



PremierCapital

INFORMATION MEMORANDUM

Issue of €20,000,000 6.8% Bonds 2017 - 2020

by **Premier Capital p.l.c.**

(subject to an Over-allotment Option of an additional €5,000,000)

Manager & Registrar

HSBC 
The world's local bank

Legal Counsel

CAMILLERI PREZIOSI
ADVOCATES

Sponsor

 **CHARTS**
WEALTH MANAGEMENT - CORPORATE BROKING



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THIS DOCUMENT IS BEING PUBLISHED BY PREMIER CAPITAL 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 1 MARCH 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 COGNISANT 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.

INFORMATION MEMORANDUM

dated 1 March 2010

by

PREMIER CAPITAL PLC

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA
WITH COMPANY REGISTRATION NUMBER C 36522

PREMIER CAPITAL PLC (THE "ISSUER") IS ISSUING €20,000,000 BONDS 2017-2020 OF A NOMINAL VALUE OF €100 PER BOND, ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 6.8% PER ANNUM. IN THE CASE OF OVER-SUBSCRIPTION, THE ISSUER MAY EXERCISE THE OVER-ALLOTMENT OPTION TO INCREASE THE ISSUE TO SUCH HIGHER VALUE OF BONDS AS IN AGGREGATE WOULD NOT EXCEED €25,000,000 IN VALUE OF BONDS. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 15 MARCH 2020 UNLESS THE ISSUER EXERCISES THE OPTION TO REDEEM ALL OR ANY PART OF THE BONDS ON ANY DATE BETWEEN 16 MARCH 2017 AND 14 MARCH 2020 AS THE ISSUER MAY DETERMINE, BY GIVING THIRTY (30) DAYS NOTICE TO BONDHOLDERS.

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

APPLICATION HAS BEEN MADE TO THE LISTING AUTHORITY FOR THE BONDS TO BE CONSIDERED AS ADMISSABLE TO LISTING. IN ADDITION, APPLICATION HAS ALSO BEEN MADE TO THE BOARD OF DIRECTORS OF THE MALTA STOCK EXCHANGE FOR THE BONDS TO BE ADMITTED TO THE OFFICIAL LIST OF THE MALTA STOCK EXCHANGE UPON ISSUE AND ALLOCATION TO INVESTORS AND INTERMEDIARIES. DEALINGS ARE EXPECTED TO COMMENCE ON THE SAID EXCHANGE ON 19 APRIL 2010.

THE BONDS CONSTITUTE THE GENERAL, DIRECT, UNCONDITIONAL, UNSUBORDINATED 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 OTHER THAN SUBORDINATED DEBT, IF ANY.

THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. THE NOMINAL VALUE OF THE BONDS ON OFFER WILL BE REPAYABLE IN FULL UPON REDEMPTION. 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. A COMPLETE PROSPECTUS IS AVAILABLE FROM AUTHORISED DISTRIBUTORS LISTED IN ANNEX II OF THE PROSPECTUS.

Manager & Registrar



Legal Counsel



Sponsor



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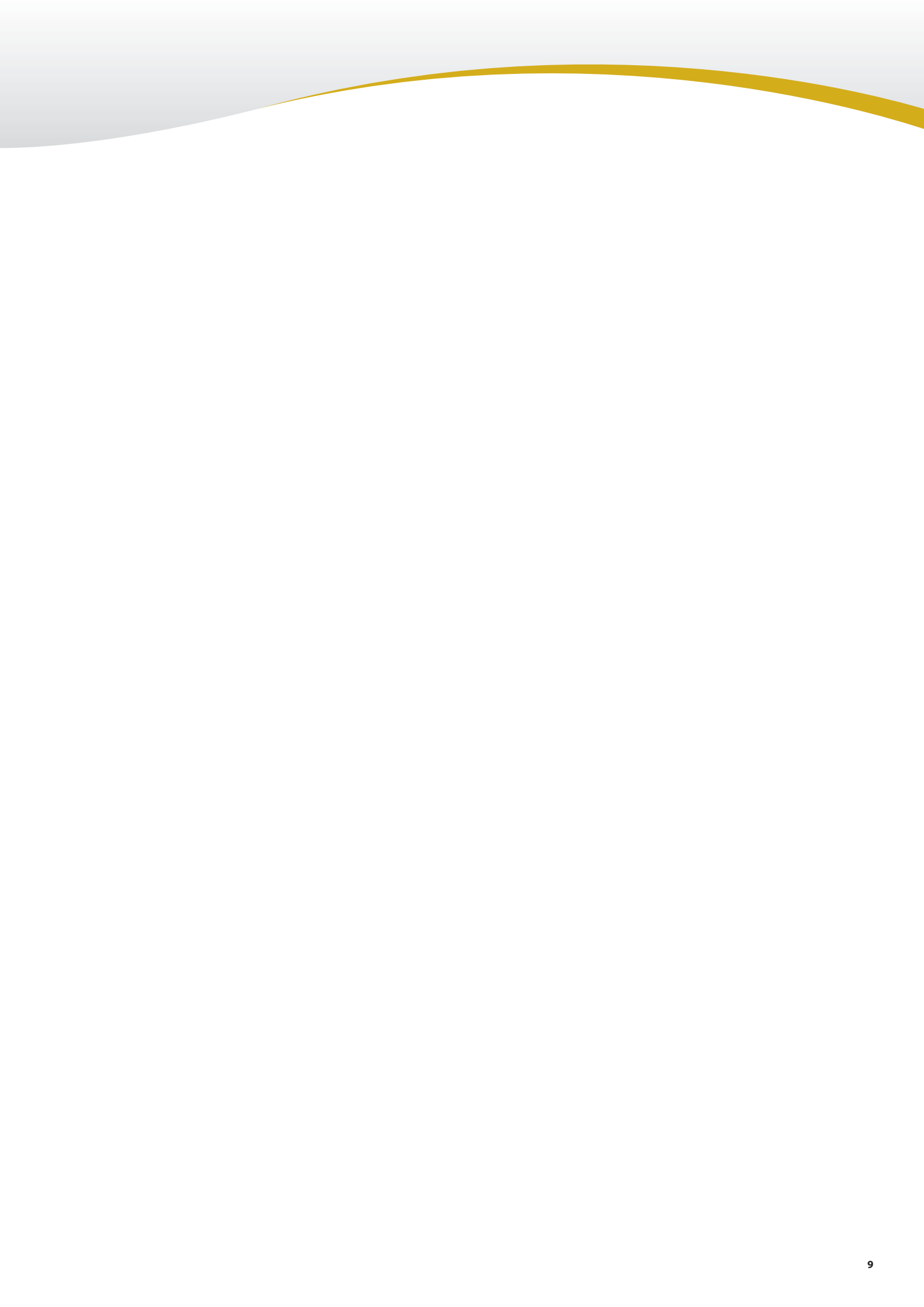
Definitions

