



Grand Harbour Marina p.l.c.
Information Memorandum

Dated 25th January 2010

ISSUE OF €10 million 7% Bonds 2017 – 2020
(subject to an over-allotment option of an additional €2 Million)

Manager & Registrar

HSBC 
The world's local bank

Legal Counsel to the Bond Issue

CAMILLERI PREZIOSI
ADVOCATES

Legal Counsel to Issuer

**Guido de Marco
& Associates**
ADVOCATES

Financial Advisors

 **Finco**

Sponsor

 **RIZZO FARRUGIA**
YOUR INVESTMENT CONSULTANTS

INFORMATION MEMORANDUM DATED 25th JANUARY 2010 & ISSUED BY GRAND HARBOUR MARINA P.L.C.

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA
WITH COMPANY REGISTRATION NUMBER C 26891

THIS DOCUMENT IS BEING PUBLISHED BY GRAND HARBOUR MARINA P.L.C. (THE "ISSUER") IN CONNECTION WITH THE BOND ISSUE AND CONTAINS A BRIEF DESCRIPTION OF THE ISSUER AND THE TERMS AND CONDITIONS OF THE BONDS. THIS DOCUMENT IS NOT ITSELF AN OFFER FOR SUBSCRIPTION BUT CONTAINS SUMMARISED INFORMATION TAKEN FROM THE PROSPECTUS DATED 25 JANUARY 2010 (THE "PROSPECTUS"). THIS DOCUMENT SHOULD NOT BE CONSTRUED AS A PROSPECTUS. IT DOES NOT PURPORT TO BE COMPLETE AND IS SUBJECT TO, AND QUALIFIED BY REFERENCE TO THE PROSPECTUS WHICH ALL POTENTIAL APPLICANTS ARE SOLICITED TO READ. ALL APPLICATIONS RECEIVED SHALL BE TREATED AS APPLICATIONS BASED SOLELY ON THE INFORMATION CONTAINED IN, AND SUBJECT TO, ALL THE TERMS AND CONDITIONS OF THE PROSPECTUS. ALL APPLICANTS SHALL BE DEEMED TO HAVE READ AND TO BE COGNIZANT OF, AND IN AGREEMENT WITH, THE TERMS OF THE PROSPECTUS. THE DIRECTORS OF THE ISSUER HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT THE FACTS STATED ARE TRUE AND ACCURATE IN ALL MATERIAL RESPECTS AND THAT THERE ARE NO MATERIAL FACTS THE OMISSION OF WHICH WOULD MAKE MISLEADING ANY STATEMENT HEREIN WHETHER OF FACT OR OF OPINION. ALL DIRECTORS ACCEPT RESPONSIBILITY ACCORDINGLY.

GRAND HARBOUR MARINA P.L.C. (THE "ISSUER") IS ISSUING THE EQUIVALENT OF €10,000,000 IN BONDS DUE 2017]-2020 OF A NOMINAL VALUE OF €100 PER BOND, ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 7% PER ANNUM, PAYABLE SEMI-ANNUALLY ON THE 25 FEBRUARY AND 25 AUGUST OF EACH YEAR, PROVIDED THAT IN THE EVENT OF OVER-SUBSCRIPTION, THE ISSUER MAY, AT ITS SOLE DISCRETION, ISSUE ADDITIONAL BONDS NOT EXCEEDING €2,000,000 AT PAR. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 25 FEBRUARY 2020 UNLESS OTHERWISE PREVIOUSLY REDEEMED OR CANCELLED. UNLESS THE ISSUER EXERCISES THE OPTION TO REDEEM ALL OR PART OF THE BONDS ON ANY OF THE EARLY REDEMPTION DATES, BY GIVING NOT LESS THAN SIXTY (60) DAYS NOTICE, IT SHALL REDEEM THE BONDS ON THE REDEMPTION DATE FALLING 25 FEBRUARY 2020.

INVESTING IN THE BONDS INVOLVES RISKS. SEE "RISK FACTORS" PART B OF THE PROSPECTUS.

THE BONDS CONSTITUTE THE GENERAL, DIRECT, UNCONDITIONAL AND UNSECURED OBLIGATIONS OF THE ISSUER AND SHALL AT ALL TIMES RANK PARI PASSU, WITHOUT ANY PRIORITY OR PREFERENCE AMONG THEMSELVES AND WITH OTHER UNSECURED DEBT.

APPLICATION HAS BEEN MADE TO THE LISTING AUTHORITY IN ITS CAPACITY AS THE COMPETENT AUTHORITY UNDER THE FINANCIAL MARKETS ACT (CAP. 345 OF THE LAWS OF MALTA) FOR THE BONDS TO BE ADMITTED TO LISTING ON A REGULATED MARKET AND TO THE BOARD OF DIRECTORS OF THE MSE FOR THE BONDS TO BE ADMITTED TO THE OFFICIAL LIST. DEALINGS ARE EXPECTED TO COMMENCE ON THE MSE ON 9 MARCH 2010. THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS INFORMATION MEMORANDUM, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THIS INFORMATION MEMORANDUM.

THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL UPON REDEMPTION IN THE RESPECTIVE CURRENCY OF ISSUE. IF YOU NEED ADVICE YOU SHOULD CONSULT A LICENSED STOCKBROKER OR AN INVESTMENT ADVISOR LICENSED UNDER THE INVESTMENT SERVICES ACT, (CAP. 370 OF THE LAWS OF MALTA).

ALL TERMS USED IN THIS DOCUMENT SHALL UNLESS OTHERWISE DEFINED OR UNLESS THE CONTEXT OTHERWISE REQUIRES HAVE THE SAME MEANINGS ASSIGNED TO THEM IN THE PROSPECTUS. THIS IS NOT A PROSPECTUS IN TERMS OF LAW. THE PROSPECTUS IS AVAILABLE FROM AUTHORISED DISTRIBUTORS LISTED IN ANNEX 3 OF THE PROSPECTUS.

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1 DEFINITIONS

In this Information Memorandum the following words and expressions shall bear the following meanings except where the context otherwise requires:

Act	the Companies Act. Cap. 386 of the Laws of Malta;
Applicant	a person, or persons, whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
Application/s	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to the Registrar, or to any of the Financial Intermediaries;
Application Form	the form of application of subscription for Bonds, specimen of which are contained in Annex 1 and 2 of the Prospectus;
Bond(s)	the €10,000,000 bonds of a face value of €100 per bond redeemable on the Redemption Date or, at the option of the Issuer, on any Early Redemption Dates, bearing interest at the rate of 7% per annum and redeemable at their nominal value; or in the case of over-subscription by investors and the exercise by the Issuer of the Over-Allotment Option, such higher value of bonds as in aggregate would not exceed €2,000,000 in value of bonds issued pursuant to the Prospectus;
Bondholder	a holder of Bonds;
Bond Issue	the issue of the Bonds by the Issuer subject to the terms and conditions contained in the Prospectus;
Bond Issue Price	the price of €100 per Bond;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
CNMI	Camper & Nicholsons Marina Investments Limited, a limited liability company incorporated under the laws of Guernsey with company registration number 45700 and with registered office situated at 31/33, Le Pollet, St Peter Port, Guernsey GY1 3YR;
Camper & Nicholsons	Camper & Nicholsons Marinas Limited, a limited liability company incorporated under the laws of the United Kingdom with company registration number 02764678 and with registered office situated at Arcadia House, Maritime Walk Ocean Village, Southampton, Hampshire, SO14 3TL;
CSD	Central Securities Depository of the Malta Stock Exchange established pursuant to article 24 of the Financial Market Act (Cap. 345, Laws of Malta), and situated at Garrison Chapel, Castille Place, Valletta VLT 1063;
Cut-Off Date	means close of business of the 25 January 2010;
Directors or Board	the directors of the Issuer as set out in section 3 hereof;
Early Redemption Date/s	any day falling between and including the 25 February 2017 and the 25 February 2020;
Euro or €	the lawful currency of the European Monetary Union of which the Republic of Malta forms part;
Financial Intermediaries	the authorised financial intermediaries referred to in Annex 3 of the Prospectus;
Grand Harbour Marina or Marina	the marina developed by the Issuer and situated at the Dockyard Creek, within the limits of Senglea, Cospicua and Birgu, Malta;

