Island Hotels Group Holdings p.l.c. Prospectus

Dated 6 May 2014

€35,000,000
6% Bonds 2024

ISLAND HOTELS
GROUP HOLDINGS PLC

LEGAL COUNSEL
CAMILLERI PREZIOSI
ADVOCATES

LEAD SPONSOR
CURMI & PARTNERS

SPONSOR
RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

MANAGER & REGISTRAR
BOV
Bank of Valletta

JOINT MANAGER
HSBC

Summary Note

Dated 6 May 2014

This Summary Note is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with the provisions of 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, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 and Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014.

The Bonds are being issued by

ISLAND HOTELS

GROUP HOLDINGS PLC

(a public limited liability company registered under the laws of Malta with registration number C44855)

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENTS ARE IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, 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 THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THESE SECURITIES.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.

LEGAL COUNSEL	LEAD SPONSOR	SPONSOR	MANAGER & REGISTRAR	JOINT MANAGER
CAMILLERI PREZIOSI ADVOCATES	CURMI & PARTNERS	RIZZO FARRUGIA YOUR INVESTMENT CONSULTANTS	BOV Bank of Valletta	HSBC

Important Information

THIS SUMMARY NOTE CONSTITUTES PART OF A PROSPECTUS AND CONTAINS INFORMATION ON ISLAND HOTELS GROUP HOLDINGS P.L.C., ITS SUBSIDIARIES, AFFILIATES AND BUSINESS OF THE GROUP, AND INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH: (A) THE LISTING RULES OF THE LISTING AUTHORITY, THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA) AND 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 (AS AMENDED BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF THE 30 MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4 JUNE 2012, COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30 APRIL 2013 AND COMMISSION DELEGATED REGULATION (EU) No. 382/2014 OF 7 MARCH 2014); AND (B) THE RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST OF THE MALTA STOCK EXCHANGE.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE COMPANY OR ITS DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS OR ADVISORS.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, 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 THE PROSPECTUS.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE ISSUE IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED IN THE SECURITIES NOTE OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF SAID DIRECTIVE, THE SECURITIES CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN SAID DIRECTIVE) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE SAID DIRECTIVE.

A COPY OF THIS DOCUMENT HAS BEEN REGISTERED WITH THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, IN ACCORDANCE WITH THE ACT. APPLICATION HAS ALSO BEEN MADE TO THE MALTA STOCK EXCHANGE FOR THE BONDS TO BE ADMITTED TO THE OFFICIAL LIST OF THE MALTA STOCK EXCHANGE. **A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.**

THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THIS DOCUMENT. ACCORDINGLY NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN ANY FINANCIAL INSTRUMENTS AND SECURITIES ISSUED BY THE ISSUER.

THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. 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.

THIS DOCUMENT AND ALL AGREEMENTS, ACCEPTANCES AND CONTRACTS RESULTING THEREFROM SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF MALTA, AND ANY PERSON ACQUIRING ANY BONDS PURSUANT TO THE PROSPECTUS SHALL SUBMIT TO THE JURISDICTION OF THE MALTESE COURTS, WITHOUT LIMITING IN ANY MANNER THE RIGHT OF THE ISSUER TO BRING ANY ACTION, SUIT OR PROCEEDING, IN ANY OTHER COMPETENT JURISDICTION, ARISING OUT OF OR IN CONNECTION WITH ANY PURCHASE OF BONDS, OR AGREEMENT, ACCEPTANCE OR CONTRACT RESULTING HEREFROM, OR THE PROSPECTUS AS A WHOLE.

ALL THE ADVISORS TO THE ISSUER HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE DIRECTORS OF THE ISSUER CONFIRM THAT WHERE INFORMATION INCLUDED IN THIS PROSPECTUS HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED, AND AS FAR AS THE DIRECTORS OF THE ISSUER ARE AWARE AND ARE ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

STATEMENTS MADE IN THIS DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THERETO.

This Summary Note is prepared in accordance with the requirements of the Regulation, as amended by Commission Delegated Regulation (EU) No. 486/2012 of the 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013, and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014.