In this document 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	any person submitting an Application Form to the Issuer for the purpose of subscribing for Bonds;
Application/s	the filing of an Application Form by an Applicant for Bonds;
Application Form	the form of application for subscription of the Bonds set out in part III of Annex I of the Prospectus;
Authorised Intermediaries	the banks, financial institutions and other persons referred to in Annex II of the Prospectus;
Bond(s)	the €20,000,000 bonds of a nominal value of €100 per bond redeemable at their nominal value on the Redemption Date or any of the Designated Early Redemption Dates bearing interest at the rate of 6.8% per annum; 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 €25,000,000 in value of bonds issued pursuant to the Prospectus;
Bondholder	a holder of Bonds;
Bond Issue	the issue of the Bonds;
Bond Offer Price	the price of €100 for each Bond;
Borrowing Companies	the Operating Companies which may from time to time enter into a loan agreement with the Issuer in connection with the use of Bond Issue proceeds specified in Section 4.1 of Part C of the Prospectus;
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;
CSD	the Central Securities Depository of the Malta Stock Exchange;
Designated Early Redemption Dates	any date between 16 March 2017 and 14 March 2020 as the Issuer may determine by giving thirty (30) days prior notice to the Bondholders;

Euro or €	the currency of the European Monetary Union of which Malta forms part;
Interest Payment Dates	15 March of each year between and including each of the years 2011 and 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;
Issue Date	16 April 2010;
Issuer or Premier Capital p.l.c. or Company	Premier Capital p.l.c. a public limited liability company registered in Malta with company number C 36522, having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;
Listing Authority	the Malta Financial Services Authority, as appointed in terms of the Financial Markets Act, 1990 (Cap. 345 of the Laws of Malta);
Listing Rules	the listing rules of the Listing Authority;
Malta Stock Exchange or 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;
Manager	HSBC Bank Malta p.l.c.;
Memorandum and Articles of Association	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;
Offer Period	the period between 24 March 2010 and 30 March 2010 (or such earlier date as may be determined by the Issuer in the event of over-subscription) during which time the Bonds are on offer;
Operating Companies	the Premier Group Companies operating the Premier Group's quick service restaurant business from time to time;
Over-allotment Option	the option of the Issuer to elect to increase the original Bond Issue by an additional €5,000,000 6.8% Bonds 2017-2020 in the event of over-subscription of the original Bond Issue;

Premier Group	<p>Premier Capital p.l.c. and its subsidiaries, that is:</p> <ul style="list-style-type: none"> a) Premier Restaurants Malta Limited, a private limited liability company registered in Malta with company number C 18843, formerly named First Foods Franchise Limited; b) Arcades Limited, a private limited liability company registered in Malta with company number C 5071; c) SIA Premier Restaurants Latvia, a private limited liability company registered in Latvia with company registration number 40003189347, formerly named SIA McDonald's Latvia Limited; d) Premier Restaurants Eesti AS, a public limited company registered in Estonia with business identity code 10190065, formerly named McDonald's Eesti AS; e) UAB Premier Restaurants, a private limited company registered in Lithuania with company identification code 111537013, formerly named McDonald's Restaurant Operations Inc; f) SIA Premier Estates Ltd, a limited liability company registered in Latvia with company registration number 40003993068; g) Premier Estates Eesti OU, a private limited liability company registered in Estonia with business identity code 11740668;
Premier Group Company	any one of the companies forming part of the Premier Group;
Prospectus	the prospectus issued by the Issuer in respect of the public offer of the Bonds and dated 1 March 2010;
Redemption Date	15 March 2020, subject to the Issuer's option to redeem all or any part of the Bonds on any of the Designated Early Redemption Dates;
Redemption Value	the nominal value of each Bond;
Registrar	HSBC Bank Malta p.l.c.;
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 prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements.



Part A – Risk Factors

This Section contains mere highlights of the Risk Factors set out in detail in Part B of the Prospectus, which you are strongly advised to review, if necessary with the assistance of your own financial and other professional advisors, prior to making any investment decision with respect to the Issuer or the Bonds.

1.1 Risks Relating to the Issuer and the Group

1.1.1 Risks relating specifically to the Issuer

Issuer's dependence on payments due by the Premier Group Companies may be affected by factors beyond the Issuer's control

For the purposes of this Bond Issue, save for the portion of the Bond proceeds which shall be retained by the Issuer for the part re-financing of the Group's existing bank debt, the recipients of the funds raised and thereafter distributed by the Issuer shall be the Borrowing Companies, as described in Section 2.3 below ("Reasons for the Bond Issue and Use of Proceeds").

In addition to the receipt of dividends from the Premier Group Companies, the Issuer will be largely dependent on the receipt of loan repayments from the Borrowing Companies in order to: service interest payments on the Bonds; provide for the sinking fund (as described in Section 2.6 below); and eventually repay the principal of the Bonds. In this respect, the loan repayments to be effected by the said Borrowing Companies in favour of the Issuer are subject to certain risks which could negatively affect the ability of the Issuer to punctually meet its repayment obligations under the Bond.