Interest Payment Dates	Semi-annually on the 25 February and 25 August of each year between and including each of the years 2010 and the year 2020, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day and provided further that the first Interest Payment Date in the year 2010 shall be the 25 August 2010;
Issue Date	expected to be on the 22 February 2010;
Issue Period	the period between 11 February 2010 to 15 February 2010 (or such earlier date as may be determined by the Issuer in the event of over-subscription) during which time the Bonds are in issue;
Issuer	Grand Harbour Marina p.l.c.;
Listing Authority	the MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act, 1990 (Cap.345, of the Laws of Malta) by virtue of L.N. 1 of 2003;
MFSA	Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act, 1988 (Cap.330, Laws of Malta);
Official List	the list prepared and published by the MSE as its official list in accordance with the MSE Bye-Laws;
Over-Allotment Option	the option of the Issuer, at its sole and absolute discretion, to increase the Bond Issue by a maximum of an additional €2,000,000 7% Bonds in the event of over-subscription of the Bond Issue;
MSE	the Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act, 1990 (Cap.345 of the Laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta and company registration number C 42525;
Preferred Applicants	any person, whether natural or legal, who as at the Cut-Off Date:- a) is listed in the register of members of the Issuer as being holders of the ordinary share capital of the Issuer; or b) is registered by the Issuer as being the holder of a berth licence within the Marina;
Prospectus	The prospectus issued by Grand Harbour Marina p.l.c. on the 25 January 2010, together with the summary contained in Part A thereof;
Redemption Date	25 February 2020, or at the Issuer's sole discretion, any of the Early Redemption Dates;
Redemption Value	the nominal value of each Bond;
Regulation	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus;
Terms and Conditions	the terms and conditions of the Bond Issue as contained in section 38 of the Prospectus.

2 RISK FACTORS

Investors ought to carefully consider the following matters, and other information contained in the Prospectus, before making any investment decision regarding the Bonds. Should these risks materialise, they could have a serious effect on the Issuer's financial results, trading prospects and the ability of the Issuer to pay the Bonds and interest thereon.

2.1 General Risks

2.1.1 Forward-Looking Statements

This Information Memorandum contains "forward looking statements" which include, among others, statements concerning matters that are not historical facts and which may involve projections of future circumstances. These forward looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer's Directors. No assurance is given that the future results or expectations will be achieved.

2.1.2 General External Factors

The Issuer is subject to risks which are common to the marina industry and to the economy in general, certain of which are beyond its control, including political, social and economic negative changes. The financial performance of the Issuer may be negatively affected by such external factors.

2.1.3 Global Financial and Economic Crisis

Since mid-2007, extreme volatility and disruption in global capital and credit markets has had, and continues to have, an impact on the performance of the economy worldwide. The sharp global reduction in business activity, exchange rate fluctuations, the general uncertainty and consumer confidence and decreasing disposable income may have a material adverse effect on the Issuer's performance.

2.1.4 Controlling Person Liability

The Issuer may, in the future, have controlling interests in certain investments through companies or other entities or may own such investments directly. In certain jurisdictions, failure to supervise management, violation of government regulations or the characteristics of limited liability of business ownership being ignored, may result in the Issuer suffering a significant loss.

2.1.5 Counterparty Risk

The Issuer may enter into transactions which would expose the Issuer to the credit risk of third parties and their ability to satisfy the terms of such contract. In the event of a bankruptcy or insolvency of such third parties, the Issuer could experience significant losses.

2.1.6 Interest Rate Risk

An increase in interest rates on the Issuer's existing or future borrowings may increase the costs of the Issuer's borrowings and may have an adverse effect on the profitability of the Issuer and the market price of the Bonds.

2.1.7 Uninsured Losses

The Issuer will aim to ensure that all of its property assets are adequately insured. However, changes in the cost or availability of insurance or acts of God could expose the Issuer to uninsured losses which may result in the value of the Issuer's property assets being reduced by the amount of that uninsured loss.

2.1.8 Currency Risk

The Issuer may make investments in currencies other than Euros (the base currency of the Issuer). Changes in rates of exchange may have an adverse effect on the value, price or income of such investments from year to year to the extent that the Issuer does not hedge against such exchange movements.

2.1.9 Key Personnel

The Issuer believes that its growth is partially attributable to the efforts and abilities of the members of its senior management and other key personnel. If one or more of the members of the team were unable or unwilling to continue in their present position, the Issuer might not be able to replace them within the short term, which could have a material adverse effect on the Issuer's business, financial condition and/or results of operations.

2.2 Risks relating to the Issuer's Business

2.2.1 Licensing of Super-yacht berths

The Issuer is exposed to the risks associated with the trends and future outlook of the Super-yacht industry as a whole. The financial performance of the Issuer significantly depends on the value, timing, and number and extent of long-term berth licence sales of its Super-yacht berths. This could therefore impact the Issuer's ability to settle or refinance its Bond obligations.

2.2.2 Relationship with Camper & Nicholsons

Camper & Nicholsons is the marina consultant and marina manager for the Issuer and the exclusive sales agent for long-term berth licences. Although, the Issuer can generate sales from sources other than Camper & Nicholsons, it relies heavily on the sales generated by, and the know-how of, Camper & Nicholsons. The Issuer also depends on Camper & Nicholsons' ability to identify, analyse, invest in projects, operate and dispose of projects and secure finance for those projects that meet the Issuer's investment criteria. Failure by Camper & Nicholsons to find projects meeting the Issuer's investment objectives and to manage investments effectively could have a material adverse effect on the Issuer's business, financial condition and results of operations. The contract with Camper & Nicholsons and the Issuer (as described in Section 14.2) is due to expire in June 2010. Whilst the Issuer is confident that the said contract shall be renewed, it cannot guarantee that it is able to keep the existing relationship or replace it with other relationships on similar terms.

2.2.3 Investment Objectives

There can be no guarantee that the investment objectives of the Issuer will be met. Meeting its objectives is a target but cannot be guaranteed. The ability of the Issuer to implement its strategy in an effective and efficient manner may be limited by its ability to source appropriate investments in which to invest, inside and outside of Malta. The Issuer does not have a history of investments outside of the Marina. The assets in which the Issuer invests may not reach occupancy levels or pricing as intended in a timely fashion or at all which may impact adversely on the returns to the Issuer.

2.2.4 Concession, Lease or Build-Operate-Transfer ("BOT") risks

The Issuer may hold investments in its portfolio under the terms of lease agreements, BOT Agreements or like concessions. Such leases, BOT Agreements or concessions may contain terms and conditions which, if breached, may expose the Issuer to the cost of damages and/or termination of the concession without compensation.

2.2.5 Impact of Law and Governmental Regulation

The Issuer, and developers with whom the Issuer deals, will need to comply with the laws and regulations, whether in Malta or in other jurisdictions, relating to environment, planning, land use and development standards which may be subject to change. The institution and enforcement of such laws and regulations could have the effect of exposing the Issuer to high level of liability, increasing the expense and lowering the income or rate of return from, as well as adversely affecting the value of, the Issuer's investments. New laws may be introduced, which may be retrospective and could affect environmental, planning, land use and development regulations.

2.2.6 Nature of the Issuer's Investments

Investments in marinas and marina related real estate may be relatively illiquid. The Issuer will be subject to the general risks incidental to the ownership and operation of marinas and marina related real estate, including those associated with the general economic climate, and local marina and

marina related real estate conditions, the level of the supply of, or demand for, marinas in an area, various uninsurable and insurable risks – for which the Issuer may not be adequately insured and which can be material. The marketability and value of investments held by the Issuer will, therefore, depend on many factors beyond the control of the Issuer and there is no assurance that there will be either a ready market for any investments or that such investments will be sold at a profit or will yield positive cash flow.

2.2.7 Development Risk

The Issuer may be subject to risks associated with the development of marinas and marina related real estate, including the risk relating to project financing, planning permits, delays, cost over-run, legal disputes such as title dispute and counterparty risk.

2.2.8 Valuation Risk

Valuations of marinas and marina related real estate may be complex as there may be no liquid market or pricing mechanisms. As a result, valuations could be subject to uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where such sales occur shortly after the date of the valuation.

2.2.9 Concentration Risk

The Issuer expects to participate in a limited number of investments and, as a consequence, the aggregate return of the Issuer may be substantially adversely affected by the unfavourable performance of even a single investment. As at the date of this Information Memorandum, the only investment held by the Issuer is the Marina. Bondholders have no assurance as to the degree of diversification, if at all, in the Issuer's investments, either by geographic region or asset type.

