is not authorised; or (b) in which any person making such offer, invitation or solicitation is not qualified to do so; or (c) to any person to whom it is unlawful to make such offer, invitation or solicitation. The distribution of this Offer Document in certain jurisdictions may be restricted and accordingly persons into whose possession it is received are required to inform themselves about, and to observe, such restrictions.

1.6 Notice to U.S. Holders

This Offer Document has not been submitted to or reviewed by the Securities Exchange Commission (the “SEC”) or any U.S. state securities commission and neither the SEC nor any such U.S. state securities commission has approved or disapproved or determined whether this Offer Document is truthful or complete. Any representation to the contrary is a criminal offence in the United States.

The Offer described in this Offer Document is subject to the laws of Malta. It is important for U.S. securities holders to be aware that this Offer Document is subject to disclosure and takeover laws and regulations in Malta that are different from those in the U.S. In addition, U.S. securities holders should be aware that this Offer Document has been prepared in accordance with Maltese format and style, which may differ from the U.S. format and style. In particular the financial information of IHGH included or incorporated by reference herein has been prepared in accordance with International Financial Reporting Standards (IFRS), and thus may not be comparable to financial information of U.S. companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States (USGAAP).

It may be difficult to enforce any rights and any claim arising under the U.S. federal securities laws since the Offeror and IHGH are located in non-U.S. jurisdictions and all or substantially all of their officers and directors are or may be residents of non-U.S. jurisdictions and the property of Offeror and IHGH are located in non-U.S. jurisdictions. It may not be possible to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court’s judgment.

1.7 Language of Offer Document

This Offer Document is produced in the English language only.

1.8 Statements in the Offer Document

Except as otherwise stated, references to time in this Offer Document are references to local time in Malta. To the extent that expressions such as “currently”, “at the present time”, “at the moment”, “now”, “at present” or “today” are used in this Offer Document, they refer to the date of publication of this Offer Document, that is, 1 July 2015, except as otherwise expressly stated.

The Offeror has not authorised third parties to make statements about the Offer or this Offer Document. If third parties nevertheless make such statements, these shall neither be attributable to the Offeror, nor to any persons acting jointly with the Offeror.



1.9 Forward-Looking Statements and Intentions of the Offeror

This Offer Document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will”, “assumes”, “endeavours” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Offeror, concerning, amongst other things, the Offeror’s proposed role in relation to the Company following the Offer, as well as the Company’s operations, financial condition, employment conditions, location of its business and dividend policy. There can be no assurance that the results and events contemplated by the forward-looking statements contained in this Offer Document will occur.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Company’s actual future results of operations, financial condition, employment, dividend policy, location of its business and the development of its strategy may differ materially from the statements made in and impressions created by the forward-looking statements contained in this Offer Document. In addition, even if the results of operations, financial condition, employment and dividend policy of the Company, as well as the location of its business, are consistent with the forward-looking statements contained in this Offer Document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in economic conditions generally, legislative changes, changes in taxation regimes, the availability and cost of capital for future investments and the availability of suitable financing. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Offer Document may not occur.

All forward-looking statements contained in this Offer Document are made only as at the date hereof. Subject to any legal obligations, the Offeror expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based. Given these uncertainties, Shareholders are cautioned not to place any undue reliance on such forward-looking statements.

1.10 No Updates

The Offeror will update this Offer Document only to the extent permitted and required under the Listing Rules.

1.11 Professional Advisors

CAMILLERI PREZIOSI Advocates are acting as legal advisors to the Offeror in connection with this Offer and have assisted the Offeror in the preparation of this Offer Document.

Neither the above-mentioned advisors nor any person mentioned in this Offer Document, other than the Offeror, is responsible for the information contained in this Offer Document or any supplement thereof, and accordingly, to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility as to the accuracy and completeness of the information contained in the Offer Document or any other related document.

Save for the disclosure above, all the advisors to the Offeror have acted and are acting exclusively for the Offeror in relation to this Offer Document and have no contractual, fiduciary or other obligation or responsibility towards any other person. The advisors to the Offeror will not be responsible to any Shareholder or any other person whomsoever in relation to the contents of and any information contained in the Offer Document, its completeness or accuracy or any other statement made in connection therewith. Each person receiving this Offer Document acknowledges that such person has not relied on any of the advisors in connection with its investigation of the accuracy of such information or its decision in relation to the Offer and each person must rely on its own examination of the Offer.

1.12 Independent Expert

PricewaterhouseCoopers has been engaged as independent expert to report on the consideration offered in connection with the Offer, and on whether the Offeror has sufficient resources to meet the consideration to be provided on full acceptance of the Offer and to pay any debts incurred in connection with the Offer, as contemplated in Listing Rules 11.23 and 11.24.

A copy of their report is duly appended hereto as Annex 2.



2. DEFINITIONS AND INTERPRETATION

In addition to the defined terms used in section 6 of this Offer Document titled “Terms and Conditions of the Offer”, the following words and expressions shall bear the following meanings, except where the context otherwise requires:

Acceptance	The formal acceptance of the Offer by a Shareholder pursuant to an Acceptance Form;
Acceptance Form	The form to be used by Shareholders when accepting the Offer, as set out in Annex 1 to this Offer Document, or such other document pursuant to which a Shareholder signifies his/her acceptance of the Offer;
Acceptance Period	The period during which the Shareholders accept the Offer, such period running from and including 2 July at 8:30 hours to and including 31 July at 17:00 hours, as may be extended by the Offeror in accordance with the terms set out in the Offer Document;
Advisors	CAMILLERI PREZIOSI Advocates of Level 3, Valletta Buildings, South Street, Valletta, VLT 1103, Malta;
Affiliate or Affiliated Company	In the event that a Shareholder so elects in the Acceptance Form, the Offer Consideration in the form of a cash payment of €1.13,7 per Share, payable in two tranches namely the first tranche of €0.687 payable on Settlement Date and the second tranche of €0.45 per Share payable on the anniversary of the Settlement Date, interest free;
Alternative Consideration	In the event that a Shareholder so elects in the Acceptance Form, the Offer Consideration in the form of a cash payment of €1.13,7 per Share, payable in two tranches namely the first tranche of €0.687 payable on Settlement Date and the second tranche of €0.45 per Share payable on the anniversary of the Settlement Date;
Applicable Laws	All laws, regulations, directives, statutes, subordinate legislation, common law and civil codes of any jurisdiction, all judgments, orders, notices, instructions, decisions and awards of any court or competent authority or tribunal and all codes of practice, statutory guidance and policy notes having force of law in their respective jurisdiction;
Azure or Azure Group	Azure Resorts Limited, a company registered under the BVI Business Companies Act, 2004 bearing company registration number 535716;
Bay Point Collection	Bay Point Collection Limited, a company registered under the laws of the British Virgin Islands bearing company registration number 1743963;
BPH	Bay Point Hotel Limited, a limited liability company registered under the laws of Malta and bearing company registration number C13170;
Business Day	Any day between Monday and Friday, both days included (but excluding any public and/or bank holidays) on which commercial banks in Malta are open for normal banking business;
Cash Component	The cash portion of the Combined Consideration equivalent to €1 per Share, payable as to €0.55 per Share on the Settlement Date and the balance of €0.45 per Share on the first anniversary of the Settlement Date, interest free;
Central Securities Depository	The central registration system for dematerialized financial instruments operated by the Malta Stock Exchange and authorised in terms of the Financial Markets Act;
Closing Date	17:00 hours on the last day of the Acceptance Period on which Shareholders may accept the Offer, as such Acceptance Period may be extended by the Offeror from time to time in accordance with the terms set out in this Offer Document;
Combined Consideration	The Offer Consideration consisting of a combination of the Cash Component and the IHI Share Component;
Completion Conditions	The conditions referred to under Section 6.4 of this Offer Document titled “Completion Conditions”, which conditions are required to be fulfilled or waived for the completion of the Offer;
Companies Act	The Companies Act, Chapter 386 of the laws of Malta;



Company or IHGH	Island Hotels Group Holdings Plc, a public limited liability company registered and existing under the laws of Malta, bearing company registration number C44855;
Conditional Agreement	An agreement between the Offeror and the Major Shareholders dated 15 January 2015 pursuant to which the Offeror and the Major Shareholders set out certain commitments in contemplation of the Offeror making the Offer, as further described in this Document;
Corinthia Group	Means the Offeror and each of its subsidiaries and Affiliates;
CPHCL	Corinthia Palace Hotel Company Limited, a limited liability company registered under the laws of Malta bearing company registration number C257;
Deferred Consideration	In the case of the Cash Component, the balance of €0.45 per Share, and in the case of the Alternative Consideration, the second tranche of €0.45 per Share, in both cases payable on the Deferred Consideration Date, interest free;
Deferred Consideration Date	The date falling on the first anniversary of the Settlement Date;
Excluded Territories	United States of America, Canada, Japan, the Republic of South Africa and any jurisdiction where the extension into or availability of the Offer would breach any applicable law;
EUR, Euro or €	The lawful currency for the time being of the Eurozone;
Expert's Report	The report appended hereto as Annex 2, drawn up by the Independent Expert in accordance with Rules 11.23 and 11.24 of the Listing Rules;
Financial Markets Act	The Financial Markets Act (Chapter 345 of the laws of Malta);
Group Company	Means the Company and each of its subsidiaries and Affiliates;
GSR	Golden Sands Resort Limited, a limited liability company registered under the laws of Malta bearing company registration number C30569;
ICL	Island Caterers Limited, a limited liability company registered under the laws of Malta bearing company registration number C9377;
IHGL	Island Hotels Group Limited, a limited liability company registered under the laws of Malta bearing company registration number C19442;
Heavenly Collection	The Heavenly Collection Limited, a limited liability company registered under the laws of Malta bearing company registration number C48380;
Independent Expert	PricewaterhouseCoopers, a firm registered as a partnership of certified public accountants in terms of the Accountancy Profession Act and having its registered office at 78 Mill Street, Qormi, QRM3101, Malta;
IHI	International Hotel Investments p.l.c. a company registered in Malta as a public company and bearing company registration number C26136;
IHI Share Component	That portion of the Offer Consideration equivalent to 0.246 IHI shares per Share for a total of 9,492,000 IHI shares, to be issued and allocated to Shareholders <i>pro rata</i> to their respective holding of Shares in the Company, subject to rounding, which shares shall be issued and allotted by IHI with effect from the Settlement Date to all Shareholders with the exception of the Major Shareholders as provided in the Conditional Agreement;
Listing Authority	The Malta Financial Services Authority, appointed as Listing Authority for the purposes of the Financial Markets Act;
Listing Rules or the Rules	The Listing Rules issued by the Listing Authority in accordance with the provisions of the Financial Markets Act as may be amended from time to time;