Issuer's potential exposure to certain financial risks

The Issuer's activities potentially expose it to a variety of financial risks, including interest rate risk, country risk and currency risk.

Interest rate risk

The Issuer may be exposed to the risks associated with the effects of fluctuations in the prevailing levels of the market interest rates on its financing position and cash flows.

1.1.2 Risks relating to the quick service restaurant industry

Risks inherent in the nature of the quick service restaurant industry

Premier Group's performance is subject to a number of factors that affect the restaurant industry generally and the quick service segment of the industry in particular.

Adverse changes in any one or more of these factors could reduce customer transactions at Premier Group's restaurants, impose limits on pricing or cause Premier Group to incur additional expenditure in modifying its concepts or restaurants, any or all of which could adversely affect Premier Group's business and the results of its operations.

Competition

Premier Group operates in the informal eating-out market (IEO), more specifically in the quick service restaurant market (QSR), and faces competition in each of them. The inability to compete successfully in any of these markets could adversely affect Premier Group's business and the results of its operations.

Regulation

Premier Group is subject to various laws and regulations affecting its business. Difficulties or failure in obtaining the required licenses or approvals, or the loss thereof, could adversely affect Premier Group's business and the results of its operations.

Potential claims and complaints

In view of the nature of its business, Premier Group may be the subject of complaints or claims from customers alleging food-related illness, injuries suffered on Premier Group's premises, or other food quality, health or operational concerns. Adverse publicity resulting from such allegations may materially affect sales revenues generated by Premier Group restaurants, regardless of whether such allegations are true or whether Premier Group is ultimately held liable or whether the player in the market which has given rise to the claim is the Premier Group or a direct competitor.

Economic and political factors relating to Estonia, Latvia, Lithuania and Malta may affect Premier Group

Premier Group's revenues and costs are dependent on a variety of factors influenced by the economies and government policies of the countries in which it operates as a whole as well as by regional economies within those countries. Any future adverse developments in any of such countries could affect Premier Group's business and operations.

1.1.3 Risks relating to the Premier Group

Premier Group's growth strategy depends on opening new restaurants, which however may be influenced by factors beyond its control

Premier Group intends to pursue its growth strategy which, to be successful, will depend in large part on its ability to open new McDonald's restaurants and to operate these restaurants on a profitable basis. However, Premier Group cannot guarantee that it will be able to achieve its expansion goals or that new restaurants will be operated profitably. Furthermore, Premier Group cannot guarantee that any restaurant it opens will obtain operating results similar to those of its existing restaurants.

Ability to locate and secure adequate restaurant sites

The success of the McDonald's restaurants operated by Premier Group is significantly influenced by location. There can be no assurance that current locations will continue to be attractive or that Premier Group will be able to identify and secure additional prime locations as demographic patterns change. Although Premier Group's primary intention is to open new restaurants in the Baltic countries and Malta, it may also consider potential expansion into new geographical markets. There can be no assurance that the necessary franchisor approval will be forthcoming, nor that the associated licenses will be granted. New restaurants opened as part of such expansion may be located in markets where Premier Group has little or no past experience, which in turn may cause the new restaurants to be less successful than the ones in the existing markets.

Expansion may strain Premier Group's infrastructure and other resources

Expansion may strain the Premier Group's existing systems, mechanisms and procedures. If the Group fails to continue to improve its infrastructure or to manage other factors necessary for it to achieve its expansion objectives, Premier Group's results of operations and business could be adversely affected.

Development of restaurants

The development of restaurants is subject to a number of specific risks which may adversely impact Premier Group's financial performance. Such risks include delays in the construction schedule, the risk of cost overruns, the risk of insufficiency of resources to complete, higher interest costs and counter-party risks.

Premier Group is dependent on its licensor / franchisor

The McDonald's system in Malta and the Baltic countries is developed and operated by the Premier Group pursuant to the terms of development licenses and franchise agreements, from which emanate the Group's right to operate McDonald's-branded restaurants in the Baltics and Malta. As a result, the Premier Group's revenues are dependent on the continued existence of its contractual relationships with McDonald's.

In view of the nature of franchising and the said franchise agreements, the long-term success of the Premier Group will depend, to a significant extent, on:

- the continued vitality of the McDonald's concepts and the overall success of the franchise system;
- the ability of Premier Group and its franchisor to identify and react to new trends in the restaurant industry, including the development of popular menu items;
- the ability of Premier Group and its franchisor to develop and pursue appropriate marketing strategies;
- the goodwill associated with the McDonald's trademarks;
- the quality, consistency and management of the franchisor's overall systems; and
- a continued cooperative franchise relationship with its franchisor.

The development license agreements and franchise agreement require the Premier Group to comply with a comprehensive set of terms and conditions. Moreover, the success of a franchise significantly depends on the relationship between the franchisor and the franchisee. While every effort is expected to be made to ensure a positive relationship between the Premier Group and its franchisor, there is no assurance that events or circumstances in the future may not adversely affect that relationship or that its franchisor will not enforce its contractual rights under any of the said agreements in a manner that is adverse to the Premier Group.

Lack of total territorial exclusivity

The development license agreements relating to the development of McDonald's restaurants in Malta and the Baltic countries do not grant the franchisee exclusive territorial rights pursuant to or in conjunction with the rights granted thereto in terms of such agreements. However, the development license agreements provide that for so long as the franchisee remains in compliance with its obligations under such agreements and related agreements throughout the term thereof, no McDonald's restaurants will be opened save by the franchisee and no franchise within the relevant territory will be granted in favour of any other franchisees.

Changes in resource availability and costs

Premier Group's profitability depends in part on its ability to anticipate and react to changes in the cost of its supplies. Any failure to perform by suppliers could cause significant short-term disruption in the Premier Group's supply chain. The Premier Group cannot predict whether it will be able in all circumstances to anticipate and react to changing supply costs by adjusting its purchasing practices and menu prices, and a failure in any case to do so could adversely affect its business and the results of its operations. In addition, because it operates in price-sensitive markets, the Premier Group may not be able to fully amortise the loss incurred by virtue of such changing costs by raising the prices charged to its customers.