2.2.10 Competition

The Issuer may be subject to competition, both in Malta and elsewhere. Competition and changes in economic and market conditions could adversely affect the Issuer's business and operating results. The relevant authorities may create additional marina capacity and international competition may affect the Issuer's performance. Some of the Issuer's competitors may have greater resources and the Issuer may not be able to compete successfully for investments. Furthermore, competition for investments may lead to the price of such investments increasing, which may limit the Issuer's ability to generate its desired returns.

2.2.11 Joint Arrangement Risk

The Issuer's investments may be held through joint arrangements with third parties, meaning that the ownership and control of such assets is shared with such third parties. As a result, certain decisions relating to the assets and operation, including the making of distributions and right to dispose of investments, may depend upon the consent or approval of such third parties. Disputes may arise between the Issuer and third party partners which could mean that the Issuer may not be able to manage or deal with a particular investment in the way it would wish and this may adversely affect the Issuer's results of operations.

2.3 Risks Relating to the Bonds

- 2.3.1 The Bonds have not been traded before and therefore the Issuer cannot ensure the Bonds will be traded at the level of €100 per Bond on the market.
- 2.3.2 The existence of an active market for the Bonds depends on a number of factors, including the availability of willing buyers and sellers of the Bonds. This is something which is beyond the control of the Issuer. Therefore, the Issuer cannot ensure that the Bonds may be traded during their lifetime and also cannot ensure that they will be traded at or above €100 per Bond.
- 2.3.3 It is possible that the Issuer's results of operations or its business outlook may fall short of expectations, in which case the price of the Bonds could be negatively affected.
- 2.3.4 Investment in the Bonds involves the risk that future changes in interest rates may negatively affect the value of the Bonds.
- 2.3.5 A Bondholder will suffer the risk of any changes in exchange rates between euro (currency of the Bonds) and the Bondholder's actual currency of reference, if different.
- 2.3.6 The Issuer cannot predict the effect that any future public offerings of the Issuer's securities, or any takeover or merger activity of the Issuer, will have on the market price of the Bonds.
- 2.3.7 The Bonds constitute the general, direct, unconditional, and unsecured debt obligations of the Issuer and shall at all times rank equally, without any priority or preference among themselves and with other unsecured creditors.

In essence, this means that if the Issuer does not have enough assets to pay all its debts, other creditors that were given security by the Issuer will be paid before the Bondholders and in that case Bondholders will have to compete with other creditors having the same ranking for the remaining assets of the Issuer. This is due to the fact that the Bonds are unsecured and therefore Bondholders are not provided with a preference over other creditors of the Issuer.

Furthermore, subject to the negative pledge clause (Section 38.8 of the Prospectus), third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.

- 2.3.8 The Issuer may redeem all or part of the Bonds on any of the Early Redemption Dates, together with any accrued and unpaid interest until the time of redemption. This optional redemption feature may condition the market value of the Bonds.
- 2.3.9 In the event that the Issuer wishes to change any of the Terms and Conditions of Issue of the Bonds it must call a meeting of Bondholders in accordance with the provisions of 38.14 of the Prospectus which says that a majority of Bondholders may bind all Bondholders even those who did not attend and vote at the meeting, and those that attended and voted differently to the majority.
- 2.3.10 The terms and conditions of this Bond Issue are based on Maltese law in effect as at the date of the Prospectus. The law, practices and court judgements may change after the date of the Prospectus.
- 2.3.11 An investment in the Bonds may not be suitable for all recipients of the Prospectus and investors are advised to consult their advisors as to the suitability or otherwise of the Bonds before investing.

3 IDENTITY OF DIRECTORS, SENIOR MANAGEMENT, ADVISORS AND AUDITORS

Directors:	Lawrence Zammit Nicholas Maris Trevor Ash John Hignett Roger Lewis
Senior Management:	Ben Stuart (General Manager) Camper & Nicholsons (Marina Management)
Legal Counsel to the Bond Issue:	Camilleri Preziosi Level 3, Valletta Buildings, South Street Valletta VLT 1103 Malta
Legal Counsel to the Issuer:	Guido de Marco & Associates 9, Britannia House, Level 2, Old Bakery Street, Valletta, VLT 1450 Malta
Sponsor:	Rizzo Farrugia & Co. (Stockbrokers) Ltd Airways House, Third Floor, High Street, Sliema SLM 1549 Malta
Manager & Registrar:	HSBC Bank Malta p.l.c. 233, Republic Street, Valletta, VLT 1116 Malta
Financial Advisors:	Finco Treasury Management Limited Level 5, the Mall Complex, The Mall, Floriana FRN1470 Malta
Auditors:	KPMG Portico Building, Marina Street, Pieta, PTA 9044 Malta

The annual statutory financial statements of the Issuer for the financial year ended 31 December 2007 and 31 December 2008 have been audited by KPMG. KPMG is a firm of Certified Public Accountants holding a Practising Certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Cap. 281, Laws of Malta).

4 HISTORICAL DEVELOPMENT & INFORMATION ABOUT THE ISSUER

The Issuer	
Full Legal & Commercial Name of Issuer:	Grand Harbour Marina p.l.c.
Registered Address:	Vittoriosa Wharf, Vittoriosa, BRG 1721, Malta
Place of registration & Domicile:	Malta
Registration Number:	C 26891
Date of registration:	31 August 2000
Legal Form	Public Limited Liability Company
Telephone Number:	+356 21 800 700

The Issuer was first established on 31 August 2000, as a private company under the Act. On 4 September 2001, the Issuer acquired the rights to develop and operate Grand Harbour Marina, located in that part of the Grand Harbour in Malta known as Dockyard Creek for the 97-year balance of a 99-year sub-emphyteusis. In January 2003, the Issuer received a full development permit from Malta Environment & Planning Authority and in December 2003 obtained a practical completion certificate for the Grand Harbour Marina. Practical completion of the marina occurred in 2003 whilst in 2005 the Marina was officially opened by Her Majesty Queen Elizabeth II. Grand Harbour Marina was completed to high standards with its mooring systems certified by Bureau Veritas. Grand Harbour Marina has also secured ISPS certification (International Ship and Port Security Code).

In preparation of the initial public offering of the Issuer in 2007, the Issuer was converted into a public limited company in accordance with section 213 of the Act and is currently duly registered and existing as a public company pursuant to the Act.

On 1 March 2007, the ordinary share capital of the Issuer was admitted to the Official List of the Malta Stock Exchange following a successful initial public offering of 30% of the Issuer's shares. Subsequently, an offer was made to the then shareholders by CNMI which as a result acquired 79.2% of the issued share capital of the Issuer. CNMI is a closed-ended investment company registered and incorporated in Guernsey under the Companies (Guernsey) Law, 1994 (as amended) with registered number 45700 and is listed on the Alternative Investment Market of the London Stock Exchange.

CNMI presently also owns the Port Louis Marina in Grenada West Indies and through a Joint Venture the Cesme Marina in Cesme, Turkey.

5 SELECTED FINANCIAL INFORMATION

Extracts from the audited financial statements of the Issuer for the two financial years ended 31 December 2007 and 2008 and from the interim unaudited half-yearly financial statements for the period from 1 January 2009 to 30 June 2009, are set out below.

Condensed Statement of Comprehensive Income

	1 Jan 2008 to 31 Dec 2008	1 Jan 2007 to 31 Dec 2007	1 Jan 2009 to 30 Jun 2009 (6 months)	1 Jan 2008 to 30 Jun 2008 (6 months)
	€'000	€'000	€'000	€'000
Revenue	2,497	11,177	926	1,080
Personnel expenses	(307)	(213)	(151)	(142)
Directors' emoluments	(44)	(138)	(22)	(23)
Depreciation expense	(335)	(285)	(168)	(142)
Other operating expenses	(2,053)	(3,501)	(703)	(892)
Results from operating activities	(242)	7,040	(118)	(119)
Finance income	140	23	13	83
Finance expenses	(297)	(483)	(154)	(127)
Net finance costs	(157)	(460)	(141)	(44)
(Loss) / profit before income tax	(399)	6,580	(259)	(163)
Income tax (expense) / credit	(12)	(2,678)	91	78
Total comprehensive (loss) / income for the period	(411)	3,902	(168)	(85)
(Loss) / earnings per share (in Euros)	(0.04)	0.39	(0.02)	(0.01)