Major Shareholders	The following shareholders of the Company: (1) TMC Limited, a limited liability company registered in Malta and bearing company registration number C6720; (2) TMC 2 Limited, a limited liability company registered in Malta and bearing company registration number C51460; (3) Wdz Holdings Company Limited, a limited liability company registered in Malta and bearing company registration number C67894; (4) Double You Limited, a limited liability company registered in Malta and bearing company registration number C 25234; (5) Double You Holdings Company Limited, a limited liability company registered in Malta and bearing company registration number C67884; (6) T Limited, a limited liability company registered in Malta and bearing company registration number C25235; (7) TZ Holdings Company Limited, a limited liability company registered in Malta and bearing company registration number C67883;
Malta Financial Services Authority Act	The Malta Financial Services Authority Act (Chapter 330 of the laws of Malta);
Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., as originally constituted by the Financial Markets Act, bearing company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
MFSA	The Malta Financial Services Authority as established under the Malta Financial Services Authority Act;
Offer	Quality Catering & Retail Services Limited, a limited liability company registered under the laws of Malta bearing company registration number C41365;
Offer Consideration	The consideration payable by the Offeror to Shareholders consisting of the aggregate of the Combined Consideration and, if opted for by any Shareholder, the Alternative Consideration;
Offer Document	This document in its entirety including the Annexes, dated 1 July 2015;
Offer Expenses	The total expenses amounting to approximately €400,000 which expenses are to be borne by the Offeror, as further set-out in Section 6.9 of this Offer Document;
Offeror	IHI;
Official List	The list prepared and published by the Malta Stock Exchange, containing information of the current or most recent prices of all listed securities, together with such other information as the Malta Stock Exchange may consider appropriate to include therein;
QCRS	Quality Catering & Retail Services Limited, a limited liability company registered under the laws of Malta bearing company registration number C41365;
Record Date	30 June 2015;
Register	The Register of Shareholders of the Company as registered at the Central Securities Depository of the MSE;
R.J.C Caterers	R.J.C. Caterers Limited, a limited liability company registered under the laws of Malta bearing company registration number C10552;
Settlement Date	The date falling on the business day immediately following the date on which the Shares are recorded in the name of IHI in the register of members held at the Central Securities Depository at the Malta Stock Exchange or such other date as the Central Securities Depository may determine;
Shares	Each of the thirty eight million, five hundred eighty three thousand, six hundred and sixty (38,583,660) ordinary shares issued by the Company, each fully paid-up and each having a nominal value of one Euro (€1);
Shareholder or Shareholders	The holder(s) of one or more Share(s) in the Company as registered in the Register during the period commencing from (and including) the Record Date up until (and including) the Closing Date;
Shareholders' Warranties Agreement	An agreement entered into between the Offeror and the Major Shareholders in terms of which, <i>inter alia</i> , each Major Shareholder agreed to make a number of representations and to give a number of warranties to the Offeror with effect from the Settlement Date;



Terms and Conditions	The terms and conditions of the Offer set out under the heading “Terms and Conditions of the Offer” in Section 6 of this Offer Document;
The Coffee Company Malta	The Coffee Company Malta Limited, a limited liability company registered under the laws of Malta bearing company registration number C55973;
The Coffee Company Spain	The Coffee Company Spain S.L., a company registered under the laws of Spain with fiscal number (NIF): B66240581 and with registered office at Calle Floridablanca 98, Planta Ent, Puerta 2, 08015, Barcelona, Spain.

3. SUMMARY OF THE OFFER

The following summary contains an overview of selected particulars set out in this Offer Document. It is supplemented by, and should be read in conjunction with, the information and particulars set out elsewhere in this Offer Document. Therefore, the summary does not contain all information that may be relevant for Shareholders in connection with the Offer. For this reason, Shareholders should carefully read the entire Offer Document.

Offeror	International Hotel Investments p.l.c.
Offeree Company	Island Hotels Group Holdings p.l.c.
Subject Matter of the Offer	Each of the thirty eight million, five hundred eighty three thousand, six hundred and sixty (38,583,660) ordinary shares issued by the Company, each fully paid-up and each having a nominal value of one Euro (€1).
Offer Consideration	Either the Combined Consideration consisting of the aggregate of: (a) the Cash Component; and (b) the IHI Share Component; or at the option of a Shareholder by way of election in the Acceptance Form the Alternative Consideration.
Payment of Offer Consideration	The Combined Consideration shall be settled by the Offeror as follows: (a) the Cash Component of €1 shall be paid as to €0.55 per Share on Settlement Date and the balance of €0.45 per Share on the first anniversary of the Settlement Date, interest free; and (b) the IHI Share Component shall be settled on Settlement Date; The Alternative Consideration shall consist of a cash payment of €1.13,7 per Share, to be settled as follows: (a) €0.687 per Share on Settlement Date; and (b) the balance of €0.45 per Share on the first anniversary of the Settlement Date, interest free.
Completion Conditions	The Offer is subject to the Completion Conditions set out in Section 6.4 (“ <i>Completion Conditions</i> ”) of this Offer Document, namely: (1) a minimum acceptance threshold of 90% of the Shares in the Company; (2) no material adverse change taking place, following announcement of the Offer and until completion of the Offer, in relation to the financial condition, business, assets or results of operation of the Company; (3) following announcement of the Offer and until completion of the Offer, the Company continuing to conduct its business in an ordinary manner; (4) no court or governmental or other regulatory authority (including any applicable securities exchange) taking any legal action which restrains or prohibits the Offer;



- (5) the Offeror and/or the Company obtaining all necessary third party consents (including without limitation from the Malta Competition and Consumer Affairs Authority) for the purposes of the Offer; and
- (6) the Major Shareholders not terminating, and/or not breaching the Conditional Agreement.

The Offeror shall be entitled to waive one, some or all of the Completion Conditions in whole or in part in its sole and absolute discretion.

Acceptance Period	From and including 2 July 2015 at 8:30 hours to and including 31 July 2015 at 17:00 hours.
Acceptance	Acceptance of the Offer must be declared in written form by the relevant Shareholder by completing and signing the Acceptance Form or other document as may be agreed with the Offeror and lodging same with the Offeror during the Acceptance Period. Transfer of the Shares tendered by Shareholders pursuant to an Acceptance Form, settlement, and the Offeror's obligation to pay the Offer Consideration in respect of same is subject to satisfaction of the Completion Conditions.
Cost of Acceptance	Acceptance of the Offer may be subject to: taxes as explained in Section 11 (" <i>Tax Considerations</i> ") and Section 6.10 (" <i>Tax</i> "), the costs and expenses in relation to professional advice sought by each Shareholder shall be borne by such Shareholder as explained in Section 1.2 (" <i>Reliance</i> "); and bank charges as explained in Section 6.6.10 of this Offer Document.
Eligible Shareholders	This Offer is available to Shareholders as registered in the Register during the period commencing from (and including) the Record Date up until (and including) the Closing Date.
Publication of the Offer Document	This Offer Document shall be mailed to all Shareholders as registered in the Register as at the Record Date and to New Shareholders (as such term is defined in Section 6.8 below) and shall be available in electronic form at www.ihplc.com
Results	Information regarding the level of Acceptances received as a result of the Offer shall be made public by not later than ten (10) calendar days from the date of the Offer, and an announcement of the final results of the Offer shall be made public shortly following the Closing Date.
Transfer of the Shares	Subject to satisfaction of the Completion Conditions, transfer of ownership in respect of the tendered Shares and settlement by the Offeror or its duly appointed paying agent shall take place by not later than five (5) Business Days from announcement of the final results of the Offer by the Offeror after the Closing Date. Such settlement shall be publicly announced on the Malta Stock Exchange.

4. BACKGROUND TO THE OFFER

As announced on 16 January 2015 by each of the Offeror and IHGH, the Conditional Agreement was executed between the Major Shareholders and IHI. That agreement regulates, *inter alia*, the mechanics of how IHI would acquire all of the IHGH shares on terms that will be equal to all Shareholders in IHGH. Pursuant to the Conditional Agreement, IHI agreed that subject to a number of conditions it would make a conditional voluntary offer for 100% of the issued share capital of IHGH under certain terms and conditions, and the Major Shareholders agreed, subject to the same terms and conditions set out in the Conditional Agreement, to sell and transfer their Shares in IHGH to IHI. The Conditional Agreement contained a non-binding offer by IHI for the Shares, based on publicly available information and its own analysis of IHGH – but was subject to a proper due diligence exercise being conducted with a view to confirming, amending or withdrawing the non-binding offer.

Pursuant to their respective obligations undertaken by virtue of the Conditional Agreement, the Major Shareholders requested IHGH to convene a shareholders' meeting for the purpose of authorising the board of directors of the Company to disclose information, including price sensitive information, in order to enable a *bona fide* offeror for a substantial shareholding in the Company to make, confirm, withdraw or modify an offer for shares in the Company, subject to compliance with the terms set out in Listing Rule 5.174 of the Listing Rules. On 20 February 2015 the general meeting of shareholders of the Company approved that resolution.



In the Conditional Agreement, the Offeror and the Major Shareholders agreed, *inter alia*, on certain commitments in contemplation of the Offeror making the Offer. The Conditional Agreement includes certain negative covenants until the end of the term of the Offer which prevent IHGH from carrying out certain actions without the consent of the Offeror, including, *inter alia*, changes in the terms of employment or employee benefit schemes, declaration of dividends, alterations to the share capital and amendments to its memorandum and articles of association. Furthermore, IHGH has also agreed to carry on its business in the ordinary course, not to undertake any material commitments, and to disclose to the Offeror any matter which may breach the Completion Conditions.

Following completion of a due diligence exercise, the Offeror announced its firm intention to make an offer to the Shareholders in order to acquire 100% of the Shares.

The Major Shareholders and the Offeror have also entered into the Shareholders' Warranties Agreement wherein the Major Shareholders have each agreed to provide a number of representations and warranties to the Offeror in connection with the Company and its business on Settlement Date.

5. UPDATE SINCE JANUARY 2015

Since the Conditional Agreement was executed in January 2015, one principal development occurred. As at 15 January 2015 IHGH held a 50% shareholding in Buttigieg Holdings Limited ("BHL") but also held an option to purchase and acquire the remaining 50% shareholding in that company from the other shareholders. The non-binding offer made by IHI as at the date of the Conditional Agreement had only taken into account the 50% share held by IHGH in BHL. Following discussions between IHGH and the third party shareholders in BHL, it was agreed, with IHI's consent, that the option to purchase and acquire the remaining 50% of the issued share capital in BHL be exercised by IHGH immediately and that the purchase consideration for those shares be paid through the issuance of further shares in IHGH. Such newly issued shares in IHGH would subsequently qualify for the Offer.