Leases and lease renewal

Almost all of the Premier Group's restaurants are on property which is leased. The majority of such leases are long-term, with the average term being approximately 20 years from the date of grant (assuming the exercise of all renewal options with defined terms and excluding leases which renew periodically until terminated or which have no defined end date). Although the leases typically provide for a right of renewal subject to the Premier Group remaining in compliance with the terms of the lease, there can be no guarantee that the Premier Group will be able to renew these leases on commercially acceptable terms – and if the Premier Group were to be unable to do so, the potential loss of prime restaurant locations could have an adverse effect on the Premier Group's results of operations and business.

The Premier Group's dependence on key personnel

The Premier Group's future success and growth will in part depend on a select group of employees, senior management and other key personnel. The loss of key personnel could have a short-term adverse effect on the Premier Group's business and the results of its operations.

The Premier Group's insurance coverage

Historically, the Premier Group has maintained insurance at levels determined by it to be appropriate in the light of the cost of cover and the risk profiles of the business in which it operates. With respect to losses for which the Premier Group is covered by its policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Premier Group may, in some cases, not be able to recover the full amount from the insurer. No assurance can be given that the Premier Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates.

1.2 Considerations Relating to the Bonds

General

The value of investments can go up or down and past performance is not necessarily indicative of future performance. If in need of advice, you should consult a licensed stockbroker or an investment advisor licensed under the Investment Services Act, Cap. 370 of the Laws of Malta.

The Issuer is the sole obligor of the Bonds, which are not guaranteed by the other Premier Group Companies or by the franchisor

None of the Premier Group Companies guarantee the Issuer's obligations under the Bonds or have any obligations with respect to the Bonds. None of the other Premier Group Companies are required to make any capital contributions, loans or other payments to the Issuer which relate specifically to its obligations on the Bonds.

Prior ranking charges

The Bonds constitute the general, direct, unconditional, unsubordinated 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 other than subordinated debt, if any. Furthermore, subject to the negative pledge clause (Section 4 of Annex I Part I to 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.

In essence, the above means that for so long as the Issuer may have secured, privileged or other higher-ranking creditors, in the event of insolvency of the Issuer the Bondholders would rank after such creditors but equally between themselves and with other unsecured creditors (if any) of the Issuer.

Risk inherent in the Bonds

Prior to the Bond Issue, there has been no public market nor trading record for the Bonds within or outside Malta.

- The liquidity of the market depends on, amongst others, factors beyond the Issuer's control such as the willingness or otherwise of potential buyers and sellers of the Bonds. The effect that the investors' decisions may have on the trading market would consequently affect the trading value of the Bonds. Other factors over which the Issuer has no control include the time remaining for maturity of the Bonds, the outstanding amount of the Bonds, and the level, direction and volatility of market interest rates generally.

- **There can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. There can be no assurance, also, that an investor will be able to re-sell his/her Bonds at or above the Bond Offer Price.**
- **Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.**
- **A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different.**
- **No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time.**
- **The Issuer has the option to redeem the Bonds in whole or in part on any of the Designated Early Redemption Dates (in accordance with the provisions of Section 6 of the Terms and Conditions of the Bonds set out in Annex I Part I to the Prospectus), together with any accrued and unpaid interest until the time of redemption. This optional redemption feature may condition the market value of the Bonds.**
- **In the event that the Issuer wishes to amend any of the Terms and Conditions of Issue of the Bond it shall call a meeting of Bondholders in accordance with the provisions of Section 10 of the Terms and Conditions of the Bonds set out in Annex I Part I to the Prospectus. These provisions permit defined majorities to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.**
- **The Bonds are based on the requirements of the Listing Rules of the Listing Authority, the Companies Act and the Commission Regulation EC No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council in effect as at the date of the Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Prospectus.**

The terms and conditions of this Bond Issue are based on Maltese law in effect as at the date of the Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of the Prospectus.



Part B – Information About The Bonds

2.1 *Brief Overview of Issue Statistics*

The Bond Issue is for the amount of €20,000,000, subject, in the event of over-subscription and exercise by the Issuer of the Over-allotment Option, to increase up to a maximum aggregate of €25,000,000. The Bonds shall accrue interest at the rate of six point eight per cent (6.8%) per annum. The Bonds shall, unless earlier redeemed by the Issuer on a Designated Early Redemption Date by giving not less than thirty (30) days prior notice to the Bondholders, be redeemed at their nominal value on the Redemption Date.

Your attention is drawn to Part C Section 3 of the Prospectus for a more detailed explanation of the Offer Statistics.

2.2 *Expected Timetable*

Application forms available	5 March 2010
Pre-placement date	18 March 2010
Opening of subscription lists	24 March 2010
Closing of subscription lists	30 March 2010
Expected announcement of basis of acceptance	8 April 2010
Expected commencement of interest on the Bonds	8 April 2010
Expected dispatch of allotment advice and refund of unallocated monies	15 April 2010

The Issuer reserves the right to close the offer of the Bonds before 30 March 2010 in the event of over-subscription, in which case the remaining events set out in the 'Expected Timetable' 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.