Condensed Statement of Financial Position

	At 30 Jun 2009	At 31 Dec 2008	At 31 Dec 2007
	€'000	€'000	€'000
ASSETS			
Non-current assets	8,772	8,807	8,877
Current assets	2,938	3,061	8,796
Total assets	11,710	11,868	17,673
EQUITY			
Total equity	4,396	4,564	6,975
LIABILITIES			
Non-current liabilities	3,537	3,363	4,319
Current liabilities	3,777	3,941	6,379
Total liabilities	7,314	7,304	10,698
Total equity and liabilities	11,710	11,868	17,673
Net asset value per share (in Euros)	0.44	0.46	0.70

Condensed Statement of Cash Flows

	1 Jan 2008 to 31 Dec 2008	1 Jan 2007 to 31 Dec 2007	1 Jan 2009 to 30 Jun 2009 (6 months)	1 Jan 2008 to 30 Jun 2008 (6 months)
	€'000	€'000	€'000	€'000
Net cash (used in) /generated from operating activities	(369)	7,423	418	(2,503)
Net cash used in investing activities	(501)	(829)	(125)	(468)
Net cash used in financing activities	(3,036)	(768)	(351)	(2,548)
Net (decrease) / increase in cash and cash equivalents	(3,906)	5,826	(58)	(5,519)
Cash and cash equivalents at 1 January	6,323	497	2,417	6,323
Cash and cash equivalents at end of period	2,417	6,323	2,359	804
	=====	=====	=====	=====

The movement in revenue and operating results from one year to the next is mainly the result of the nature of the Issuer's business, in particular the timing of the successful conclusion of long-term licensing contracts for Super-yacht berths¹.

¹ Super Yachts are generally defined as motor or sail boats exceeding 25 metres in length.

5.1 Milestones

- | | |
|---------------------------------------|--|
| Financial year to
31 December 2007 | <ul style="list-style-type: none"> • Admission of the Issuer to the Official List of the Malta Stock Exchange; • Successful negotiation of three long-term Super-yacht berth licence agreements with combined sales proceeds exceeding €10 million; • 98% occupancy level of annual berth licenses on the pontoons available for rental. |
| Financial year to
31 December 2008 | <ul style="list-style-type: none"> • the Issuer continued to sell long-term Super-yacht licenses in 2008, albeit at a slower pace as the global economic climate worsened over the course of the year; • High level of enquiries for long-term Super-yacht licenses; • Sale of two 30 metre berths, with total sales proceeds amounting to €1,018,000; • Rental pontoon berths at the Marina close to full occupancy, waiting list of clients seeking berths maintained and strengthened; • Berth rental pricing increase by 5% across the board; • Completion of improvements to Xatt ir-Risq mooring system for six 30 metre berths; • Creation of additional 23 berths offered on a seasonal renting basis (occupied since completion); • Represented at Genoa, Monaco, Dusseldorf, London & Fort Lauderdale boat shows; • Extensive programme of face-to-face visits with leading yacht brokers, managers, shipyards, and professional intermediaries; • Payment of €2.0 million dividend. |
| Six months to
30 June 2009 | <ul style="list-style-type: none"> • Price increase of 15% for pontoon rental berths and a 50% tariff increase for visiting yachts; • Visiting and seasonal yacht revenues reached highest levels to date with strong winter occupancy, particularly on the Super-yacht berths; • Pontoon rental fees and revenue from ancillary services (excluding sales of Super-yacht licenses) increased by 62% compared to first six months of 2008; • Slightly better than breakeven at EBITDA level; • Whilst prospective berth licence sales enquiries remain strong, caution amongst buyers prevented the realisation of sales; |
| Six months to
31 December 2009 | <ul style="list-style-type: none"> • Third quarter of 2009 saw the continuation of a high level of occupancy throughout the Marina; • Pontoon berths remained full and Super-yacht berthing summer equated to 104 yachts (compared to 96 for the summer of 2008); • Notwithstanding winter bookings were late in materialising, the Issuer maintained similar berth occupancy for the period compared to winter of 2008; • Increase of occupancy on a square meter basis compared to 2008; • Whilst prospective berth license sales enquiries remained strong, caution amongst buyers prevented the finalisation of sales to date; • Actual positive requests towards negotiations; • CB Richard Ellis ² Limited, valued the Marina on the basis of market value at €20,100,000 in its valuation as at 31 December 2009. |

² CB Richard Ellis Limited with business address at St. Martin's Court, 10, Paternoster Row, London EC4M 7HP, United Kingdom. The valuation report was signed by Kenelm Cornwall-Leigh Mrics and David Batchelor Bsc Mrics and was prepared in accordance with the RICS Valuation Standards, Sixth Edition.

5.2 Future outlook

Earnings at an EBITDA level (Earnings before Interest, Taxes, Depreciation and Amortisation) excluding Super-yacht berth sales have risen over the last two years through a combination of full pontoon occupancy and tariff rises. Given that berth tariffs in Malta remain at the lower end of those in comparable privately owned Mediterranean marinas. It is reasonable to expect that these trends will be maintained in 2010.

Since 2001, the Issuer has sold a total of 12 Super-yacht berth licenses for an aggregate consideration of around €19 million. Prices for such berths over the period have increased from circa €600 per square meter of water area in 2001 to today's list prices of €2,050 and €2,250 for smaller and larger Super-yachts respectively. The value at list prices of the stock of Super-yacht berths currently available for sale at Grand Harbour Marina exceeds €30 million. Currently prospective berth license sales enquiries remain strong, although caution amongst buyers has prevented the finalisation of sales in 2009. Notwithstanding the effects of the current economic climate, the Issuer believes that the sales of long-term berth licenses will continue and will form an important part of the future revenues of Grand Harbour Marina.

6 CAPITALISATION AND INDEBTEDNESS

The following table sets out the Issuer's capitalisation and indebtedness as at 30 June 2009 and the estimate after reflecting the issue of the Bonds including the exercise of the Over-allotment Option and other forecast movement in indebtedness in the period from 1 July 2009. Information with respect to the position as at 30 June 2009 has been extracted from the unaudited half-yearly financial statements for the period from 1 January 2009 to 30 June 2009.

Interest bearing borrowings	€'000
Total bank borrowings as at 30 June 2009	4,075
Repayment of bank borrowings post 30 June 2009	(4,075)
Issue of Bond	12,000
	<hr/>
Total interest bearing indebtedness after issue of bond	12,000
	<hr/>
Shareholders' Equity	
Called up issued share capital	2,329
Retained earnings	2,066
	<hr/>
Shareholders' equity as at 30 June 2009	4,395
	<hr/>
Total capital (debt and equity) as at 30 June 2009	8,470
	<hr/>
Total capital (debt and equity) after bond issue	16,395
	<hr/>
Gearing ratio (debt is to equity) as at 30 June 2009	0.93
	<hr/>
Pro-forma gearing ratio (debt is to equity) after issue of bond	2.73
	<hr/>

The pro-forma gearing ratio (debt is to equity) after the Bond Issue based on the market value of equity of €19.8 million, calculated with reference to the closing price of the Issuer's equity as last traded on the Malta Stock Exchange of €1.98 per share, would be 0.61.

Based on CB Richard Ellis Limited's valuation opinion of the Marina as at 31 December 2009 (€20,100,000), the resulting pro-forma debt-to-value ratio after the bond issue would be 0.60.

7 BUSINESS OVERVIEW

The Issuer's principal activity is the development, operation and management of marinas and marina related real estate, with a focus on the Mediterranean.

Grand Harbour Marina

Presently the Issuer owns, under a 99 year sub-emphyteusis and operates the Grand Harbour Marina which is located within Dockyard Creek in Grand Harbour, Malta. It is bordered by the three cities of Birgu, Senglea and Cospicua and is within a 20 minute drive of Malta's international airport. The Marina is sheltered with deep water and its waterfront is bordered by restaurants, bars and a casino.

The Marina was valued in December 2009 at €20,100,000 by CB Richard Ellis. The Marina as presently configured has 197 pontoon berth for yachts up to 25 meters in length and 33 berths for yachts between 30 and 100 meters in length. Pontoon berths are in concrete and generously dimensioned with wide fairways. The berths are equipped with water and electricity connections which are directly linked to the marina management software system.

The Marina is operated from a Capitainerie which offers high quality toilets, showers and boardroom facility for berth holders.

The Marina is manned on a 24 hour basis and seven days a week and security is aided by a network of CCTV cameras.

Clients

Grand Harbour Marina's clients include yachts owned by Maltese citizens and residents, foreign visiting and annual berthholding yachts, and foreign Super-yachts

Management

The marina is managed by a General Manager who has under him a team of specialists which include berthing masters, maintenance engineers, front desk staff, accountant and others. The team in total comprises 16 direct employees.