On 10 June 2015 IHGH purchased and acquired from third party shareholders the remaining 50% shareholding in BHL and in consideration therefor issued 2,000,000 new shares in IHGH of a nominal value of €1 each share. Following the exercise of the option, BHL has become a fully owned subsidiary of IHGH.

For this purpose the Purchase Consideration payable by IHI for the Shares has been increased by an additional €2,000,000 and 492,000 shares in IHI, to cover the acquisition of the 2,000,000 new IHGH shares issued as aforesaid by way of consideration for the acquisition of the remaining 50% of BHL.

6. TERMS AND CONDITIONS OF THE OFFER

6.1 Offer and Offer Consideration

Subject to the terms and conditions set out in this Offer Document, the Offeror hereby offers to all the Shareholders to purchase and acquire all the issued ordinary shares in the Company, having a nominal value of one Euro (€1) each, and in each case together with all ancillary rights associated with these Shares at the time of the settlement of the Offer (in particular any dividend entitlement), at the Offer Consideration of either:

- (a) the Combined Consideration; or
- (b) at the election of the Shareholder in the Acceptance Form, the Alternative Consideration.

6.1.1 *The Combined Consideration*

The Combined Consideration consists of the Cash Component and the IHI shares Component and is equivalent to:

€1 per Share and 0.246 IHI shares for each Share

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



The Offer Consideration will be paid as follows:

Cash Component:

The Cash Component of €1 per Share shall be paid as to:

- (i) €0.55 on the Settlement Date; and
- (ii) the balance of €0.45 per Share on the first anniversary of the Settlement Date, without interest.

The Offeror will put in place security arrangements in relation to the deferred settlement of the balance.

Share Component:

The Share Component of 0.246 IHI shares for each Share shall be issued and allocated to Shareholders on the Settlement Date, with the exception of the Major Shareholders, to whom the IHI shares forming the Share Component shall be issued and allocated on a date following the Settlement Date, as provided in the Conditional Agreement. The Share Component shall be subject to rounding. In the event that the number of Shares held by a Shareholder when multiplied by 0.246 results in a fractional entitlement to shares, then if the fractional entitlement is to half a share or more such entitlement shall be rounded up to the nearest whole share and if the fractional entitlement is of less than half a share it shall be rounded down to the nearest whole share. This may cause the total number of shares to be issued by IHI to exceed the figure of 9,492,000 IHI shares.

The IHI shares to be issued and allocated to Shareholders accepting the Offer as part of the Offer Consideration are ordinary shares in IHI that shall entitle their holders to receive dividends, vote at general meetings and to participate in a distribution of assets, if any, in the same manner as the holders of all other ordinary shares in IHI.

6.1.2 The Alternative Consideration

In terms of Listing Rule 11.17 the Offeror is to make available to Shareholders a full cash alternative in the event of an offer consideration which is to be settled partly in cash and partly in securities. The Offeror is accordingly making available to Shareholders - except to the Major Shareholders who have executed irrevocable commitments, subject to the Completion Conditions with the Offeror, to accept the Combined Consideration - a full cash alternative of €1.13,7 per Share, payable as follows:

- (i) €0.68,7 per Share on Settlement Date; and
- (ii) the balance of €0.45 per Share on the first anniversary of the Settlement Date, without interest.

The Alternative Consideration 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 the date of the Conditional Agreement, 15 January 2015.

Shareholders ought to note that the Alternative Consideration shall only be available to those Shareholders who opt for a full cash alternative in the Acceptance Form. Unless such election is expressly made in the Acceptance Form it shall be deemed that a Shareholder submitting the Acceptance Form shall have accepted the Combined Consideration. Accordingly, it is imperative that Shareholders wishing to opt for the full Cash Alternative complete their Acceptance Forms in full and select the Alternative Consideration option.

The Alternative Consideration is not available to the Major Shareholders and others who have already signed an irrevocable commitment to accept the Offer for the Combined Consideration.

The example below sets out what a Shareholder would receive pursuant to the Offer, depending on whether the Combined Consideration or the Cash Alternative is selected, based on a holding of 1,000 Shares:

	Combined Consideration		Cash Alternative
	Cash (€)	IHI Shares	Cash (€)
1st Settlement	550	246	687
2nd Settlement	450	0	450
Total	1,000	246	1,137



6.1.3 Other

Shareholders who intend to accept the Offer are directed to read and peruse this document in full including the Expert's Report which is appended to this Offer Document in Annex 2.

It is declared and confirmed that the Independent Expert who has drawn up the Expert's Report is independent of the Offeror and the Company.

The attention of Overseas Shareholders or any person who has a contractual or other legal obligation to forward this Offer Document or other related document into a jurisdiction other than Malta is drawn to Section 6.14 below. The Offer will not be made into the Excluded Territories.

6.2 Voluntary Offer

The Offer is a conditional voluntary takeover offer made by the Offeror to all the Shareholders for the Shares registered in the Register of IHGH during the period commencing from (and including) the Record Date up until (and including) the Closing Date.

6.3 Acceptance Period

The Offer shall be valid from the 2 July 2015 at 0830 hours until the 31 July 2015 at 17:00hrs (CET time), both days included.

The Offeror expressly reserves the right to extend the Acceptance Period for a total maximum acceptance period of ten (10) weeks. Any extensions to the Acceptance Period shall be announced by means of a company announcement made through the Malta Stock Exchange before the expiry of the prevailing Acceptance Period. When referring to the Acceptance Period in this Offer Document this refers to the Acceptance Period as may be extended from time to time.

6.4 Completion Conditions

Completion of the Offer is subject to the fulfillment, or waiver by the Offeror, of all the following terms and conditions (the "Completion Conditions"):

a. Acceptance from Shareholders. The Offer shall, on or prior to the expiration of the Acceptance Period, have been validly and unconditionally accepted by Shareholders, and not be subject to any third party consents in respect of pledges or other rights, representing (when taken together with any Shares acquired or agreed to be acquired by the Offeror other than through the Offer), more than 90% of the issued share capital and of the voting rights in the Company, on a fully diluted basis. For this purpose, "fully diluted" shall mean all issued Shares in the Company together with all shares which the Company would be required to issue if all rights to subscribe for or otherwise require the Company to issue additional shares, under any agreement or instrument, existing at or prior to completion of the Offer, were exercised. For the avoidance of doubt, in determining whether the above-mentioned 90% threshold has been met, the level of Acceptances shall be determined in relation to the Shareholders as registered in the Register as at the Closing Date.

The Offeror is not aware of any agreements or arrangements giving the right to subscribe for or otherwise require the Company to issue additional Shares.

b. No Material Adverse Change. Following announcement of the Offer and until completion of the Offer, no change, effect, development or event that is or would reasonably be expected to have a material adverse effect on the financial condition, business, assets, or results of operation of the Company and its subsidiaries shall have occurred.

c. Conduct of Business. Following announcement of the Offer and until completion of the Offer, the Company and each of its subsidiaries and affiliates shall, other than with the prior written consent of the Offeror, in all material respects have conducted its business in the ordinary course and in accordance with applicable laws, regulations and decisions of public authorities, and also refrained from entering into agreements outside the ordinary course or to make or propose changes to the Company's capital structure, financing structure or corporate status or to issue securities or other rights to acquire shares or securities issued or make any dividends, distributions or redemption of shares.

d. No intervention. No court or governmental or regulatory authority (including any applicable securities exchange) of competent jurisdiction shall have taken any form of legal action (whether temporary, preliminary or permanent) which restrains or prohibits the consummation of the Offer.

e. Third Party Consents. All necessary permits, consents, approvals and actions from applicable regulatory, governmental or similar authorities for the completion of the Offer have been obtained, including without limitation from the Malta Competition and Consumer Affairs Authority, in each case on terms which are acceptable to the Offeror.



- f. Conditional Agreement not being terminated.* The Major Shareholders shall (a) not be in breach of the Conditional Agreement between the Offeror and the Major Shareholders and (b) have complied in all respects with all their respective covenants, undertakings and obligations under the Conditional Agreement.

The Offeror shall be entitled to waive one, some or all of the Completion Conditions in whole or in part in its sole and absolute discretion.

6.5 Shareholder Rights

Shareholders who accept the Offer will remain the legal owners of their Shares and, to the extent permitted under Maltese law, retain voting rights and other shareholder rights related thereto until settlement has taken place in accordance with Section 6.6.14 below.

6.6 Procedures for Accepting the Offer

6.6.1 Eligibility

The Offer is being made to Shareholders subject to the terms and conditions set out in this Offer Document.

All Shareholders registered in the Register during the period commencing from (and including) the Record Date up until (and including) the Closing Date are eligible to accept the Offer. However, the Offer is limited to the number of Shares as at the Record Date.

During the Acceptance Period, the Offeror may liaise with the Company in order for the latter to make a request to the Listing Authority and the MSE for the suspension of trading of the Shares in accordance with Listing Rules 1.15 and 1.16.

Each Shareholder accepting the Offer undertakes that any Shares which are the subject of an Acceptance of the Offer will be retained by the Shareholder and that they will remain freely transferable (to the Offeror) and unencumbered after such Acceptance. Following the Acceptance of the Offer, the Shareholder may not thereafter sell, transfer, encumber or dispose of the Shares which are the subject of their Acceptance to any person other than the Offeror in terms of the Offer Document.

By delivering a duly executed Acceptance Form in original, Shareholders give the Offeror an authorization to render the Shares to which the Acceptance Form relates non-transferable to any other party except to the Offeror. In the event the Offer is cancelled or lapses, the Shares will be re-instated to their original status of freely transferable shares.

6.6.2 Acceptance

Shareholders may accept the Offer being set forth in this Offer Document by lodging the Acceptance Form in original form, (a sample of which is attached as Annex 1 to this Offer Document), with IHI, either using the pre-printed envelope enclosed with the Acceptance Form, or at the following address:

International Hotel Investments plc
Conditional Voluntary Public Takeover Bid,
c/o The Company Secretary
22, Europa Centre, Floriana FRN 1400, Malta.

The Acceptance Form, once duly completed and executed by the Shareholder and received by the Offeror, but always subject to the satisfaction of the Completion Conditions as aforesaid, shall constitute a binding contract between the Offeror and the Shareholder whereby the Shareholder shall be bound to surrender the specified number of Shares in favour of the Offeror and the Offeror shall be bound to effect payment thereof at the Offer Consideration.

All Shares tendered in the Offer are to be transferred free of any pledge, charge, lien or other similar encumbrances in any jurisdiction and any other third party rights whatsoever and with all shareholder rights attached to them. **Any third party with registered encumbrances or other third party rights must sign the Acceptance Form and thereby waive its rights in the Shares sold in the Offer and approve the transfer of the Shares to the Offeror free and clear of any such encumbrances and any other third party rights.** Acceptances will be treated as valid only if any such holder has consented in signing on the Acceptance Form for the sale and transfer of the Shares free of encumbrances to the Offeror.