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1– E.7). This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

In this Summary Note the following words and expressions shall bear the following meaning except where the context otherwise requires:

Act	the Companies Act, Cap. 386 of the laws of Malta;
Application Form	the form of application for subscription for Bonds, a specimen of which is contained in Annex II of the Securities Notes;
Authorised Financial Intermediaries	the licensed stockbrokers and financial intermediaries listed in Annex III of the Securities Note;
Affiliates	each of:- (a) Golden Sands Resort Limited, a limited liability company registered under the laws of Malta with company registration number C30569 and with registered office at The Radisson SAS Golden Sands Resort & Spa, Golden Bay, Limits of Mellieħa, MLH 5510, Malta ("**GSR**"); (b) Azure Services Limited, a limited liability company registered under the laws of Malta with company registration number C31224 and with registered office at Level 1, LM Complex, Brewery Street, Mrieħel, Birkirkara, BKR 3000, Malta ("**Azure Services**"); (c) Vacation Financial Ltd, a BVI business registered under the BVI Business Companies Act, 2004 with company number 535715 and with registered office at 325, Waterfront Drive, Omar Hodge Building, 2nd Floor, Wickhams Cay, Road Town, Tortola, BVI ("**Vacation Financial**"); (d) Brooksfield Overseas Ltd, a BVI business registered under the BVI Business Companies Act, 2004 with company number 536243 and with registered office at 325, Waterfront Drive, Omar Hodge Building, 2nd Floor, Wickhams Cay, Road Town, Tortola, BVI ("**Brooksfield**"); (e) Heathfield Overseas Ltd, a BVI business registered under the BVI Business Companies Act, 2004 with company number 536242 and with registered office at 325, Waterfront Drive, Omar Hodge Building, 2nd Floor, Wickhams Cay, Road Town, Tortola, BVI ("**Heathfield**"); (f) Azure Resorts Limited, a BVI business registered under the BVI Business Companies Act, 2004 with company number 535716 and with registered office at 325, Waterfront Drive, Omar Hodge Building, 2nd Floor, Wickhams Cay, Road Town, Tortola, BVI ("**Azure**"); (g) Medi International Limited, a BVI business registered under the BVI Business Companies Act, 2004 with company number 1677242 and with registered office at 325, Waterfront Drive, Omar Hodge Building, 2nd Floor, Wickhams Cay, Road Town, Tortola, BVI ("**Medi International Limited**"); (h) Buttigieg Holdings Limited, a limited liability company registered under the laws of Malta with company registration number C4443 and with registered office at The Penthouse, Papillon Court A, Birbal Street, Balzan, BZN 9019, Malta ("**Buttigieg Holdings**"); (i) R. J. C. Caterers Limited, a limited liability company registered under the laws of Malta with company registration number C10552 and registered office at The Penthouse, Papillon Court A, Birbal Street, Balzan, BZN 9019, Malta ("**RJC Caterers**"); (j) Quality Catering & Retail Services Limited, a limited liability company registered under the laws of Malta with company registration number C41365 and with registered office at Miller House, Airport Way, Tarxien Road, Luqa, LQA 1814, Malta ("**QCRS**"); (k) Travel Stores Company Limited, a limited liability company registered under the laws of Malta with company registration number C43549 and with registered office at Miller House, Airport Way, Tarxien Road, Luqa, LQA 1814, Malta ("**Travel Stores**"); (l) The Coffee Company Malta Limited, a limited liability company registered under the laws of Malta with company registration number C55973 and with registered office at The Penthouse, Papillion Court A, Birbal Street, Balzan, BZN 9019, Malta ("**Coffee Company Malta**"); (m) CLL Limited, a limited liability company registered under the laws of Malta with company registration number C58906 and with registered office at 5, Birbal Street, Balzan, BZN9019, Malta ("**CLL**"); (n) The Coffee Company Spain S.L. a company registered under the laws of Spain with fiscal number (NIF): B66240581 and with registered office at Calle Floridablanca 98, Planta Ent, Puerta 2, 08015, Barcelona, Spain ("**Coffee Company Spain**");