Services Agreement with Camper & Nicholsons – Use of Brand – Sales and Marketing

Grand Harbour Marina benefits from a services contract with Camper & Nicholsons. Camper & Nicholsons has been associated with yachting since 1782, and with marinas since the early 1960's. The company has worked in more than 25 countries and is presently working in the Caribbean, Italy, Greece, Turkey, Egypt, Cyprus and China amongst others.

Since 2008, Camper & Nicholsons' operational headquarters have been in Malta where staff cover operations, human resources, business development, technical services, financial and sales and marketing functions. Camper & Nicholsons has sales staff based permanently in the Caribbean and in the South of France. It markets widely throughout Europe and the Caribbean exhibiting at leading boat shows, advertising, making direct contact with potential clients and intermediaries and maintains central and marina specific web sites. Camper & Nicholsons has created and maintains a large database of client contacts, and what it considers the most comprehensive database of international marinas and their tariffs. Over many years it has used its experience to develop marina management systems, and related software aimed at improving efficiency and revenues at marinas. It actively sources marina investment opportunities aided by its widespread brand recognition.

The Issuer's agreement with Camper & Nicholsons licenses the use of the Camper & Nicholsons brand. Additionally, the agreement gives access to Camper & Nicholsons' resources which include technical, finance, operations, and sales and marketing.

Grand Harbour Marina has access to Camper & Nicholsons' marina and client databases and knowhow, and to certain of its investment opportunities. Camper & Nicholsons' marina operating headquarters is located within the same building as Grand Harbour Marina's capitainerie.

Revenue Generating Activities

The Marinas revenues derive from three principal areas:

- the rental of berths for periods from daily up to one year;
- the sale of long-term Super-yacht berth licences entered into typically for periods of 25 years with payment being made at the commencement of the agreement and with an additional annual charge;
- the sale of utilities including electricity and water.

Additionally revenue may be generated from ancillary services such as parking, storage, concierge services, sale of fuel and other services.

Costs

The principal costs of the marina include but are not limited to:

- Salaries for berthing masters, security, accounting and other staff;
- Rental payments under the sub-empyteutical deed and insurance;
- Promotion;
- Sales and marketing;
- Fees for external management and branding;
- Repairs and maintenance.

Other Current Activities

The Issuer presently has a short term management agreement with the Malta Maritime Authority in relation to a temporary marina offering about 50 un-serviced berths located in the area of Dock No 1 in Dockyard Creek.

Potential Future Activities

The Issuer intends to continue with its plan as set out in its 2007 IPO prospectus, namely to raise additional finance to permit continued expansion within and outside of Malta. The Issuer presently foresees that investment opportunities may arise within the existing Grand Harbour Marina and its adjacent areas. These may include:

- reconfiguration options to increase the rentable and saleable areas of the marina
- acquisition of marina related real estate or rights in the vicinity
- acquisition or licensing of additional water areas

The Issuer may also consider investing in other marina investment opportunities within Malta.

The Issuer's relationship with Camper & Nicholsons gives it access to attractive investment and co-investment opportunities in international marinas and with it the ability to source, conduct due diligence acquire and operate such marinas.

For a full description of the use of Bond proceeds see Section 36 of the Prospectus.

7.1 Principal Markets of the Issuer

The Issuer's clients can be divided into three main categories:

- Annual licenses of sail and power yachts of less than 25 meters owned by Maltese citizens and residents. The Issuer's principal competitors in this category are other existing marinas within Malta which offer a total of 1,225 berths. These marinas presently include:

- Msida marina presently being privatised by Government;
- Manoel Island Marina;

- Portomaso;
- Ta' Xbiex;
- Gozo.

Tenders have also recently been issued for additional temporary marinas in Malta which would also compete for this category of business and for visiting yachts below.

- Visiting Sail and Power Yachts over 25 metres principally foreign owned
Presently only Manoel Island and Ta' Xbiex, in addition to, Grand Harbour Marina, offer significant capacity for these larger yachts. These yachts also occasionally berth for refuelling only at the Cruise Terminal in Grand Harbour.
- Long-term license holding Sail and Power Yachts over 25 metres principally foreign owned.
Presently the Issuer is not aware of any Maltese marina offering such berths. In this category Grand Harbour Marina competes with other Mediterranean Super-yacht marinas which include those located on the Spanish East coast and Balearics, the South of France, Italy, Greece, and Montenegro. Certain Tunisian marinas also offer long term berth sales

8 TREND INFORMATION

Sector dynamics (Supply demand; more boats than berths)

The underlying dynamic in the marina sector has been characterised for many years as a supply and demand imbalance in many important markets between yachts looking for berths and marinas being able to accommodate them. For instance, ICOMIA³ and UCINA⁴ estimate that in Italy there are four boats per berth, in France and Spain two boats per berth, and in Greece 17 boats per berth.

Whilst the supply of new marinas has been growing slowly, supply in some mature markets such as the South of France and the Balearics has only minimally grown in the past decade. Production of yachts has, however, continued year on year with the Super-yacht sector growing particularly rapidly with the order book rising from 283 yachts to over 1,000 in the last 10 years. For comparison in 1980 the world fleet was estimated at 200 yachts. This has put upward pressure on both berthing rental rates and on berth selling prices. Whilst some new marina supply has emerged to accommodate the fleet growth it has predominantly been in less favoured secondary or pioneering locations.

Effect of the current economic climate

It is recognised that the global economic crisis has strongly affected the delivery of smaller production yachts. However the global Super-yacht order book which stood at over 1,000 yachts at December 2008 will despite some possible cancelations still give rise to large numbers of new yachts joining the fleet over the coming two to three years. Camper & Nicholsons' view, however, is that, as past history has shown and as would be expected, recovery follows periods of economic downturn, and it expects the same to occur on this occasion.

³ International Council of Marine Industry Associations

⁴ UCINA, the Italian marine industry association (Unione Nazionale dei Cantieri e delle Industrie Nautiche e Affini).

The information extracted therefrom has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published thereby, no facts have been omitted which would render the reproduced information inaccurate or misleading.

⁵ Malta Maritime Authority Developments of Yachting Facilities in Malta, April 2009. The information extracted therefrom has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published thereby, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Malta supply and demand of rental berths

Malta too has shown an imbalance between the supply of rental berths and demand as recognised in recent studies commissioned by the Malta Maritime Authority⁵ which estimated that demand for berths exceeded supply by approximately 50%. This is evidenced by waiting lists for berths at established marinas including Grand Harbour Marina. The development pattern at Grand Harbour Marina has followed the developments that have been observed in more mature marina markets, such as the Côte d'Azur in Southern France. Once the pontoon rental berths had been fully occupied in the 2006/07 season, a waiting list of prospective berth holders emerged and the Issuer has realised price increases at rates above inflation. These increases have brought the Marina's tariffs more into line with, although generally still below, comparable tariffs of privately owned marinas elsewhere in the Mediterranean. Whilst additional berthing capacity may be created within Malta, international competitiveness suggests that it is reasonable to expect that over the medium term prices may rise at above inflation rates.

Malta supply and demand Super-yacht berths

The current global Super-yacht order book will continue to deliver new Super-yachts for the next two to three years even absent new orders. This lag in production gives time for ordering to resume and to sustain berth demand in future. Malta Super-yacht berth licence prices are competitive in price and terms with comparable marinas⁶. Malta is attractive for a wide range of reasons, summarised in the section below, particularly to foreign yacht owners. It is reasonable to assume continued demand for long term Super-yacht berths at Grand Harbour Marina.

Malta as a destination and homeport

Malta has a strong seafaring tradition and a community of yachtsmen who will provide a backbone of demand for Maltese marinas.

For foreign yachtsmen, Malta's strategic location at the middle and crossroads of the Mediterranean continues to prove attractive as it did to the navies of the past. For a motor yacht Gibraltar in the West and Turkey in the East can be reached within about 2 1/2 days, whilst most of the popular cruising grounds are within even shorter reach.

Malta has a good infrastructure to repair and maintain all sizes of yachts which include the facilities at Malta Super-yachts, the Manoel Island Yacht Yard, and the yacht yard at Kalkara together with the related service support companies.

Malta's government has been supportive of the yachting sector over many years and there is a strong favourable legislative framework for registration, certification, coupled with a sector supportive taxation regime. The wide use of the English language amongst the Maltese population and a competitive cost of living are also favourable considerations. Malta's culture, historical architecture, climate, range of entertainment and shops, cuisine and various marine and other sports have also proved popular with visiting yachts.