The acceptance of the Offer is irrevocable, and may not be withdrawn, in whole or in part, once the Offeror has received the Application Form, except as permitted under the terms of any revised Offer. Shareholders have the option to accept the Offer either in part or in full. Shareholders should complete the relevant section of the Acceptance Form, indicating their preference.



The responsibility to return the Acceptance Form within the deadline lies solely with the Shareholder and the Offeror takes no responsibility for technical problems, including any delays or non-receipt of the documentation by mail.

A Shareholder may remain passive and take no action to reject the Offer. If the Offer is not validly taken up by the Shareholder by the Closing Date, this shall be deemed as a rejection of the Offer by the Shareholder and his eligibility would have consequently lapsed.

6.6.3 Notices

This Offer Document and accompanying documentation will be mailed to the Shareholders at their registered address as stated in the Register as at the Record Date or, in relation to New Shareholders (as such term is defined in Section 6.8 below) at the registered address as stated in the Register up to the Closing Date.

For Shareholders residing in Malta, the Offer Document shall be deemed to have been served and notified at the expiration of two (2) calendar days after such mailing and for Overseas Shareholders it shall be deemed to have been served and notified at the expiration of five (5) calendar days after such mailing.

6.6.4 Acceptance Form

The Offeror shall mail to all Shareholders appearing on the Register as at the Record Date, and to New Shareholders (as such term is defined in Section 6.8 below) up to the Closing Date, a copy of this Offer Document together with a pre-printed Acceptance Form. Shareholders wishing to accept the Offer shall return the Acceptance Form in original to the Offeror before the lapse of the Acceptance Period. It shall not be incumbent on the Offeror to verify the signatory/ies to the Acceptance Form.

Save where the context otherwise requires, terms defined in the Offer Document bear the same meaning when used in the Acceptance Form.

6.6.5 Joint Shareholders

In the case of Shares held jointly by several persons, the Acceptance Form must be signed by each of such Shareholders. It shall not be incumbent on the Offeror to verify the signatory/ies to the Acceptance Form.

6.6.6 Legal Persons

Where the Shareholder is a legal person, the Acceptance Form must be signed by the person/s authorized to sign and bind such Shareholder. It shall not be incumbent the Offeror to verify whether the person/s purporting to bind such Shareholder is in fact so authorized.

6.6.7 Minors

Where the Shareholder is a minor, both parents or legal guardian/s should sign the Acceptance Form and the Acceptance Form may be accompanied by a Public Registry birth certificate of the minor or evidence of legal guardianship, as the case may be. The Offeror reserves the right to request a copy of such documents before proceeding to process the Acceptance Form, including, where applicable, a certified true copy of a Civil Court (Family Section) decree, obtained from the Court's Registry, authorizing such sale in terms of article 136(4) of the Civil Code. It shall not be incumbent on the Offeror to verify the signatory/ies to the Acceptance Form.

6.6.8 Deceased Persons

If the name appearing on the register of the Central Securities Depository as at close of trading on the Record Date is that of a deceased Shareholder or if a Shareholder dies prior to having delivered the Acceptance Form to the Offeror, the Acceptance Form must be signed by the lawful successors in title of the deceased Shareholder. For this purpose, the successors in title of the deceased Shareholder must contact the Offeror within the Acceptance Period in order to produce adequate documentary proof to the satisfaction of the Company or the Offeror, in order to enable them to verify their status as lawful successors of the deceased Shareholder. It shall not be incumbent on the Offeror to verify the signatory/ies to the Acceptance Form.

6.6.9 Shares Subject to Usufruct

Where the Shares are held subject to usufruct, the Acceptance Form must be signed by both the bare owner/s and usufructuary/ies. It shall not be incumbent on the Offeror to verify the signatory/ies to the Acceptance Form.



6.6.10 Payment

Unless a Shareholder expressly indicates in the Acceptance Form that he/she accepts the Offer for the Alternative Consideration, that acceptance shall be deemed to have been made for the Combined Consideration.

The Cash Component of the Combined Consideration and, where applicable, of the Alternative Consideration, shall be payable in cash directly by the Offeror or through a paying agent appointed by the Offeror, by direct credit in Euro (EUR) if the Shareholder indicates a valid euro-denominated account on the Acceptance Form. If no such euro-denominated bank account number is provided, Shareholders resident in Malta will receive settlement by means of a cheque mailed to their address indicated in the Acceptance Form. In the case of Shareholders who do not hold a Maltese address, a bank account is mandatory and if no such bank account number is provided, settlement will be made by transfer to the bank account registered on the MSE account for dividend payment purposes.

Shareholders are advised that settlement to bank accounts, other than those held with Bank of Valletta p.l.c. or HSBC Bank Malta p.l.c., may incur bank charges charged by the Shareholder's bank which are to be borne by the Shareholder and may take up to four (4) Business Days to settle into the Shareholder's bank account in cleared funds. Settlement to bank accounts outside Malta will be subject to settlement periods as prevalent in international banking markets.

Settlement into a non-euro denominated bank account will be subject to the prevailing foreign exchange rate at the date of settlement as may be applicable.

Settlement of the second tranche of the Cash Component or the second tranche of the Alternative Consideration shall be made to the same account indicated in the Acceptance Form.

Settlement of the IHI Share Component of the Offer Consideration in the case of the Combined Consideration shall be made by the issuance by IHI of the relevant shares and allocating them to Shareholders in accordance with their entitlement in their securities account held at the CSD.

6.6.11 Right to Accept and/or Reject

Subject to all other terms and conditions set out in this Offer Document, the Offeror reserves the right to refuse any Acceptance Form which in its opinion is not properly completed in accordance with relevant instructions or is not accompanied by the required documentation. The Acceptance Form will be accepted in original only and photocopies / facsimile copies will not be accepted.

The Offeror reserves the right in its sole and absolute discretion to approve acceptances being received after the expiration of the Acceptance Period or which are not correctly completed.

6.6.12 Right to Revoke the Offer

Subject to applicable laws and to all other terms and conditions set out in the Conditional Agreement and in this Offer Document, the Offeror reserves the right to revoke the Offer at any time before the Closing Date.

6.6.13 Results

Information regarding the level of Acceptances received as a result of the Offer (together with the announcement of fulfillment or waiver of the Completion Conditions or otherwise) shall be made public by the Offeror by means of a company announcement issued on the Malta Stock Exchange website by not later than ten (10) calendar days from the date of the Offer. Information regarding the final results of the Offer shall be made public by the Offeror by means of a company announcement issued on the Malta Stock Exchange website shortly following the Closing Date.

6.6.14 Settlement

Subject to the terms and conditions of the Offer, transfer of ownership in respect of the tendered Shares and settlement by the Offeror or its duly appointed paying agent shall take place not later than five (5) Business Days from announcement of the final results of the Offer by the Offeror and such settlement shall be publicly announced on the Malta Stock Exchange website through a company announcement.

Provided that in all cases, payment of the Offer Consideration by the Offeror to the Major Shareholders shall be carried out in accordance with the terms and conditions of the Shareholders' Warranties Agreement.



6.6.15 Settlement of Deferred Consideration and Security

Settlement of the Deferred Consideration shall take place on the Deferred Consideration Date. The following conditions shall apply to the Deferred Consideration:

- (a) No interest shall accrue on any part of the Deferred Consideration up until the Deferred Consideration Date provided that in the event of a default in payment on the due date interest shall accrue at the rate of 6% per annum from the due date until the date of effective payment thereof.
- (b) As security for its punctual payment of the Deferred Consideration on the Deferred Consideration Date, the Offeror shall offer to Shareholders (other than the Major Shareholders), *pro rata* to their respective holdings of Shares and with effect from the Settlement Date, a pledge of shares of up to 4,600,000 Shares in the Company (the “**Pledge**”), together with an irrevocable undertaking for the benefit of all the Shareholders (other than the Major Shareholders), in each case in favour of a security trustee, appointed mutually by IHI and the Major Shareholders within one month of the date of this Offer, and failing such agreement the security trustee shall be Charts Investment Management Service Ltd. The security trustee shall be able to call a default in the event that on the Deferred Consideration Date it shall not have received for the benefit of all the Shareholders (other than the Major Shareholders) the relative portion of the Deferred Consideration, whereupon the security trustee shall become entitled to enforce the said Pledge on shares and / or call upon IHI to issue shares in IHI, at their nominal value. The number of shares to be issued by IHI would in such case be equivalent to the value of that portion of the Deferred Consideration that has become due and remained unpaid to the Shareholders (other than the Major Shareholders) calculated by taking the higher of (i) the market price of IHI shares on the Deferred Consideration Date and (ii) €0.57 per share in IHI (being the trading price on the Malta Stock Exchange on the date of the Conditional Agreement), and whereupon IHI shall become irrevocably bound to issue and allot to the security trustee (or otherwise as it may direct) such shares in IHI. The Offeror hereby stipulates that the maximum number of shares in IHI that may be issued as a result of the aforesaid shall not be more than 8,059,077 shares in IHI.

The payment by IHI of the Deferred Consideration shall immediately operate to release all the security in connection with the payment of the Deferred Consideration whereupon the security trustee shall become bound to execute and file all such documents as may be necessary to have all and any security released.

6.6.16 Settlement with Major Shareholders

The Conditional Agreement provides for different arrangements for the Settlement of the Offer Consideration with the Major Shareholders. Those arrangements are linked to the Warranties and Indemnities Agreement and establish deferred settlement and security arrangements that are more onerous than those applicable to other Shareholders.

6.7 Amendments to the Offer

The Offeror reserves the right to amend the Offer at any time not later than fourteen (14) calendar days before the end of the Acceptance Period, and may do so in its sole discretion in accordance with applicable law, provided however that the Offeror may not amend the Offer in a manner which disadvantages the Shareholders. Any amendments shall be communicated by the Offeror by means of a company announcement issued through the Malta Stock Exchange website. Following the revision of the Offer, Shareholders who have already accepted the Offer by submitting the Acceptance Form to the Offeror in terms of this document, shall have a right to withdraw their acceptance of the Offer as permitted under the terms of the revised offer. Where the Offer has been revised in accordance with this Section, the Acceptance Period allowed for the acceptance of the revised offer shall be automatically extended by fourteen (14) days, provided that the extension does not go beyond the maximum period of ten (10) weeks as provided in Listing Rule 11.27.