Affiliates (Continued)	(o) The Heavenly Collection Limited, a limited liability company registered under the laws of Malta with company registration number C48380 and with registered office at The Radisson SAS Golden Sands Resort & Spa Golden Bay, Limits of Mellieħa, MLH 5510, Malta ("**Heavenly Collection**"); and (p) MKIC Limited, a limited liability company registered under the laws of Malta with company registration number C56106 and with registered office at Montekristo Estates, Ħal Farruġ Road, Luqa, Malta ("**MKIC**");
Bond(s)	the €35,000,000 6% Bonds due 2024 of a face value of €100 per bond, redeemable at their nominal value on the Redemption Date, bearing interest at the rate of 6% per annum issued pursuant to this Prospectus;
Bondholder(s)	the persons registered in the Issuer's register as being the holders the Bonds;
Bond Issue	the issue of the Bonds;
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;
BVI	British Virgin Islands;
CSD	the Central Securities Depository of the Malta Stock Exchange established pursuant to Chapter 4 of the Malta Stock Exchange Bye-Laws, having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Valletta;
Current Bonds in Issue	the €14,000,000 6.5% Bonds 2017-2019 issued by the Issuer pursuant to a prospectus dated 28 August 2009;
Directors or Board	the directors of the Company whose names and addresses are set out in Section 3.1 under the heading "*Directors*" of the Registration Document;
Euro or €	the lawful currency of the Republic of Malta;
Group or IHG Group	the Issuer, the Subsidiaries and the Affiliates;
Interest Payment Date	annually on 15 May of each year between and including each of the years 2015 and 2024, 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;
Issuer or Company	Island Hotels Group Holdings p.l.c. a public limited liability company registered under the laws of Malta with company registration number C44855 and with registered office at Radisson Blu Resort St. Julians, Louis V. Farrugia Street, St. George's Bay, St. Julians, STJ 3391, Malta;
Issue Period	26 May 2014 to 30 May 2014, both days included, during which the Bonds are on offer;
Listing Authority	the Malta Financial Services Authority, as appointed in terms of the Financial Markets Act (Cap. 345 of the laws of Malta);
Listing Rules	the listing rules issued by the Listing Authority from time to time;
Malta Stock Exchange or MSE	the Malta Stock Exchange p.l.c. as originally constituted by the Financial Markets Act (Cap. 345 of the laws of Malta) having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta and bearing company registration number C42525;
Mayfair	Mayfair Overseas Holdings Limited, a BVI business registered under the BVI Business Companies Act, 2004 with company number 283978 and with registered office at 325, Waterfront Drive, Omar Hodge Building, 2nd Floor, Wickhams Cay, Road Town, Tortola, BVI;
Memorandum and Articles of Association or M&As	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;
MFSA	the Malta Financial Services Authority, incorporated in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);
Official List	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
Private Placement Agreement	the agreement between the Sponsors and the Issuer to subscribe to Bonds in accordance with Section 7.20 of the Securities Note for the purpose of distributing to or placing with their underlying customers any portion of the Bonds;
Prospectus	collectively the Summary Note, the Registration Document and the Securities Note, as such documents may be amended, updated, replaced and supplemented from time to time;
Redemption Date	15 May 2024;
Redemption Value	the nominal value of each Bond;
Registration Document	the registration document issued by the Issuer dated 6 May 2014, forming part of the Prospectus;
Regulation	Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 supplementing Directive 2003/171/EC of the Euopean Parliament and of the Council with regard to regulatory technical standards for the publication of supplements to the prospectus Text with EEA relevance;

Regulation (continued)	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 and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 supplementing Directive 2003/71/EC of the European Parliament and of the Council with regard to regulatory technical standards for publication of supplements to the prospectus Text with EEA relevance;
Securities Note	the securities note issued by the Issuer dated 6 May 2014, forming part of the Prospectus;
Sponsors	means the sponsors referred to in Section 4.1 of the Securities Note;
Subsidiaries	each of:- (a) Island Hotels Group Limited, a limited liability company registered under the laws of Malta with company registration number C19442 and with registered office at Radisson Blu Resort St. Julians, Louis V. Farrugia Street, St. George's Bay, St. Julians, STJ 3391, Malta ("**IHG**"); (b) Bay Point Hotel Limited, a limited liability company registered under the laws of Malta with company registration number C13170 and with registered office at Radisson Blu Resort St. Julians, Louis V. Farrugia Street, St. George's Bay, St. Julians, STJ 3391, Malta ("**BPH**"); (c) Island Resorts International Limited, a BVI business registered under the BVI Business Companies Act, 2004 with company number 294368 and with registered office at Akara Building 24, De Castro Street, Wickhams Cay I, Tortola, BVI ("**IRIL**"); (d) Island Caterers Limited, a limited liability company registered under the laws of Malta with company registration number C9377 and with registered office at Radisson Blu Resort St. Julians, Louis V. Farrugia Street, St. George's Bay, St. Julians, STJ 3391, Malta ("**ICL**"); (e) Bay Point Properties Limited[1], a limited liability company registered under the laws of Malta with company registration number C47131 and with registered office at Radisson Blu Resort St. Julians, Louis V. Farrugia Street, St. George's Bay, St. Julians, STJ 3391, Malta ("**BPPL**"); and (f) Bay Point Collection Limited, a company registered under the laws of the British Virgin Islands with company registration number 1743963 and with registered office at Akara Building, 24 De Castro Street, Wickhams Cay I, Road Town, Tortola, BVI ("**Bay Point Collection**");
Summary Note	the summary note issued by the Issuer dated 6 May 2014, forming part of the Prospectus; and
Terms and Conditions	the terms and conditions relating to the Bonds as contained in this Prospectus, in particular Section 7 of the Securities Note.