2.3 *Reasons for the Offer and Use of Proceeds*

The proceeds raised from the Bond Issue, which net of commissions and expenses are expected to amount to €19,450,000 (or €24,400,000 in the event of exercise of the Over-allotment Option by the Issuer), shall be used for:

- (i) up to an amount of €11,850,000 (or €16,800,000 in the event of exercise of the Over-allotment Option), for the financing of the Group's expansion and development strategies, on the basis of which the Group will focus its efforts during the 36-month period following the Bond Issue on:

- a. identifying and securing title on land and/or premises for development or conversion (as the case may be) into McDonald's restaurants (both drive-through and in-store) in key locations. Although at present such key locations are expected to fall within the jurisdictions in which the Group already operates, the Group's management does not exclude the possibility that in the event that the franchisor awards the Group with development licenses and franchises in respect of further territories, new development and expansion opportunities will be sought in countries other than Malta, Estonia, Lithuania or Latvia; and
- b. remodeling McDonald's restaurants presently operated by the Premier Group, including but not limitedly through the conversion of such outlets into hybrid McDonald's restaurants and McCafés;

and for:

- (ii) up to an amount of €7,600,000 for the part-refinancing of the Group's existing bank debt.

As to the utilisation of the Bond proceeds, the financing of the Group's expansion indicated in (i) above will be given priority over the part-financing of existing bank debt in (ii) above.

According to the Issuer's estimates, the proceeds of the Bond Issue are sufficient to cover the proposed use of proceeds described in the Prospectus, irrespective of whether the Issuer receives Applications in excess of €20,000,000 and elects to exercise the Over-allotment Option. In the event that such Over-allotment Option is exercised, however, the Directors expect that the over-allotment proceeds of €5,000,000 generated by the exercise of such option will place the Group in a position to incur capital expenditure at a faster rate and to complete the expansion and development programme in anticipation of the original time frames, thus curtailing the time to commence operation of the new outlets which should accordingly start to generate revenue in advance of the original time frames estimated to be 36 months.

2.4 Admission to Trading

Application has been made to the Listing Authority for the admissibility of the Bonds to listing on a regulated market. The Listing Authority admitted the Bonds to listing and trading by letter dated 1 March 2010. In addition, application has also been made to the Malta Stock Exchange for the Bonds to be admitted to trading on the Official List of the Malta Stock Exchange. The Bonds are expected to be admitted to the Official List of the Malta Stock Exchange with effect from 16 April 2010 and trading is expected to commence on 19 April 2010.

2.5 Plan for Distribution

The Issuer is making an offering of Bonds to all categories of investors. The Bonds will be available for subscription during the Offer Period commencing on 24 March 2010 up to and including 30 March 2010, subject to the right of the Issuer to close subscription lists before such date in the case of over-subscription.

The Issuer may enter into conditional subscription agreements prior to the commencement of the Offer Period up to an amount not exceeding 50% of the full amount of the Offer (including the maximum amount of the Over-allotment Option) with a number of Authorised Intermediaries for the subscription of the Bonds, whereby it will bind itself to allocate Bonds to such Authorised Intermediaries upon closing of subscription lists. These agreements will be subject, inter alia, to the admission to trading of the Bonds on the Official List of the Malta Stock Exchange.

During the Offer Period, Applications may be made through any of the Authorised Intermediaries whose names are set out in Annex II of the Prospectus.

2.6 Sinking Fund

The Issuer hereby undertakes that from the outset of the financial year commencing 1 January 2012, it shall, over a period of eight (8) years therefrom, build a sinking fund the value of which will by the end of such period be equivalent to 50% of the value of the issued Bonds, thus creating a cash reserve from its annual surpluses to meet part of the redemption proceeds on the Redemption Date.

Annual surpluses are defined as net cash inflows from operating activities, that is, 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 Board of Directors of the Issuer reserves the power with respect to the investment of 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 20.5 of Part D of the Prospectus, or for investing in debt securities issued or guaranteed by any sovereign state within the Eurozone or which is a member of the OECD or other debt securities which are rated as AAA by a recognised international rating agency, without incurring exchange risk, at the lower of cost and market value.

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 Bond. The Directors shall keep under review their investment policies with respect to the assets constituting the sinking fund for the term of the Bond and shall determine the asset allocation of the sinking fund with a view to creating as 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.



Part C – Information About The Issuer and The Group

3. Identity of Directors, Advisors and Auditors of the Issuer

Directors

<i>Name/Post/ID Card No.</i>	<i>Address</i>
Marin Hili (Non-Executive Director & Chairman) 190257(M)	44, Villa Blanche, Main Street, St. Julian's STJ 1018, Malta
Melo Hili (Executive Director) 395765(M)	2, Immaculate Conception Street, Lija LJA 1274, Malta
Beppe Hili (Non-Executive Director) 292355(M)	4, New Street off Garden Street, Gharghur GHR 1535, Malta
Richard Abdilla Castillo (Non-Executive Director) 267256(M)	'Il-Girna', Notabile Road, Mriehel B'Kara BKR 1870, Malta
Charles J. Farrugia (Non-Executive Director) 745557(M)	67, Stephanotis Street, Sta Lucia SLC 1810, Malta
Jesmond Mizzi (Non-Executive Director) 328065(M)	Campbell Close G2, St Paul's Street, Attard ATD 3124, Malta

The Company Secretary of the Issuer is Richard Abdilla Castillo, holder of identity card number 267256(M), residing at "Il-Girna", Notabile Road, Mriehel Birkirkara BKR 1870, Malta.

Advisors to the Issuer

Legal Counsel to the Issuer and
Legal Counsel on the Bond Issue: Camilleri Preziosi
Level 3, Valletta Buildings, South Street,
Valletta – VLT 1103 – Malta

Sponsor: Charts Investment Management Service Limited
Valletta Waterfront, Vault 17, Pinto Wharf,
Floriana - FRN 1913 - Malta

Manager & Registrar: HSBC Bank Malta p.l.c.
233, Republic Street,
Valletta - VLT 1116 - Malta

Auditors

Deloitte Deloitte Place, Mriehel Bypass,
Mriehel - BKR 3000 - Malta


Deloitte is a firm of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Cap. 281, Laws of Malta).

4. Selected Financial Information

4.1 Presentation of Certain Information

The Issuer was established on 30 June 2005 and is the holding company of the Premier Group. Having no trading or operational activities of its own, the operating and financial performance of the Issuer is directly related to the financial and operating performance of the other Premier Group Companies. Accordingly, all financial and business information reproduced in the Prospectus relates to the Premier Group. This Prospectus contains references to the Issuer and the Premier Group where it is deemed appropriate that such references could assist an investor to better understand the information contained in the Prospectus. Investors are urged to consult the 'Definitions' section of this document for the precise meanings of those terms.