6.8 Transfer of Shares following Record Date

Where, following the Record Date but prior to the Closing Date, any Shareholder (for the purposes of this Section 6.8 referred to as the “**Outgoing Shareholder**”) who has not submitted a duly completed and executed Acceptance Form to the Offeror, and who has elected to transfer any Shares held by him at the Record Date (for the purposes of this Section 6.8 referred to as the “**Transferred Shares**”) to a third party (for the purposes of this Section 6.8 referred to as the “**New Shareholder**”), the Outgoing Shareholder shall inform the Company of the above-mentioned transfer and shall forward this Offer Document, the Acceptance Form and any other documentation received by the Outgoing Shareholder, including any covering letter (for the purposes of this Section 6.8 referred to as the “**Relevant Offer Documents**”) to the Offeror or to the Company for onward transmission to the Offeror. A new set of Relevant Offer Documents will be made available by the Offeror to the New Shareholder for the New Shareholder to be able to accept the Offer.

The above shall only apply in cases where the Transferred Shares are traded at least three (3) Business Days prior to the Closing Date.



6.9 Offer Expenses and Transaction Costs

The Offer Expenses represent the aggregate professional expenses relating to advisory services and legal advice provided to the Offeror in connection with the Offer and amount to an aggregate figure of €400,000. These Offer Expenses shall be borne by the Offeror.

Shareholders who accept the Offer will not have to pay any brokerage fees. The Offeror will not cover any other costs or expenses that a Shareholder may incur in connection with the acceptance of the Offer, including, but not limited to, any costs of any advisors, brokers or any costs incurred in relation to the conversion of the Offer Consideration into a foreign currency should the accepting Shareholder elect for settlement of the Offer Consideration into a non-Euro bank account (if any).

6.10 Tax

Shareholders accepting the Offer are themselves responsible for any tax liability arising as a result of the settlement and any costs incurred in obtaining advice on this matter. A general description of the tax implications of the Offer is included in Section 11.

6.11 Public Announcements

Public announcements in connection with the Offer will be published by the issuance of company announcements by the Offeror to be made through the services offered by the Malta Stock Exchange. Notices will be deemed made when the Malta Stock Exchange has published the notice.

6.12 Lapse of the Offer

The Offer will lapse and any tendered Shares shall be released by the Offeror if any of the Completion Conditions have not been fulfilled or waived by the Offeror by the time of announcement of the final results of the Offer shortly following the Closing Date.

6.13 Representations and Warranties

By completing and delivering the Acceptance Form, each of the Shareholders:

- (a) agrees that the Shares which are the subject of the acceptance are free and clear of any pledge, hypothec, privilege, charge, lien or any similar encumbrance in any jurisdiction and are not subject to any third party rights whatsoever and shall be transferred to the Offeror with all the rights pertaining to the Shares still attached to them without exception;
- (b) agrees to provide to the Offeror any documents and/or information which it may request in connection with the Acceptance Form;
- (c) agrees to provide valid, correct, complete and up-to-date information in the Acceptance Form and as such, each Shareholder agrees to indemnify the Offeror for any expenses, costs or losses that may be incurred by the Offeror as a result of any invalid, incorrect, incomplete or out-dated information provided;
- (d) agrees that the execution of the Acceptance Form and its delivery to the Offeror, subject to the Offer becoming unconditional in all respects in accordance with its terms, constitutes the irrevocable appointment of the Offeror, the Company and any director of, or any person authorised by them, as such Shareholder's mandatory (the "**Mandatory**") and an irrevocable instruction and authorisation to the Mandatory:
 - i. to complete and execute all or any form(s) of transfer and/or other document(s) at the discretion of the Mandatory in relation to the Shares in favour of the Offeror or such other person or persons as the Offeror or its agents may direct in connection with acceptance of the Offer;
 - ii. to deliver such form(s) of transfer and/or other document(s) in the Mandatory's discretion and/or the certificate(s) and/or other document(s) of title relating to such Shares for registration within three (3) months of the Offer becoming unconditional in all respects; and
 - iii. to execute all such other documents and do all such other acts and things as may in the Mandatory's opinion be necessary or expedient for the purpose of, or in connection with, the acceptance of the Offer pursuant to the Acceptance Form and to vest the Shares in the Offeror;
- (e) warrants, in connection with the Acceptance Form, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with the Acceptance Form in any territory and that it has not taken any action which will or may result in the Company or the Offeror acting in breach of the regulatory or legal requirements of any territory in connection with the Offer or its acceptance;



- (f) represents that he is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not accepting the Offer set out in the Offer Document from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the “**United States**”) or on behalf or for the account of anyone within the United States or anyone who is a U.S. person; and
- (g) represents that he does not have his registered address and/or is not a citizen or resident of any Excluded Territory.

6.14 Overseas Shareholders and Excluded Territories

THE OFFER TO PERSONS RESIDENT IN, OR WHO ARE CITIZENS OF, OR WHO HAVE A REGISTERED ADDRESS IN, COUNTRIES OTHER THAN MALTA, MAY BE AFFECTED BY THE LAW OF THE RELEVANT JURISDICTION. THOSE PERSONS SHOULD CONSULT THEIR PROFESSIONAL ADVISORS (INCLUDING TAX ADVISORS) AS TO WHETHER THEY REQUIRE ANY GOVERNMENTAL OR OTHER CONSENTS OR NEED TO OBSERVE ANY OTHER FORMALITIES TO ENABLE THEM TO ACCEPT THIS OFFER.

This Section sets out the restrictions applicable to Shareholders who have registered addresses and/or who are citizens or residents of Excluded Territories.

Any person (including, without limitation, nominees and trustees) outside Malta wishing to accept the Offer under this Offer Document must satisfy himself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

This Offer is not being, and will not be, made, directly or indirectly, in or into, or by the use of mail or any means or instrumentality (including, without limitation, by means of telephone, facsimile, telex, internet or other forms of electronic communication) of interstate or foreign commerce of, or of any facility of a national security exchange of, any Excluded Territory, and the Offer should not be accepted by any such use, means instrumentality or facility or from within any Excluded Territory. Doing so may render invalid any purported acceptance. Accordingly, neither this Offer Document nor the accompanying Acceptance Form and/or any other related document(s) are being, nor may they be, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from (whether by use of the mails or any means of instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national securities exchange) any Excluded Territory. All Shareholders who accept the Offer must provide the Offeror with a resident address outside an Excluded Territory and a bank account for the crediting of the settlement outside these jurisdictions.

Any person (including, without limitation, any custodian, nominee or trustee) who would, or otherwise intends to, or who may have a contractual or legal obligation to, forward this Offer Document, the Acceptance Form and/or related document(s) to any jurisdiction outside Malta, should inform themselves of, and observe, these restrictions and must not mail, transmit or otherwise forward, distribute or send them in, into or from any Excluded Territory.

Shareholders residing outside Malta who want to accept the Offer ought to seek information on relevant legislation in their country of residence, including whether it is necessary to obtain any government permits, as well as any possible tax consequences. Any failure to comply with the requirements of such jurisdictions may constitute a violation of the securities laws of such jurisdictions.

THE OFFEROR RESERVES THE RIGHT TO TREAT ANY ACCEPTANCES GIVEN IN VIOLATION OF THESE PROVISIONS AS NULL AND VOID.

6.15 Governing Law and Jurisdiction

The Offer, this Offer Document, the Acceptances and any non-contractual obligations arising out of or in relation to the Offer, the Offer Document and the Acceptances shall be governed by, and construed in accordance with, Maltese law.

The courts of Malta shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Offer, the Offer Document and the Acceptances (including any dispute relating to any non-contractual obligations arising out of or in connection with any of them).



7. INFORMATION ON THE COMPANY

7.1 General Information about the Company

Full Legal and Commercial Name of the Offeree Company	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
Place of Registration and Domicile	Malta
Registration Number	C44855
Date of Registration	5 August 2008
Legal Form	The Company is lawfully existing and registered as a public limited company in terms of the Act.
Telephone Numbers	+356 21374894
Fax Number	+356 21374895
Email Address	info@islandhotels.com
Website	www.islandhotels.com

IHGH was registered on the 5 August 2008 as a private limited liability company for the purpose of acquiring the business of the then Island Hotel Group. IHGH now serves as a holding company and as at the date of this Offer Document, the business activities of the IHGH Group are the following:-

- the ownership and operation of the Radisson® BLU Resort St Julians (through BPH);
- the ownership and operation of the Radisson® BLU Golden Sands Resort and Spa (through a 50% holding in GSR);
- the event catering business of the Group (through ICL);
- the operation of the vacation ownership marketing business of Radisson® BLU Golden Sands Resort and Spa (through a 50% holding in the Azure Group) and Radisson® BLU Resort St Julians (through Bay Point Hotel Limited);
- the development and operation of the COSTA Coffee® brand in Malta through The Coffee Company Malta, and, the East Coast of Spain, the Balearic Islands and the Canary Islands through The Coffee Company Spain;
- the operation of retail outlets at Mater Dei Hospital through QCRS, 50% of which is owned by RJC Caterers, a subsidiary of BHL; and
- owner of the 83,000m² plot of land at Hal Ferh with permits to develop the property into a luxurious tourist complex (through its 50% holding in Heavenly Collection).

On the 21 August 2009, the Company was converted to a public limited liability company. The Company's ordinary shares and the first bonds in issue were first admitted to the Official List of the MSE on 7 October 2009, and trading commenced on 8 October 2009.

Established in 1987 with a single 200-bed hotel and employing 20 personnel, the Group developed over the last 27 years to become a leading player in the leisure, hospitality and catering industry in Malta, managing a bed stock in excess of 1,450 beds across two hotel properties and employing just under 1,000 personnel (including part time equivalents) in its core hotel and catering operations. Over this period, the business expanded from an annual revenue figure of under €750,000 and an EBITDA figure of under €250,000 in the first year of operation to revenues of €36,558,717 and EBITDA of €8,793,625 in 2014. In 2011 the Company acquired a 50% stake in BHL, a company operating mainly in the retail and contract catering sector thus continuing to diversify its catering business. In 2012 BHL entered into a Franchise Agreement with Costa International Limited, granting it exclusive development and operating rights for the COSTA Coffee® brand in Malta. Following an international tendering process The Coffee Company Spain was awarded the right to develop the COSTA Coffee® brand in the territory of Spain (East Coast), the Balearic Islands and the Canary Islands. In June 2015 IHGH completed the acquisition of the remaining 50% of BHL such that BHL is a 100% wholly owned subsidiary of the Company, against the issue of two million shares in IHGH to the selling shareholders.