For these reasons Malta has proven attractive as a home port for foreign yacht owners and the factors which led to this are likely to continue.

There has been no material adverse change in the prospects of the Issuer since the date of its last published unaudited interim financial statements, that is, 30 June 2009.

⁶ This statement has been on the basis of the information produced by Camper & Nicholsons as the same has been reproduced in Section 28 of the Prospectus, in particular Table 3 contained therein.

9 BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Board of Directors described in Section 3 hereof manages the Issuer. The board of directors is responsible for the overall management, establishing policy guidelines for the management thereof, including the responsibility for the appointment of all executive officers and other key members of management.

Currently, the Issuer employs sixteen persons and engages the services of an additional twelve persons. The day to day management of the Issuer is entrusted to Ben Stuart, General Manager, who is also responsible for the implementation of the strategies and policies adopted by the Board of Directors.

Furthermore, in terms of a marina management agreement entered into on 1 July 2007, the Marina is also managed by Camper & Nicholsons, details of which contract can be found in Section 14.2 hereof.

Under this agreement, the Issuer has full access to all available resources of Camper & Nicholsons which include sales and marketing, finance, business development, technical, legal, IT, and HR expertise. This expertise can be applied to the operations at Grand Harbour Marina as well as for other projects inside and outside of Malta. As can be seen by the organisational chart shown in Section 29.2 of the Prospectus, the Issuer can draw on a whole host of resources and experts in various fields and, through the Marina management agreement, is also positively associated with the Camper & Nicholsons brand.

9.1 Audit Committee Practices

The Audit Committee's primary objective is to assist the Board in fulfilling its oversight responsibilities over the financial reporting processes, financial policies, related party transactions, risk management and internal control structure. The Audit Committee reports directly to the Board of Directors. The Committee is at all times accountable to the Board and through its Chairman, reports to the Board on a regular basis. The Committee makes recommendations to the Directors where in its view certain improvements or changes are required.

9.2 Major Shareholders

The majority of the issued share capital of the Issuer is held by Camper & Nicholsons Marina Investments Limited. In terms of the Articles of Association of the Issuer, a director who is in any way, whether directly or indirectly, interested in a contract or proposed contract or in any transaction or arrangement (whether or not constituting a contract) with the Issuer, is required to declare the nature of his interest. In addition, Article 68.2 prohibits a Director from voting on any contract or arrangement or other proposal in which he has a material and personal interest. The Issuer however discloses that the said prohibition does not apply in respect of any directors appointed to the board of the Issuer by Nicholas Maris on any matter relating to the implementation and renewal of the marina management agreement with Camper & Nicholsons. Since the adoption of such Articles, Mr Nicholas Maris does not, directly, own any shares in the Issuer. The presence of an audit committee and a number of provisions contained in the Listing Rules issued by the Listing Authority aims to minimise the possibility of any abuse of control by the major shareholder.

9.3 Conflict of Interest

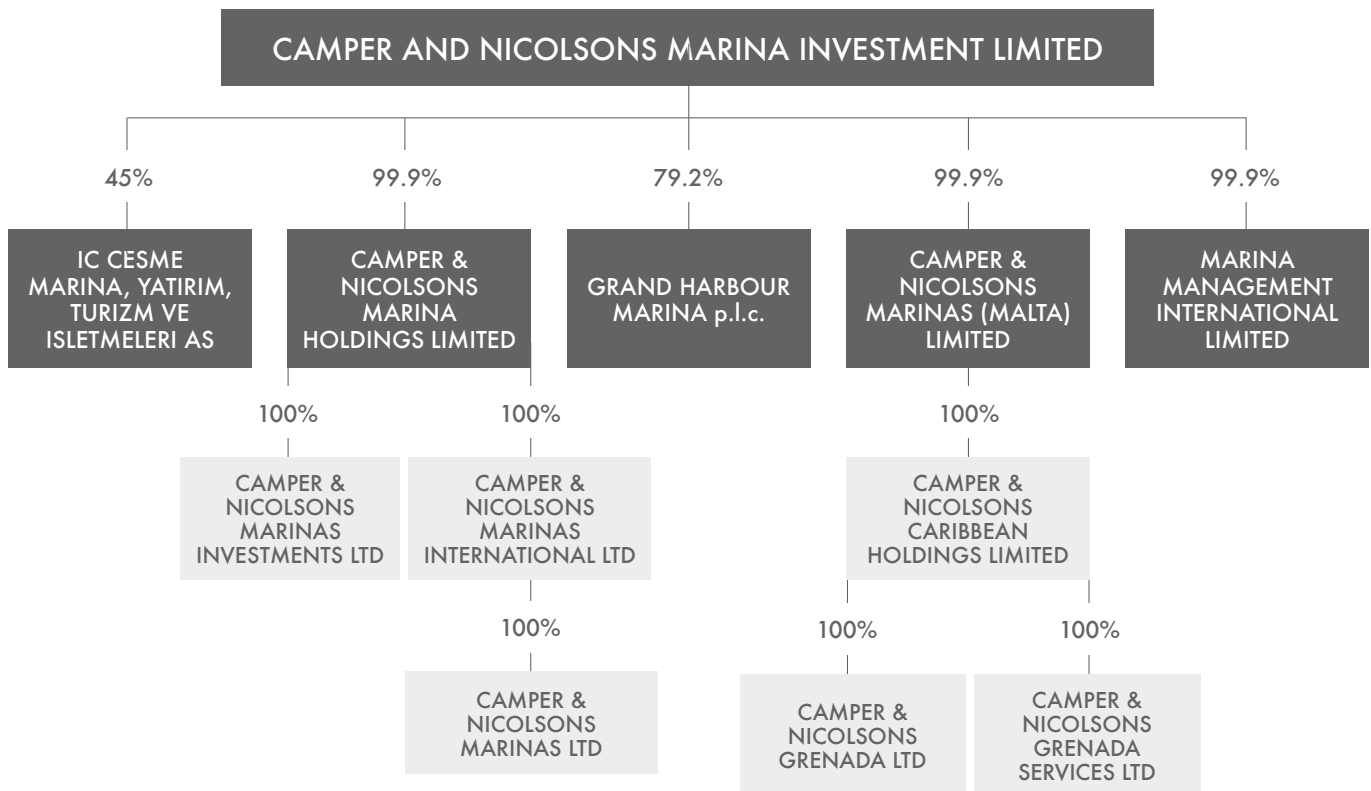
Nicholas Maris, Trevor Ash, John Hignett and Roger Lewis, all directors of the Issuer, are also directors of CNMI, the majority shareholder of the Issuer.

Furthermore, Nicholas Maris is also a director of Camper & Nicholsons Marinas Limited (defined in this Information Memorandum as Camper & Nicholsons).

The audit committee of the Issuer has the task of ensuring that any potential conflicts of interest that may arise at any moment, pursuant to these different roles held by directors, are handled according to law. To the extent known or potentially known to the Issuer as at the date of the Prospectus, there are no other potential conflicts of interest between any duties of the directors of the Issuer and their private interests and/or their other duties which require disclosure in terms of law.

10 ORGANISATIONAL STRUCTURE

The Issuer forms part of a group of companies, the parent company of which is CNMI. The following chart describes the position of the Issuer within the said group of companies: -



The corporate information on each of the above described companies can be seen in Section 26 of the Prospectus.

10.1 Dependence on entities within the group

Camper & Nicholson's (the defined term for Camper & Nicholson's Marinas Limited) is the marina consultant and marina manager for the Issuer and the exclusive sales agent for long-term berth licences. Although, the Issuer can generate sales from sources other than Camper & Nicholson's, it relies heavily on the sales generated by, and the know-how of, Camper & Nicholson's. The Issuer also depends on Camper & Nicholson's' ability to identify, analyse, invest in projects, operate and dispose of projects and secure finance for those projects that meet the Issuer's investment criteria. Failure by Camper & Nicholson's to find projects meeting the Issuer's investment objectives and to manage investments effectively could have a material adverse effect on the Issuer's business, financial condition and results of operations. The contract with Camper & Nicholson's and the Issuer

(as described in Section 14.2) is due to expire in June 2010. Whilst the Issuer is confident that the said contract shall be renewed, it cannot guarantee that it is able to keep the existing relationship or replace it with other relationships on similar terms.

11 HISTORICAL INFORMATION

The historical financial information of the issuer for the financial years ended 31 December 2007 and 31 December 2008, as audited by KPMG, are set out in the financial statements of the Issuer. Such audited financial statements are available for viewing at the registered office of the Issuer.