86.7% of the ultimate beneficial ownership of the Issuer and the subsidiary Premier Restaurants Malta Limited is vested in the same individuals (7.9% is held directly by the said individuals and 78.8% is held through the Issuer). By virtue of a letter of understanding between the Issuer and the said ultimate beneficial owners, the Issuer also has effective control over Premier Restaurants Malta Limited.



In view of the above and in accordance with 'IFRS 3 – Business Combinations', Premier Restaurants Malta Limited forms part of the Group companies and its results, assets and liabilities are being consolidated as a 78.8% subsidiary of the Group instead of an investment held at cost, as had been done previously.

In this context, and with a view to showing comparable figures for the Group, the pro forma financial information contained in Parts A and C of the Prospectus with respect to the financial years ended 31 December 2007 and 31 December 2008 have been restated to reflect the above resultant change in accounting treatment.

4.2 Selected Financial Data, and Information on the Group's Capitalisation

4.2.1 Historical financial information

The financial information about the Group is included in the pro forma consolidated financial statements for each of the financial years ended 31 December 2007, 2008 and 2009. The said statements, together with the audited financial statements of each of the Group companies have been published and are available at the Issuer's registered office.

Pro forma financial information with respect to the financial years ended 31 December 2007 and 2008 has been prepared so as to consolidate the results, assets and liabilities of Premier Restaurants Malta Limited as part of the Premier Group companies instead of as an investment held at cost. This approach has been adopted so as to reflect the same accounting treatment as adopted for the year ended 31 December 2009 (further detail included in Section 1 of Part C of the Prospectus).


The following information is extracted from the Group's pro forma consolidated financial statements for the financial years ended 31 December 2007, 2008 and 2009.

Premier Capital Limited (since renamed Premier Capital p.l.c.)
Consolidated Profit and Loss Account
For the financial years ended 31 December

	2009	2008	2007¹	2007²
	Actual	Actual	Illustrative	Actual
	€'000	€'000	€'000	€'000
Revenue	52,144	55,747	45,686	14,568
Cost of sales	(17,385)	(19,890)	(16,673)	(4,646)
Gross profit	34,759	35,857	29,013	9,922
Distribution and administrative expenses	(29,600)	(31,032)	(24,435)	(8,492)
Other operating income	385	169	125	82
Earnings before interest, tax, depreciation & amortisation (EBITDA)	5,544	4,994	4,703	1,512
Depreciation	(2,746)	(2,335)		(627)
Other income	-	747		-
Net finance costs	(1,085)	(1,679)		(381)
Profit before tax	1,713	1,727		504
Taxation	(664)	(456)		(303)
Profit for the year	1,049	1,271		201
Attributable to:				
Equity shareholders	877	1,227		127
Minority interest	172	44		74
	1,049	1,271		201
Gross profit margin	67%	64%	64%	
EBITDA margin	11%	9%	10%	

¹ On 18 December 2007, Premier Group took over the operation of 19 McDonald's restaurants in the Baltic countries which were previously operated by McDonald's Corporation - 7 restaurants in Estonia and 6 restaurants in each of Latvia and Lithuania. Accordingly, the audited financial statements of the Group for the year ended 31 December 2007 include the performance of the above-mentioned restaurants from 18 December 2007 (being the date of commencement of the Premier Group's operations in the Baltic countries) to 31 December 2007. For comparative purposes, the financial information for the year ended 31 December 2007 has been adjusted to reflect the results of the McDonald's restaurants in the Baltic countries for the full 12-month period, including the period prior to acquisition.

² Being extracts from the Group's pro forma consolidated financial statements for the year ended 31 December 2007.



Revenue is almost entirely comprised of food and beverage sales. Cost of sales and distribution and administrative expenses principally comprise food (including packaging material) costs, payroll, rent and related occupancy costs. Direct marketing expenses, support services and royalty fees payable under the franchise agreements also form part of distribution and administrative expenses.

Restaurant sales (excluding the 3 new restaurants opened in 2009) increased by 9.8% from €45.7 million in 2007 to €50.2 million in 2009. The increase in revenue principally reflected the enhanced operational performance of the 19 McDonald's restaurants in the Baltic countries subsequent to their acquisition in 2007, price increases and the remodeling of 9 restaurants (5 of which incorporating the introduction of McCafés) during the 2-year period 2008-2009. Revenue in 2009 declined by €3.6 million or 6.5% when compared to 2008, mainly due to reduced consumer spending as a result of the economic downturn which prevailed in the Baltic countries.

The Group's gross profit margin and EBITDA margin remained constant during the 3-year period at an average of 65% and 10% respectively. Cash operating profit for the financial year 2009 (after adjusting for depreciation) covered net finance costs 5.1 times.

Premier Capital Limited (since renamed Premier Capital p.l.c.)
Consolidated Balance Sheet
At 31 December

	2009	2008	2007
	€'000	€'000	€'000
ASSETS			
Non-current assets			
Intangible assets	26,154	26,736	27,213
Property, plant and equipment	19,203	15,962	13,551
Other non-current assets	680	768	220
	<hr/> 46,037	<hr/> 43,466	<hr/> 40,984
Current assets			
Inventories, trade and other receivables	3,359	2,931	2,980
Cash and cash equivalents	976	2,184	6,721
	<hr/> 4,335	<hr/> 5,115	<hr/> 9,701
Total assets	<hr/> 50,372	<hr/> 48,581	<hr/> 50,685
EQUITY			
Capital and reserves attributable to shareholders	16,000	15,124	13,934
Minority interest	624	515	470
	<hr/> 16,624	<hr/> 15,639	<hr/> 14,404
LIABILITIES			
Non-current liabilities			
Bank loans	20,658	23,801	24,415
Other non-current liabilities	528	574	642
	<hr/> 21,186	<hr/> 24,375	<hr/> 25,057
Current liabilities			
Trade and other payables	6,430	5,833	5,574
Bank overdraft and loans	6,071	2,610	5,347
Other current liabilities	61	124	303
	<hr/> 12,562	<hr/> 8,567	<hr/> 11,224
Total equity and liabilities	<hr/> 50,372	<hr/> 48,581	<hr/> 50,685