7.2 History and Key Milestones of IHGH

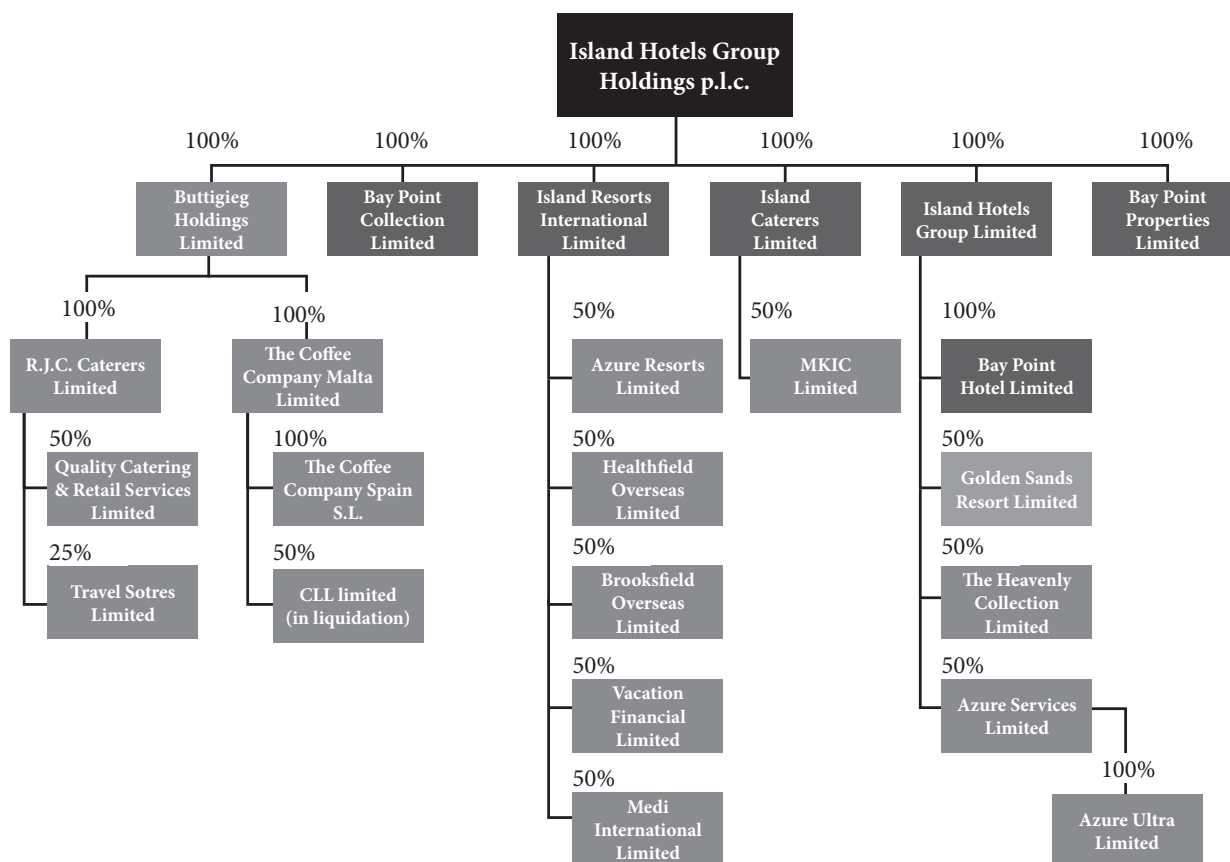
The following timeline sets out the highlights of the IHGH's historical milestones:

Year	Event
1987	Formation of partnership between T.M.C. Limited and Vassallo Builders Group Limited Commencement of operations with the 200-bed hotel named Bugibba Holiday Complex
1989	Expansion of Bugibba Holiday Complex to a 1,000-bed complex
1992	Island Caterers set up to provide event catering services
1992	Acquisition of Salina Bay Hotel and commencement of major redevelopment works
1994	Re-opening of Salina Bay Hotel as the new four star Coastline Hotel
1995	Commencement of construction works on the Group's first five-star hotel in St. George's Bay
1997	Opening of the Group's Radisson® BLU Resort St Julians
1998	Acquisition of 16.67% equity stake in a company holding the lease of and operating the Dragonara Casino in St. Julians
2003	Acquisition of the former Golden Sands Hotel, Għajn Tuffieħa
2003	Strategic partnership with Mayfair, a specialist vacation ownership marketer, in the Radisson® BLU Golden Sands Resort and Spa project
2003	Commencement of works on the five-star Radisson® BLU Golden Sands Resort and Spa
2005	Opening of the five-star Radisson® BLU Golden Sands Resort and Spa to coincide with the Commonwealth Heads of Government Meeting (CHOGM) held in Malta in October 2005
2008	Sale of Bugibba Holiday Complex & indirect equity interest in Dragonara Casino Limited
2009	IHGL was the sole tenderer for the development of land and property situated at Hal Ferh, Malta in response to the tender issued by the Government of Malta on the 20 March 2009. In December 2009, the transaction was completed pursuant to which IHGL acquired the perpetual emphyteusis over a tract of land adjacent to the Radisson® BLU Golden Sands Resort and Spa
2009	Issue of a total of €14,000,000 6.5% Bonds 2017 -- 2019
2009	Offer of a total of 17,200,600 ordinary shares to the general public and listing of the shares of the Company on the Official List of the MSE
2011	Completion of acquisition of 50% of BHL, a company operating mainly in the retail and contract catering sector
2012	Buttigieg Holdings, through the Coffee Company Malta, entered into a Franchise Agreement with Costa International Limited granting it exclusive development and operating rights for COSTA Coffee® brand in Malta
2012	Island Caterers Limited acquired 50% of MKIC, the operator of Montekristo Estates, a 300,000m ² venue in Luqa
2013	The Malta Environment and Planning Authority approved the application that had been submitted for the project of Oasis at Golden Sands. The site will be developed through the Company's affiliate, Heavenly Collection
2014	Following an international tender issued by Costa International Limited the Coffee Company Spain was awarded the right to develop the COSTA Coffee® brand in the territory of Spain (East Coast), the Balearic Islands and the Canary Islands
2014	The group sold its 100% equity holding in Coastline Hotel Limited to Claret Holdings Limited. At the same time it entered into a five-year agreement to provide food & beverage services to Coastline Hotel Limited
2015	IHGH acquired the remaining 50% share in the issued share capital of BHL, which accordingly became a 100% subsidiary against the issue of 2,000,000 ordinary shares in IHGH to the selling shareholders



7.3 Corporate Structure

The corporate structure of IHGH is set out below:



7.4 Board of Directors

The Board of directors of IHGH is composed as follows:

Winston V. Zahra	Chairman
Winston J. Zahra	Chief Executive Officer
Trevor Zahra	Non-Executive Director
William Hancock	Independent, Non-Executive Director
Gary Alexander Neville	Independent, Non-Executive Director
John L. Bonello	Independent, Non-Executive Director
Michael C. Bonello	Independent, Non-Executive Director

7.5 Selected Financial Information of the Company

IHGH's financial performance in relation to Revenue and EBITDA only for the last five years is summarised below:

Year ended 31 October	2010	2011	2012	2013	2014
Revenue	28,761,730	30,254,333	32,939,071	35,279,603	36,558,717
Y-o-Y Growth %		5.19%	8.87%	7.11%	3.63%
EBITDA	5,566,562	5,504,098	5,280,106	6,532,464	8,793,625
Y-o-Y Growth %		-1.12%	-4.07%	23.72%	34.61%



7.6 Shareholders

The shareholdings of IHGH are set out in the table below:

Shareholder	Number of shares	Percentage Ownership
TMC 2 Limited (C51460)	15,871,140	41.12%
Double You Limited (C25234)	4,408,650	11.43%
T Limited (C25235)	4,408,650	11.43%
Double You Holdings Company Limited (C67884)	881,730	2.29%
TZ Holdings Company Limited (C67883)	881,730	2.29%
Public	12,131,760	31.44%
Total	38,583,660	100.00%

For the purposes of rule 11.22.7 of the Listing Rules, the Offeror confirms that as at the date hereof it does not hold any shares in the Offeree Company.

8. INFORMATION ON THE OFFEROR

8.1 Overview of the Offeror

Full Legal and Commercial Name of the Offeror:	International Hotel Investments p.l.c.
Registered Address:	22, Europa Centre, Floriana FRN 1400, Malta
Place of Registration and Domicile:	Malta
Registration Number:	C 26136
Date of Registration:	29 March 2000
Legal Form	The Offeror is lawfully existing and registered as a public limited liability company in terms of the Act
Telephone Number:	+356 21 233 141
Fax:	+356 21 234 219
Email:	ihi@corinthia.com
Website:	www.ihiplc.com

The Offeror was set up and promoted by CPHCL as the principal vehicle for the international expansion of the Corinthia Group's hotels and mixed use developments. In 2000, following a successful initial public offering, the Offeror's shares were listed on the Official List of the Malta Stock Exchange.

Whilst CPHCL holds directly 58.89% of the share capital in IHI, Istithmar and LFICO both act as strategic investors in IHI with direct holdings of 22.14% and 11.00% respectively. LFICO also owns 50% of CPHCL, whilst half of its direct holding of 11.00% in IHI is subject to a call option in favour of CPHCL. The remaining shares in IHI are held by the general investing public.

IHI is a company whose securities, including both issued shares and bonds are listed on the Malta Stock Exchange, accordingly there is significant information about the Offeror and its business available to investors the last of which is incorporated in the prospectus issued by the Offeror on 10 April 2015 with respect to the issuance of bonds.

8.2 Board of Directors

The Board of Directors of the Offeror is composed of the following individuals:

Alfred Pisani	Chairman
Frank Xerri de Caro	Senior Independent Director
Abdulnaser M.B. Ahmida	Non-Executive Director
Douraid Zaghouani	Non-Executive Director
Hamad Mubarak Mohd Buamin	Non-Executive Director
Abuagila Almahdi	Non-Executive Director
Khaled Algonsel	Non-Executive Director
Joseph Pisani	Non-Executive Director
Michael Beckett	Independent Non-Executive Director
Joseph J. Vella	Independent Non-Executive Director



8.3 IHI's Business - Overview

IHI is in the business of developing, owning and operating five-star hotels and commercial real estate in several countries. The principal objective of the Offeror is to achieve above average long-term returns for its shareholders, principally through its long-term growth via investments in a balanced portfolio of mixed use developments having hotel properties as their main component, and hotel operations in a balanced mix between mature and emerging markets.

Over the years the Offeror has varied its investments with a view to achieving a healthy balance between capital appreciation and cash-flow generation. It has managed to generate significant appreciation in value through its involvement in the development of landmark properties and the refurbishment of under-performing hotels making it possible to re-position them at the top-end of their respective markets. The Offeror has also acquired hotels which at the time were already operating at a level close to their maximum potential thereby significantly improving its cash flow generation.