On the 28 August 2009, the Issuer announced its unaudited interim financial results (vide Section 5 of this Information Memorandum). The said interim financial results have not been audited or reviewed by the Issuer's independent auditors and are available for viewing at the registered office of the Issuer.

12 SIGNIFICANT CHANGE IN THE ISSUER'S FINANCIAL OR TRADING POSITION

There were no significant changes to the financial or trading position of the Issuer since the end of the financial period to which the last interim unaudited half-yearly financial statements relate (that is, 30 June 2009).

13 ADDITIONAL INFORMATION

13.1 Issued Share Capital

The authorised share capital and issued share capital of the Issuer is two million three hundred and twenty nine thousand three hundred and seventy euro (€2,329,370) divided into ten million ordinary shares of a nominal value of €0.232937 per share. All of the issued shares of the Issuer form part of one class of ordinary shares in the Issuer, which shares are listed on the MSE. The issued share capital is subscribed as follows: -

Camper & Nicholsons Marina Investments Limited holds 7,917,209 shares (79.17%).
The General Public holds, in aggregate, 2,082,791 (20.83%).

13.2 Objects

The principal objects of the Issuer are;

- a) to carry out the construction, development, operations and management of marinas; and
- b) to provide all relative services, ancillary to marina related activities including, but not limited to, the berthing, mooring and anchoring of craft, the brokerage of new and used crafts, the operation of sea school or similar training facility, the storage of yacht and other crafts, including related marine equipment ashore, the operation of a capitainerie and yacht club, the raising, slipping and launching of craft, the sale of fuels and lubricants, and the holding of yachting, boating and shipping exhibitions and events, and the repair, refit and servicing of craft and equipment.

The objects and powers of the Issuer can be found under the section 'Objects' in the memorandum of association, copies of which are available for viewing for the lifetime of the Issuer at the Registry of Companies in Malta.

14 MATERIAL CONTRACTS

14.1 Deed of Emphyteusis and Sub-Emphyteusis

On 2 June 1999, the Government of Malta entered into a deed of emphyteusis with Port Cottonera Ltd, Cottonera Waterfront Group p.l.c., Malta Maritime Authority and the National Tourism Organisation of Malta (now Malta Tourism Authority). By virtue of the said deed, the Government of Malta granted various portions of immovable property situated at Birgu. Pursuant to the same, the Malta Maritime Authority also granted to Cottonera Waterfront Group p.l.c., the exclusive right to construct and install, own, operate, develop, control and promote a yacht marina in the sea area in the Dockyard Creek, limits of Senglea, Cospicua and Birgu, including amongst others, the right to grant mooring and berthing rights to third parties under such terms and

conditions as it deems fit. The said exclusive right was granted subject to certain terms and conditions, namely, that one hundred and fifty (150) spaces, or such larger amount as agreed between the parties, must be made available for free to 'frejgatini'.

On 4 September 2001, a deed of sub-emphyteusis was entered into between the Issuer and Cottonera Waterfront Group p.l.c. whereby all marina related rights granted to the Cottonera Waterfront Group p.l.c. in the previously mentioned deed, were transferred to the Issuer, subject to the terms and conditions contained therein. The term of sub-emphyteusis is for a period of ninety nine (99) years commencing on the 2 June 1999.

14.2 Marina Management Agreement

On 1 July 2007, the Issuer entered into an exclusive marina management agreement with Camper & Nicholsons for a period of three years. The said agreement shall continue in force thereafter unless and until terminated by either party by giving not less than six (6) months prior written notice. The agreement of the 1 July 2007 replaced the marina management agreement entered into between the same parties on the 1 April 2004.

In terms of the said agreement, Camper & Nicholsons agreed to provide recruitment services, project services, commissioning, operational services, sales and marketing, berth sales, branding and auditing, subject to the terms and conditions contained therein, Camper & Nicholsons also granted the Issuer the licence to use the Camper & Nicholsons brand name and the right to associate Camper & Nicholsons Marinas Limited in the Issuer's advertising material.

It is the present intention of both the Issuer and Camper & Nicholsons to continue working together and renew the agreement in July 2010.

14.3 Development and Operations Agreement

On 30 June 2000, Cottonera Waterfront Group p.l.c. and Camper & Nicholsons Marinas Limited, entered into a development and operations agreement whereby Camper & Nicholsons Marinas Limited was appointed to develop, construct and install, own, operate, manage, control and promote the yacht marina and ancillary facilities. Cottonera Waterfront Group p.l.c. undertook to transfer the required property by way of sub-emphyteusis (which deed was subsequently published and the sub-emphyteutical granted to the Issuer on the 4 September 2001 – vide Section 14.1 above). Camper & Nicholsons subsequently substituted the Issuer with their rights under this agreement. The term of the said agreement is stated to be the unexpired term of the emphyteutical deed described in Section 14.1 above. In consideration of the functions, powers and rights granted to the Issuer, the Issuer was required to pay to Cottonera Waterfront Group p.l.c. a fee equivalent to ten per cent of the Issuer's annual turnover, subject to the terms and conditions contained therein. The agreement may be dissolved if the Issue is in default of two yearly required payments and remains in default 15 days from receipt of a judicial letter to that effect.

15 EXPERT STATEMENTS

The Issuer commissioned CB Richard Ellis Limited to issue a valuation report of the Grand Harbour Marina.

The following are the details of the said valuers: -

Name: CB Richard Ellis Limited
 Business address: St Martin's Court,
 10, Paternoster Row,
 London EC4M 7HP,
 United Kingdom
 Qualifications: David Batchelor MRICS and Kenelm Cornwall-Legh MRICS, on behalf of CB Richard Ellis Limited, are qualified to prepare valuations in accordance with The RICS Valuation Standards, Sixth Edition and are both Chartered Surveyors.

CB Richard Ellis Limited has given (and has not withdrawn) its consent for the publication of the valuation in the form and context in which it is included in the Prospectus. The said valuation is annexed to the Prospectus in Annex 4.

The effective date of the valuation contained in the said report is 31 December 2009. There can be no assurance that the value of the Marina would remain unchanged after the 31 December 2009.

16 REASONS FOR THE ISSUE AND USE OF PROCEEDS

The Issuer's intentions are presently to use the net proceeds of the Bond Issue amounting to approximately €9,550,000, or approximately €11,550,000 in the event of the exercise of the Over-allotment Option:

- i) in priority to ii) and iii) below, to exercise the Issuer's option to prepay its current loan facility of €3.8 million with HSBC Bank Malta p.l.c.;
- ii) for further waterside and landside investments within the Marina itself and within Malta; and
- iii) potentially to co-invest with Camper & Nicholsons in existing and new investment marinas outside of Malta with a focus on the Mediterranean.

For further details on the use of Bond proceeds, see Section 36 of the Prospectus.

17 EXPENSES

Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €450,000. There is no particular order of priority with respect to such expenses. Accordingly, the net amount of proceeds from the Bond Issue is estimated to be €9,550,000 or, in the case of the exercise of the over-allotment option, €11,550,000.

The overall amount of the placing commission payable to Financial Intermediaries entering into conditional placement agreements in terms of Section 40.12 of the Prospectus will not exceed €60,000.

18 ISSUE STATISTICS

Amount:	€10,000,000 subject to the Over-Allotment Option described below;
Over-allotment Option:	At the sole and absolute discretion of the Issuer, additional Bonds not exceeding an aggregate of €2,000,000 may be issued at the Bond Issue Price in the event of over-subscription;
Form:	The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
Denomination:	Euro (€);
Underwriting:	The Bonds are not underwritten
ISIN:	MT0000321217;
Minimum amount per subscription:	Minimum of €2000 and multiples of €100 thereafter;
Redemption Date:	25 February 2020 unless otherwise redeemed on any of the Early Redemption Date;
Early Redemption Dates:	any day falling between and including the 25 February 2017 and the 25 February 2020;
Bond Issue Price:	At par (€100 per Bond);
Status of the Bonds:	The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank pari passu, without any priority or preference among themselves and with other unsecured debt ;
Listing:	Application has been made to the Listing Authority for the admissibility of the Bonds to listing and to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List;
Issue Period:	The period between 11 February 2010 to 15 February 2010 (or such earlier date as may be determined by the Issuer in the event of over-subscription) during which the Bonds are on offer;
Interest:	7% per annum;
Interest Payment Date(s):	Semi-annually on the 25 February and 25 August of each year as from 25 August 2010;
Redemption Value:	At par (€100 per Bond);
Governing Law of Bonds:	The Bonds are governed by and shall be construed in accordance with Maltese law;
Jurisdiction:	The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds.