Premier Capital Limited (since renamed Premier Capital p.l.c.)
Consolidated Cash Flow Statement
For the financial years ended 31 December

	2009	2008	2007
	€'000	€'000	€'000
Cash flows from operating activities	3,425	4,252	616
Cash flows from investing activities	(4,863)	(4,593)	(20,601)
Cash flows from financing activities	(1,332)	(5,151)	26,072
Net movement in cash and cash equivalents	(2,770)	(5,492)	6,087

The Premier Group has historically financed its business activities by means of a combination of bank borrowings and cash generated from operating activities. During 2007 and 2008, the Group raised €24 million through bank borrowings, and accumulated €5 million in cash flows from operating activities. Of the said funds, €25 million were utilised to part-finance the 2007 acquisition of 19 restaurants in the Baltic countries and the remodeling thereof, whereas the balance of €4 million was utilised to repay outstanding bank loans. Up to December 2009, Premier Group generated €3.4 million - these funds were directed towards the remodeling of 9 restaurants (5 of which featuring the introduction of McCafés) and the acquisition of 3 restaurants in Latvia and Lithuania.

15 of the 19 McDonald's restaurants in the Baltic countries are "stand-alone" and provide drive-through service for their customers. The other 4 restaurants are considered "in-store" and are located in shopping malls. All the properties are leased on long-term contracts except for one property in Savjone, Lithuania, which is owned by the Group.

4.2.2 Capitalisation

The following table sets forth the capitalisation of the Premier Group as at 31 December 2009 as extracted from the consolidated audited financial statements of the Group for the year ended 31 December 2009, as adjusted to reflect the Bond Issue.

At 31 December 2009

	Actual €'000	Adjusted €'000
EQUITY		
Capital and reserves attributable to shareholders	16,000	16,000
Minority interest	624	624
	<hr/>	<hr/>
	16,624	16,624
INDEBTEDNESS		
Bank loans	23,748	16,148
Bonds	-	25,000
	<hr/>	<hr/>
	23,748	41,148
	<hr/>	<hr/>
Total capitalisation	40,372	57,772
	<hr/>	<hr/>
Gearing ratio (debt/total capital)	0.59	0.71

5. Information About the Issuer

5.1 Historical Development

Full Legal and Commercial Name of Issuer:	Premier Capital p.l.c.;
Registered Address:	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;
Place of registration and Domicile:	Malta;
Registration Number:	C 36522;
Date of registration:	30 June 2005;
Legal Form:	The Issuer is lawfully existing and registered as a public limited company in terms of the Act;
Telephone Number:	+356 2568 1888;
Website:	www.premiercapital.com.mt

5.2 Business Overview

The Issuer is the parent company of the Premier Group. The Premier Group operates McDonald's restaurants in Malta, Estonia, Latvia and Lithuania. Apart from offering support, management and consultancy services to companies within the Premier Group (See Part C Section 10.1 of the Prospectus – Management Structure of the Group), the Issuer acts as a holding company for the various subsidiaries of the Group which operate the McDonald's restaurants in the said countries. SIA Premier Estates Ltd and Premier Estates Eesti OU also own 4 immovable properties in Latvia and Estonia which are rented out to other companies within the Group.

The McDonald's franchise for Malta was awarded to the Premier Group Company, Premier Restaurants Malta Limited (formerly First Foods Franchise Limited), in 1995, pursuant to the terms of an operating license agreement. In 2007, the Premier Group was awarded the McDonald's franchise in respect of each of Latvia, Lithuania and Estonia (the "Baltic countries"), pursuant to which it was charged with the responsibility of developing the brand in those territories.

During the year ended 31 December 2009, the Group increased its total portfolio to 30 restaurants following the launch of another restaurant in Latvia and a further 2 restaurants in Lithuania.

Further information on the business of the Group, addressing the principal markets the Group operates in and the McDonald's franchise, as well as the operating and financial review of the Group, are set out in Section 5.2 of Part C of the Prospectus.

Property, Plant and Equipment

The Premier Group carries out its business through a network of 36 properties spread across four countries within the European Union. The majority of these properties are held under a lease or concession agreement.

The Malta Properties: Premier Restaurants Malta Limited currently leases six (6) properties located in Birkirkara, Bugibba, Sliema, St. Julian's, Gozo and Mrieħel, the latter being a storage facility whereas the remaining five (5) are restaurants. Furthermore a concession was issued in favour of Premier Restaurants Malta Limited with regards to the two (2) restaurants located at the Malta International Airport and at the Bay Street Complex, St. Julian's. Arcades Limited, a 50% subsidiary of Premier Restaurants Malta Limited, currently leases the property in Valletta for use as a McDonald's restaurant.

The premises hosting the Premier Group's head offices and the Malta McDonald's distribution centre in Marsa, Malta, are leased from the Hili Group.

The Lithuania Properties: UAB Premier Restaurants holds nine (9) properties. Of these, one (1) is used as an office in Vilnius, whereas eight (8) are used as restaurants, located in Vilnius (five (5)), Kaunas (one (1)), Klaipeda (one (1)) and Siauliai (one (1)). With the exception of one of the restaurants in Vilnius, which is held by UAB Premier Restaurants under title of ownership, all the other restaurants are leased.