In seeking to achieve its principal objective, the Offeror invests in, acquires and develops real estate projects with a principal focus on hotel assets. To date, the Offeror has acquired landmark five star hotels in Prague (Czech Republic), Tripoli (Libya), Lisbon (Portugal), Budapest (Hungary), St Petersburg (Russian Federation) and St George's Bay (Malta). In addition it owns 50% of a joint venture company that acquired and developed a landmark hotel property in London (United Kingdom). In 2012 IHI acquired, from CPHCL, the Marina Hotel in St George's Bay, Malta, the Offeror's second property in this location. The Offeror also owns 55% of a joint venture company (the remaining 45% being held by LFICO) formed for the purpose of acquiring a site in Benghazi (Libya) earmarked for the development of a five star hotel and mixed use development. IHI also fully owns CHI, a hotel management company whose main objective is to provide professional hotel management services to the Group's hotels and to third party hotel owners and acts as the exclusive manager of hotels under the Corinthia® Brand. In 2010 the Offeror acquired the worldwide rights and title to the Corinthia® brand and all associated logos and devices and branding in hotel and property operations together with any registered or unregistered trade-marks.

The Offeror also owns a 20% stake in QPM, with the remaining 80% held by CPHCL. QPM operates independently of, and at arm's length to, IHI and offers a range of project, construction and cost management services to a number of clients.

8.4 Financing of the Bid

The Offeror confirms that it has sufficient financial resources to meet the consideration on full acceptance of the Offer and to pay the costs incurred with the Offer. The Offeror has already secured funding for the settlement of the initial installment of the cash consideration of €21,100,000, which will become due on Settlement Date. The Offeror is in the process of raising additional funding, the proceeds of which will be used, *inter alia*, to finance the Deferred Consideration of €17,483,660, which will become due on the first anniversary of the Settlement Date. *Annex 2 includes an Expert's Report on the cash consideration prepared in accordance with the requirements of rule 11.23 and 11.24 of the Listing Rules as issued by the Malta Financial Service Authority.*

9. OFFEROR'S INTENTIONS WITH REGARD TO FUTURE BUSINESS OF THE COMPANY

9.1 Vision as a Business and Main Synergies to be pursued between the Company and the Offeror

With the acquisition of IHGH the directors believe that there are significant synergies to be leveraged. In particular, with the acquisition of the Radisson® BLU Resort St Julians, it becomes possible to transform the St George's peninsula into a unique development of the area having tremendous potential and which is planned to be marketed and promoted as the top destination in Malta. The Offeror intends to retain the Company as a distinct corporate entity, positioned as an important unit within the IHI Group and benefitting from IHI's added value in terms of financial, human and marketing resources. The Company's senior management team will be retained and tasked to execute a continuing plan for each of the Company's and its subsidiary business units.

The Radisson® BLU Resort St Julians (through Bay Point Hotel Limited) will, in the short term, continue to be operated as is, under the franchise agreement with the owner of the Radisson® BLU brand, and will be challenged to maximise earnings through a more aggressive revenue yield strategy.

The medium to long term outlook is that IHI will undertake the development of a mixed-use real-estate project extending over the sites currently occupied by the three hotels and converting the whole of the St. George's Bay Area into a unique six-star destination.



The board of directors of IHI is actively considering establishing a special purpose vehicle for the development of the St. George's Bay site intended to be able to finance the project independently and without reliance on IHI as the holding company, thus allowing IHI to develop its future strategies without any financial constraints of the project. It is the intention of the IHI board, subject to obtaining all the necessary clearances from the various authorities in a timely manner, to move towards a phased development of the project over a period of several years.

Other synergies exist with other parts of the IHGH Group, including diversification by the IHI Group in the vacation ownership market both at the accommodation level and at the marketing level, markets to which the IHI Group has so far not been exposed. The Radisson® BLU Golden Sands Resort and Spa (through the Company's 50% holding in GSR with the other 50% held by third party owners) will, accordingly, be operated as is, also under the franchise agreement with the owner of the Radisson® BLU brand, and will be focused on maximising vacation ownership and hotel revenue.

IHGH is also an important player in Malta's catering sector, with event catering through ICL and the Costa franchise, the latter also in Spain, and it is the intention of IHI to adopt a plan that seeks further synergies and an amalgamation of IHGH's catering operations with IHI's own catering event business. The acquisition of Island Caterers will thus provide the right platform for the Group to consolidate its presence in the local market in the event catering business an industry segment in which the IHI Group already has an important presence.

The land at Hal Ferh is another key component of IHGH's assets and IHI intends to carry this project forward (through the Company's 50% holding in Heavenly Collection) within a comprehensive overall development plan in the medium to long term strategy of the IHI Group.

In all cases, synergies benefitting IHGH and its subsidiary companies and various business units in marketing and purchasing will be sought through a process of best practices shared with the Offeror's own hotel and real-estate management teams in Malta.

9.2 Board of Directors, Management and Employees

It is the intention of the Offeror to retain the services of Winston J. Zahra, the current CEO. As a consequence of the proposed acquisition and subsequent delisting of IHGH, the current non-executive directors will be asked to resign.

The Offeror has no intention of making any significant changes to the conditions of employment of existing management and employees. The Offeror's plans for the Company are not expected to have any immediate repercussions on the operations and employees of the Company and the Offeror itself.

10. LEGAL IMPLICATIONS OF THE OFFER

10.1 Squeeze-Out and Sell-Out Rights

As at the date of this Document and pursuant to the Conditional Agreement the Offeror already holds commitments of acceptances from Shareholders, including the Major Shareholders, of around 91% of the issued share capital of the Company, that are expected to be converted to acceptances during the course of the Acceptance period.

As a result of such acceptances the Offeror would acquire and hold more than 90% of the issued share capital and votes in the Company as at the Closing Date. If the said threshold is reached and when the Offer becomes unconditional, the Offeror intends to exercise its right set out in the Listing Rules to require all the remaining Shareholders to sell and transfer to the Offeror the remaining Shares, and each remaining Shareholder will have the right to require the Offeror to purchase the remaining Shares, in both cases at a fair price payable in cash within a maximum period of ninety (90) calendar days from the Closing Date.

In order to establish a fair price the Offeror must appoint an independent expert to draw up a report determining the price considered to be a fair and reasonable value of those Shares.

Details on any exercise of the squeeze-out rights and the Independent Expert's report will be communicated to the remaining Shareholders not exercising this conditional voluntary offer by means of a Company announcement published through the Malta Stock Exchange.



10.2 De-listing

Following completion of the Offer, and dependent upon the number of Shares acquired by the Offeror pursuant to the Offer, the Offeror intends to propose to the Board of Directors and the general meeting of the Company to apply to the Listing Authority for the delisting of the Shares from the Official List of the Malta Stock Exchange on the basis that the conditions for listing can no longer be fulfilled.

Subject to any direction which may be given by the Listing Authority and subject to the observance of all procedures and formalities as set out in the Listing Rules, the Offeror intends to procure that the Company be de-listed from the Official List of the Malta Stock Exchange.

10.3 Corporate Strategy and Dividend Policy

The Company's board of directors will set its business strategy and review it from time to time in accordance with the Company's resources and objectives.

The Company's dividend policy will be determined from time to time by the Board of Directors.

11. TAX CONSIDERATIONS

11.1 Introduction

This Section is a summary of certain Maltese tax considerations relevant to the disposal of the Shares pursuant to this Offer and does not purport to be a comprehensive description of all the tax considerations that may be relevant to the Shareholders. Furthermore, this Section does not address any foreign tax considerations.

The following summary is based on applicable Maltese law in force at the time of the Offer which is subject to change and is solely intended to provide general guidelines and does not address all possible tax implications that may be relevant.

This Section, which does not constitute legal or tax advice, refers only to Shareholders who do not deal in securities in their normal trading activity and accordingly, no action or decision should be taken in reliance on such comments without first obtaining professional advice as regards Maltese and any foreign tax(es) that may be relevant to the transfer of Shares pursuant to the Offer.

11.2 Capital Gains on Disposal of Shares

In terms of the Income Tax Act, income tax is chargeable, *inter alia*, on capital gains arising from the transfer of shares or securities or any rights over such shares or securities.

However, in accordance with current legislation, insofar as the Shares of IHGH remain listed on the Malta Stock Exchange, no income tax on capital gains is chargeable on any transfer of these Shares.

11.3 Duty on Documents

In terms of the Duty on Documents and Transfers Act, a duty (commonly referred to as 'stamp duty') is chargeable on a transfer of shares in Malta.

However, the Financial Markets Act provides that no duty is payable in the case of a transfer of shares of a company listed on the Malta Stock Exchange.

11.4 Shareholder Tax Liabilities

The Offeror shall not be liable to cover any tax liabilities incurred directly by the Company for the purposes of this transaction.

Shareholders accepting this Offer shall be responsible for any tax liability arising as a result of the settlement and any costs and expenses incurred in obtaining tax advice.



12. ANNEX 1 – SPECIMEN ACCEPTANCE FORM



INTERNATIONAL HOTEL INVESTMENTS P.L.C.

ACCEPTANCE FORM

VOLUNTARY PUBLIC TAKEOVER BID BY INTERNATIONAL HOTEL INVESTMENTS P.L.C. FOR ALL THE ISSUED SHARE CAPITAL OF ISLAND HOTELS GROUP HOLDINGS PL.C.

The Terms and Conditions set out in the Offer Document dated 1 July 2015 are an integral part of, and are incorporated by reference into, this Acceptance Form and are applicable to the Voluntary Public Takeover Bid by International Hotel Investments p.l.c. in respect of all the issued Shares in Island Hotels Group Holdings p.l.c. (the "Offer"). By completing, signing and delivering this Acceptance Form, you agree to be bound by the Terms and Conditions set out in the Offer Document and you are thereby deemed to have accepted them.

A SHAREHOLDER DETAILS

		MSE Account No.
		ID Card No.
Tel No.	Mobile No.	Email

B ACCEPTANCE OFFER Mark with an "X" either box "A" or box "B" below to indicate your preference

	Registered holding of Ordinary Shares at close of business on 30 June 2015 (the "Record Date")
A.	I/ We the undersigned have received and reviewed the Offer Document dated 1 July 2015 and accept the Offer, in accordance with the terms and conditions as set forth in the Offer Document, in respect of ALL my/our Shares in Island Hotels Group Holdings plc held as at the date of this Acceptance Form.
B.	I/ We the undersigned have received and reviewed the Offer Document dated 1 July 2015 and accept the Offer, in accordance with the terms and conditions as set forth in the Offer Document, in respect of PART of my/our Shares in Island Hotels Group Holdings plc held as at the date of this Acceptance Form.*

*In the event you have ticked box B above please indicate the number of Shares for which you are accepting the Offer by completing Box C of this Panel B.