19 EXPECTED TIMETABLE OF BOND ISSUE

Issuance of Formal Notice	25 January 2010
Application Forms available	25 January 2010
Pre-Placement Date	8 February 2010
Preferred Applicants' Date	8 February 2010
Opening of subscription lists	11 February 2010
Closing of subscription lists	15 February 2010
Announcement of basis of acceptance	22 February 2010
Commencement of interest on the Bonds	22 February 2010
Expected dispatch of allotment advices and refunds of unallocated monies	1 March 2010

The Issuer reserves the right to close the Bond Issue before 15 February 2010 in the event of over-subscription, in which case, the remaining events set out above shall be anticipated in the same chronological order in such a way as to retain the same number of Business Days between the said events.

20 DETAILS OF THE BOND ISSUE

20.1 Admission to Trading

- 20.1.1 The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 18 January 2010.
- 20.1.2 Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List of the Malta Stock Exchange.
- 20.1.3 The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 8 March 2010 and trading is expected to commence on 9 March 2010.

20.2 Conditionality

The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List of the MSE. In the event that the Bonds are not admitted to the Official List of the MSE, the Application monies will be returned by the Issuer without interest by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form.

The Issuer has not established an aggregate minimum subscription level for the Bond Issue. Accordingly, in the event that the Bond Issue is not fully subscribed, but provided that the Bonds are listed on the Official List of the Malta Stock Exchange, the subscribed portion of the Bonds shall be allocated to the respective Applicants in accordance with the terms of the Prospectus.

20.3 Plan of Distribution and Allotment

- 20.3.1 During the Issue Period, Applications for subscription to the Bonds may be made through the Sponsor or any of the Financial Intermediaries. The Bonds are open for subscription to all categories of investors.
- 20.3.2 It is expected that an allotment advice to Applicants will be dispatched within five Business Days of the announcement of the allocation policy. Dealings in the Bonds may not commence prior to the said notification. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act, Cap 373 of the laws of Malta (and regulations made thereunder). Such monies will not bear interest while retained as aforesaid.

20.4 Placing Arrangements prior to the Issue Period

Prior to the Issue Period, the Bonds shall be available for subscription in two tranches: -

- a) By Financial Intermediaries for the account of their clients other than Preferred Applicants during the Pre-Placement Date pursuant to, inter alia, the provisions of Section 20.4.1 hereunder;
- b) By Preferred Applicants through Financial Intermediaries pursuant to, inter alia, the provisions of 20.4.2 hereunder.

20.4.1 Pre-Placement Date

The Issuer intends to enter into conditional placement agreements with Financial Intermediaries (the "**Placement Agreements**") prior to the commencement of the Issue Period up to an amount not exceeding 41.66% of the maximum combined aggregate amount of Bonds being issued (including the over-allotment option), that is, €5,000,000, the "**Placed Portion**", with respect to the subscription of Bonds by Financial Intermediaries for the benefit of their clients other than Preferred Applicants.

Upon completion and submission of the Placement Agreements, the Issuer will be conditionally bound to issue, and each Financial Intermediaries will bind itself to subscribe to, a number of Bonds, subject to the Bonds being admitted to the Official List of the Malta Stock Exchange. Each Placement Agreement will become binding on both the Issuer and the Financial Intermediaries upon delivery, subject to the Issuer having received all subscription proceeds in cleared funds on delivery of the Placement Agreement.

Financial Intermediaries may submit the completed Placement Agreements together with subscription proceeds in cleared funds on the 8 February 2010, the "**Pre-Placement Date**".

The minimum subscription amount for each application lodged with Financial Intermediaries on the Pre-Placement Date shall be €10,000 and applications in a single name for a lesser amount shall not be eligible for the Placed Portion and shall be disregarded unless such applications for less than €10,000 shall have resulted from scaling down on account of over-subscription. Each Financial Intermediary shall be required to apply for, in aggregate, a minimum of €200,000 in value for Bonds on the Pre-Placement Date.

20.4.2 Preferred Applicants

The Issuer has reserved 8.33% of the maximum combined aggregate amount of Bonds being issued (including the over-allotment option), that is, €1,000,000 for subscription by Preferred Applicants, the **"Preferred Portion"**. Such Preferred Applicants shall receive a pre-printed application form by mail directly from the Issuer and shall be required to submit same to Financial Intermediaries together with cleared funds on the 8 February 2010, the **"Preferred Applicants' Date"**.

Each application submitted by a Preferred Applicant shall be accompanied by the subscription proceeds in cleared funds, corresponding to the Bond Issue Price, on the day of submission of the relevant application.

The minimum investment amount for Preferred Applicants shall be €2,000 in value of Bonds.

All such applications must be received on the Preferred Applicants' Date in order for Preferred Applicants to benefit from the preferential allotment afforded thereto.

20.4.3 Treatment of Placed Portion and Preferred Portion

The Placed Portion and the Preferred Portion shall be subject to the following limits: -

- (i) The Financial Intermediaries for the benefit of their clients other than Preferred Applicants shall be entitled to subscribe to up to a maximum aggregate amount of €5,000,000 pursuant to the Placement Agreements.
- (ii) The Preferred Applicants shall be entitled to apply, through Financial Intermediaries, for up to a maximum aggregate amount of €1,000,000.

The above shall be subject to the following: -

- (a) any amount not taken up by the Financial Intermediaries for the benefit of their clients other than Preferred Applicants under (i) above shall be available for subscription by Preferred Applicants, subject to a combined limit of €6,000,000. Any excess remaining thereafter shall automatically participate during the Issue Period *pari passu* with other applicants; and
- (b) any amount not taken up by Preferred Applicants under (ii) above shall be available to Financial Intermediaries for the benefit of their clients other than Preferred Applicants during the Pre-Placement Date, subject to a combined limit of €6,000,000. Any excess remaining thereafter shall, unless a refund is requested by a Financial Intermediary, automatically participate during the Issue Period *pari passu* with other applicants.

If on opening of the conditional placement agreements after 10.00 hours on the 8 February 2010, it results that any part of the Placed Portion and/or the Preferred Portion has been oversubscribed then the Issuer shall determine the basis of acceptance of subscription agreements and the allocation policy to be adopted.

20.5 Public Offer

The balance of the Bonds not subscribed to during the Pre-Placement Date and the Preferred Applicants' Date shall be offered and issued to the general public during the Issue Period at the Bond Issue Price.

Preferred Applicants are at liberty to apply for Bonds during the Issue Period, at which stage, no preference shall be afforded to their application.

20.6 Sinking Fund

The Issuer hereby undertakes that as of the beginning of the financial year commencing 1 January 2012 it shall build a sinking fund, the value of which will by the Redemption Date be equivalent to 50% of the value of the issued Bonds. This is expected to create a cash reserve from the Issuer's annual surpluses to meet part of the redemption proceeds on the Redemption Date.

Annual surpluses are defined as net cash inflows from operating activities, i.e., operating profits adjusted for non-cash items, working capital changes and tax payments, and after deducting net cash used in investing activities and net cash used in financing activities.

The Directors reserve the power to invest the funds allocated to the sinking fund, provided that, save where market conditions may dictate otherwise from time to time, the investment of these proceeds will only be made either for the purpose of the Issuer buying back Bonds for cancellation in terms of Section 38.10 of the Prospectus, or for investing in such debt securities issued or guaranteed by any sovereign state or any supra-national authority within the Eurozone or which is a member of the OECD, or other debt securities which are rated as 'A' by a recognized international rating agency, denominated in Euro.

In making such investment decisions, the Directors will apply the necessary level of prudence, taking into account the then current market circumstances and the obligations of the Issuer over the term of the Bonds. The directors shall keep under review their investment policies with respect to the assets constituting the sinking fund for the term of the Bonds and shall determine the asset allocation of the sinking fund with a view to creating a balanced and diversified a portfolio of assets as can reasonably be considered practicable in the then current market and overall economic conditions.

The proceeds constituting the sinking fund shall be settled on trust to an authorised trustee independent of the Issuer that shall hold such proceeds for the benefit of the Bondholders. The authorised trustee may, but shall not be required or bound to, ensure, monitor, or otherwise procure the creation and funding of the said sinking fund by the Issuer. In the event of a cancellation or redemption in full of all outstanding Bonds, any funds remaining in the sinking fund thereafter shall be distributed by the authorised trustee to the Issuer.

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