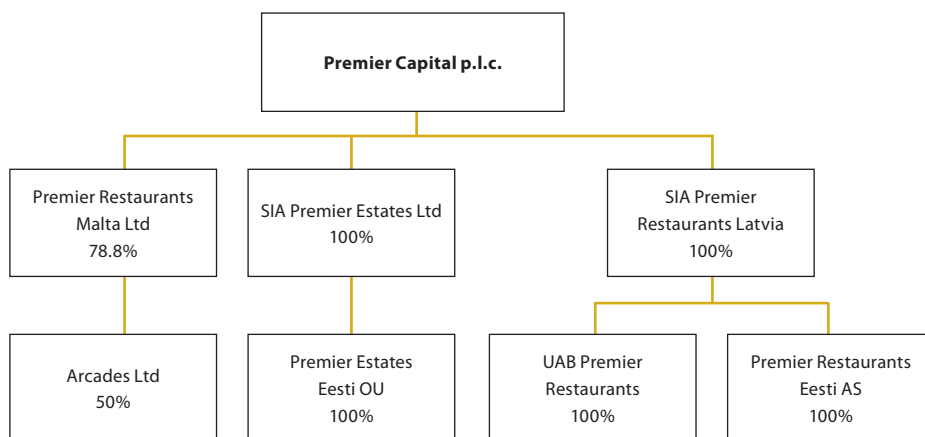
The Estonia Properties: Premier Restaurants Eesti AS leases seven (7) properties, five (5) of which in Tallin, one (1) in Tartu and one (1) in Narva. All are used as restaurants.

The Latvia Properties: SIA Premier Restaurants Latvia leases seven (7) properties for use as restaurants. These are all situated in the capital Riga. SIA Premier Estates Ltd owns one (1) terraced house in Ogre and two (2) apartments in Riga, for use as staff accommodation.

The restaurants referred to above comprise kitchen equipment and various kinds of units designed for food preparation and serving in quick service restaurants. Furniture, decorative illumination, soft furnishings and utensils typical of the McDonald’s franchise are also found in the restaurants.

5.3 Shareholding Structure

The following chart outlines the shareholding structure relative to the Premier Group:



Further information on the shareholding structure relative to the Premier Group is set out in Section 6 of Part C of the Prospectus.

6. Trend Information

6.1 Strategy

The business strategy of the Premier Group is based on the following considerations:

Expand penetration within existing and new geographical territories

The Premier Group's principal objective following the Bond Issue will be to focus on the expansion of the McDonald's restaurant network within existing and new markets, given the belief of the Group's management that there is significant market potential (as detailed in the section entitled "The quick service restaurant market in Malta, Estonia, Latvia and Lithuania" below) to continue to develop the McDonald's concept in Malta, the Baltic countries and, possibly, other territories (subject to franchisor's approval and granting of the associated licenses).

Continue to improve revenue and profitability

During the past three financial years, Premier Group remodeled and upgraded the ambience of a number of its McDonald's restaurants, including by allocating parts thereof to the introduction of McCafés. Over the next 24 months, Premier Group plans to continue remodeling the remaining McDonald's restaurants, including through the introduction of McCafés as aforesaid, financing this programme in the main through internally generated cash flows. In the event that the Bond Issue is not fully subscribed or the Issuer does not exercise the Over-allotment Option, the Group expects a deferral of capital expenditure for the purpose of its expansion and development programme, which would thus result in an extension of the aforementioned completion period targeted for such programme.


Commitment to customer satisfaction

The Premier Group is committed to provide an efficient and attentive customer service and consistent food quality.

6.2 The Quick Service Restaurant Market in Malta, Estonia, Latvia and Lithuania

Quick service restaurants provide customers with fast, convenient food "on the go" and at affordable prices.

The opportunities for further expansion in the regions in which the Group operates will depend on a number of factors that could have a material impact on the Group's strategy to increase its operational presence in these territories. These factors are driven principally by the level of penetration that management reckons is sustainable in each of these territories to conduct profitable operations.



In devising future strategy, the Group's management takes an ad hoc regional view of: general macro-economic conditions; the social development of the population; competition; regulation; affluence; political and economic stability within each territory. Moreover, the Group commissions regular market studies in each of the territories in which it operates restaurants in order to keep under review all the relevant market conditions that could have an impact on its development strategy and to enable it to react in a timely manner as and when market conditions so dictate.

On the basis of the data available to the Group's management, it transpires that both the Maltese market as well as the Baltic countries market can sustain further expansion.

In the case of Malta, the Group already has a high penetration rate, comparable to that prevailing in the more developed city centres in Western Europe. The Group's management believes that further expansion in Malta is sustainable, particularly by means of further geographical diversification of its restaurants.

In the case of the Baltic countries, the Group's management believes that there is further room for higher penetration rates. The relatively low penetration rate of restaurants per capita, combined with the high level of brand recognition enjoyed and the Group's pricing strategy for the region, is believed to postulate the right platform for expansion in these regions.

6.3 Restaurant Development

The Group's management believes that the ability to select attractive locations and develop new restaurants is important in ensuring its continued growth. Accordingly, the Premier Group undergoes a detailed and comprehensive process to:

- determine key development markets;
- select and approve new locations in those markets;
- negotiate attractive lease terms;
- acquire properties at attractive values; and
- design, construct and manage restaurants.

Detailed information on the above process is set out in Section 7.1 of Part C of the Prospectus.

Issuer

Premier Capital p.l.c.
Nineteen Twenty Three
Valletta Road
Marsa
MRS 3000
Malta

Advisors to the Issuer

Legal Counsel to the Issuer and
Legal Counsel on the Bond Issue:

Camilleri Preziosi
Level 3, Valletta Buildings, South Street,
Valletta – VLT 1103 – Malta

Sponsor:

Charts Investment Management
Service Limited
Valletta Waterfront, Vault 17, Pinto Wharf,
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Manager & Registrar:

HSBC Bank Malta p.l.c.
233, Republic Street,
Valletta - VLT 1116 - Malta

Auditors

Deloitte

Deloitte Place, Mriehel Bypass,
Mriehel – BKR 3000 - Malta