C.	TOTAL No. OF SHARES (in figures)	TOTAL No. OF SHARES (in words)
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C CONSIDERATION AND BANK DETAILS Mark with an "X" either box "A" or box "B" below to indicate your preference

A.	I/We hereby accept to receive the Combined Consideration, with the Cash Component being credited to my/our Bank account details of which appear in Box C of this Panel C, and the IHI Shares being credited to my/our MSE account number set out in Panel A above.
B.	I/We hereby elect and accept to receive the Cash Alternative in consideration of our acceptance of the Offer, to be credited to my/our Bank account, details of which appear in Box C of this Panel C.

C.	Bank Name & Branch:	
	Account Name:	
	Account Number (IBAN):	
	Account Currency:	

The Account name must match the name(s) of the Shareholder(s) as indicated in the Shareholder Details in Panel A above. No payment will be effected to bank accounts held in the name of third parties.

D DECLARATION OF SHAREHOLDERS

I/We the undersigned Shareholder/s of Island Hotels Group Holdings plc, having read and fully understood the notes for completing this Acceptance Form appearing overleaf, and all the terms and conditions set forth in the Offer Document dated 1 July 2015 for a Voluntary Public Takeover Bid by International Hotel Investments plc in respect of all the issued Shares in Island Hotels Group Holdings plc, hereby confirm my/our Acceptance of the Offer as set out in this form. I/We confirm that our Acceptance is being made solely on the basis of the Offer Document dated 1 July 2015 and that I / we am/are duly authorised as necessary to submit this Acceptance Form.

Signature

Date

(Both parents or legal guardian/s are/is to sign if the Shareholder is a minor. All parties are to sign in the case of joint Shareholders. Both the bare owner/s and the usufructuary/ies are to sign where the Shares are subject to usufruct.)



IMPORTANT NOTES FOR COMPLETING THIS ACCEPTANCE FORM

This Acceptance Form should be read in conjunction with the Offer Document. The Offer Document and the Terms and Conditions set out therein are deemed to be incorporated in, and to form part of, this Acceptance Form, and should be read carefully by each Shareholder. Any terms capitalised in this Acceptance Form shall have the same meaning ascribed thereto in the Offer Document.

The Offeror strongly recommends that Shareholders seek appropriate investment, financial, tax and / or legal advice from duly qualified, and where applicable, licensed or authorised, professionals and / or firms in connection with the Offer, the Offer Document and before completing this Acceptance Form.

1. This Acceptance Form must be duly completed and signed by Shareholders wishing to accept the Offer made by the Offeror pursuant and subject to the terms and conditions set out and in the Offer Document. Any third party with registered pledges, encumbrances or other third party rights must sign the Acceptance Form and thereby waive its rights in the Shares sold in the Offer and approve the transfer of the Shares to the Offeror free and clear of any such pledges, encumbrances and any other third party rights.
2. This Acceptance Form should be completed in BLOCK CHARACTERS.
3. In case of **joint Shareholders**, the Acceptance Form must be signed by each such Shareholder.
4. Where the Shareholder is a **legal person**, the Acceptance Form must be signed by the person/s authorised to sign and bind such Shareholder. It shall not be incumbent upon the Offeror to verify the signatures but the Offeror reserves the right to do so.
5. Where the Shareholder is a **minor**, both parents or legal guardian/s should sign the Acceptance Form, which may be accompanied by a Public Registry birth certificate of the minor or evidence of legal guardianship, as the case may be. The Offeror reserves the right to request a copy of such documents before proceeding to process the Acceptance Form, including, where applicable a certified true copy of a Civil Court (Family Section) decree, obtained from the Court's Registry, authorizing such sale in terms of article 136(4) of the Civil Code (Cap. 16 of the laws of Malta).
6. If the name appearing on the register of the Central Securities Depository as at close of trading on the Record Date is that of a **deceased Shareholder** or if a Shareholder dies prior to having delivered the Acceptance Form to the Offeror, the Acceptance Form must be signed by the lawful successors in title of the deceased Shareholder. For this purpose, the successors in title of the deceased Shareholder must contact the Offeror within the Acceptance Period in order to produce adequate documentary proof to the satisfaction of the Offeror, in order to enable it to verify their status as lawful successors of the deceased Shareholder.
7. Where the Shares are held subject to **usufruct**, the Acceptance Form must be signed by both the bare owner/s and usufructuary/ies.
8. It shall not be incumbent on the Offeror to verify the signatory/ies to the Acceptance Form, although it reserves the right to do so.
9. By signing this Acceptance Form, the Shareholder/s will be deemed to have declared and agreed that: settlement of the Cash Component of the Combined Consideration or the Cash Alternative (as the case may be) will be made by transfer to the EUR bank account specified by the Shareholder/s in the completed Acceptance Form. Settlement into a non-euro denominated bank account will be subject to the prevailing foreign exchange rate at the date of settlement as applicable.
10. Unless the Acceptance Period is extended by the Offeror in terms of the Offer Document, Shareholders are entitled to accept the Offer from 0830 hours on 2 July 2015 until 1700 hours on 31 July 2015 (both CET time) both days included. Any Acceptance Forms received by the Offeror after expiry of the Acceptance Period will be rejected. The Offeror reserves the right to refuse any Acceptance Form which has not been properly completed or which is otherwise in breach of the terms and conditions of this Acceptance Form and/or of the Offer Document.
11. Duly completed and signed Acceptance Forms are to be delivered in original to the Offeror as specified in the Offer Document, using the enclosed pre-printed envelope, or at the address below:

The Company Secretary, International Hotel investments plc, 22 Europa Centre, John Lopez Street, Floriana FRN 1400, Malta.

Acceptances by post are at the risk of the Shareholder/s and the Offeror disclaims all responsibility for any such Acceptances being received after expiry of the Acceptance Period.



13. ANNEX 2 – INDEPENDENT EXPERT’S REPORT



Private and Confidential

The Directors
International Hotel Investments plc
22, Europa Centre
Floriana
FRN 1400

1 July 2015

Limited assurance report on the availability of financial resources in connection with International Hotel Investments plc’s offer to acquire the entire issued share capital of Island Hotels Group Holdings plc

Introduction

This report is being prepared in accordance with the terms of our agreement with International Hotel Investments plc (‘IHI’ or the ‘Offeror’) dated 10 June 2015.

IHI is in the process of submitting an offer for the acquisition of the entire issued share capital of Island Hotels Group Holdings plc (the ‘Offer’). In connection with the Offer, IHI has prepared a document setting out the terms of the proposed transaction (the ‘Offer Document’).

As set out in the Offer Document, the bid submitted by IHI is based on the following consideration for the acquisition of the entire share capital of Island Hotels Group Holdings plc (the ‘Consideration’):

- A cash offer of €38,583,660 (‘Consideration in Cash’) of which €21,100,000 will be settled on the date of the transfer of shares to IHI (‘Settlement Date’) and the remaining €17,483,660 (‘Deferred Consideration’) settled within 12 months from the Settlement Date; and
- The issue of 9,492,000 ordinary shares in IHI.

Section 8.4 of the Offer Document contains an assertion (the ‘Offeror’s Assertion’) that the Offeror has sufficient financial resources to meet the Consideration in Cash on full acceptance of the Offer and to pay the debts incurred in connection with the Offer.

We are reporting on the Offeror’s Assertion in accordance with the requirements of rule 11.23 and 11.24 of the Listing Rules as issued by the Malta Financial Service Authority.

Responsibilities of the directors of the Offeror

The directors of IHI are responsible for preparing the Offer Document and all the assertions included therein, including the Offeror’s Assertion. They are therefore responsible to ensure that there are sufficient financial resources for IHI to settle the Consideration in Cash as this becomes due for settlement.

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The firm is registered as a partnership of Certified Public Accountants in terms of the Accountancy Profession Act. A list of partners and directors of the firm is available at 78 Mill Street, Qormi, Malta.



Our responsibilities

Our responsibility is to express a limited assurance conclusion, based solely on the information provided by the Offeror and the specific procedures set out in this report, as to whether the Offeror's Assertion is fairly stated.

Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have as advisors of the Offeror or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with our services, will extend any duty of care we may have in our capacity as advisors to the Offeror.

Basis of opinion

We have undertaken a limited assurance engagement in accordance with International Standards on Assurance Engagements – Assurance Engagements other than Audits or reviews of Historical Financial Information issued by the International Assurance Standards Board ('ISAE 3000').

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The procedures we performed for the purposes of this engagement were based on our professional judgment and were limited to the following:

- Obtaining an understanding of the sources of finance that the directors of IHI are planning to utilise in order to settle the Consideration in Cash as it falls due and any related debts incurred in connection with the Offer.
- Reviewing the documentation provided by the directors of IHI to support their assertions in relation to the planned sources of finance for the proposed transaction.
- Obtaining the latest publically available audited financial statements of IHI for the financial year ended 31st December 2014.
- Obtaining the net debt position of the Offeror as at 31st May 2015, as set out in a statement provided by the directors of IHI and analysing the effect that the planned sources of finance would have on IHI's capital structure.
- Obtaining the projected cash flow statements for IHI plc for the financial years ending 31 December 2015 and 31 December 2016 (the 'Cash Flow Projections') as included in the Financial Analysis Summary ('FAS') prepared by Charts Investment Management Service Ltd in respect of the 2015 Issue of Unsecured Bonds 2025 by IHI.
- Reviewing the adjustments to the Cash Flow Projections made by IHI's management to reflect the drawdown and servicing of the additional lines of credit that have been secured or are in the process of being secured in connection with the proposed transaction.
- Obtaining the necessary representations from the directors of IHI including confirmation that there has been no significant or material adverse change in the financial position and prospects of IHI since 31 December 2014 and that there have been no significant adverse



developments that could impact IHI's ability to drawdown on available funds and sanctioned facilities earmarked for the proposed transaction.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures and the procedures performed in response to the assessed risks.

The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement under ISAE 3000. Consequently the level of assurance obtained in a limited assurance engagement is substantially less than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

Our engagement is inherently limited to the extent that:

- The lines of credit referred to in the Offeror's Assertion earmarked to finance the Deferred Consideration of €17,483,660, had not yet been secured as at the date of our report; and
- The financing of the Deferred Consideration is also dependent on the projected cash generation of the IHI Group as set out in the Cash Flow Forecast. For the purposes of our engagement, we have not tested the underlying assumptions of the Cash Flow Forecast. Because events and circumstances frequently do not occur as expected, there will usually be differences between predicted and actual results, and those differences may be material. We take no responsibility for the achievement of predicted results.

Conclusion

Having considered the Offeror's Assertion regarding the sufficiency of financial resources to meet the consideration as included in Section 8.4 of the Offer Document and on the basis of the specific procedures we performed as outlined in this report, nothing has come to our attention that would indicate that the Offeror's Assertion is not fairly stated.

Yours faithfully

Lucienne Pace Ross
Partner