1 Section A Introduction and Warnings

A.1 Prospective investors are hereby warned that:

i. This summary is being provided to convey the essential characteristics and risks associated with the Issuer and the securities being offered pursuant to this document. This part is merely a summary and therefore should only be read as an introduction to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this summary in making a decision as to whether to invest in the securities described in this document. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor;

ii. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before legal proceedings are initiated; and

iii. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, and who applied for its notification, but only if the summary, when read together with the other parts of the Prospectus is misleading, inaccurate, inconsistent or does not provide key information in order to aid investors when considering whether to invest in such securities.

A.2 Consent required for use of the Prospectus during the Issue Period: prospective investors are hereby informed that:

i. For the purposes of any subscription for Bonds through any of the Authorised Financial Intermediaries during the Issue Period and any subsequent resale, placement or other offering of Bonds by such Authorised Financial Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Regulation, the Issuer consents to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale, placement or other offering of Bonds, provided this

1 *As at the date of this Prospectus, BBPL is a dormant company and does not carry on any trading activities nor does it own any property.*

is limited only:

(a) in respect of Bonds subscribed for through the Authorised Financial Intermediaries listed in Annex III of the Securities Note during the Issue Period;

(b) to any resale or placement of Bonds subscribed for as aforesaid taking place in Malta; and

(c) to any resale or placement of Bonds subscribed for as aforesaid taking place within the period of 60 days from the date of the Prospectus.

ii. **In the event of a resale, placement or other offering of Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary shall be responsible to provide information to investors on the terms and conditions of the resale, placement or other offering at the time such is made.**

iii. Any new information with respect to Authorised Financial Intermediaries unknown at the time of the approval of this Prospectus will be made available through a company announcement which will also be made available on the Issuer's website: www.islandhotels.com.

2 Section B Issuer

B.1 The legal and commercial name of the Issuer is Island Hotels Group Holdings p.l.c. (registration number C44855)

B.2 The Issuer was registered in Malta in terms of the Act on 5 August 2008 as a private limited liability company. On 21 August 2009, the Issuer was converted to a public limited liability company. The Issuer's ordinary shares and the Current Bonds in Issue were first admitted to the Official List of the MSE on 7 October 2009, and trading commenced on 8 October 2009. The Issuer is domiciled in Malta.

B.4b The Issuer is a holding company having investments in a number of Subsidiaries and Affiliates which operate the business of the Group. The business of the Group largely relates to; the ownership, management and operation of five-star hotels in Malta, the operation of a vacation ownership marketing business; the operation of retail and event catering business; and the development and operation of COSTA® Coffee outlets in Malta, the East Coast of Spain, Canary Islands and the Balearic Islands. The Group also owns a plot of land measuring 83,000m^2 located next to the Golden Bay, Mellieħa with permits to develop this land into a luxury tourist complex (the "**Oasis Project**"). IHG recently sold its entire shareholding in the Coastline Hotel Limited, a company registered in Malta with registration number C14107 and with its registered office at the Coastline Hotel, Salina Bay, Salina, Naxxar, NXR 9030, Malta ("**CHL**").

An overview of the trends expected in the key areas of operation of the Group in the foreseeable future follows:

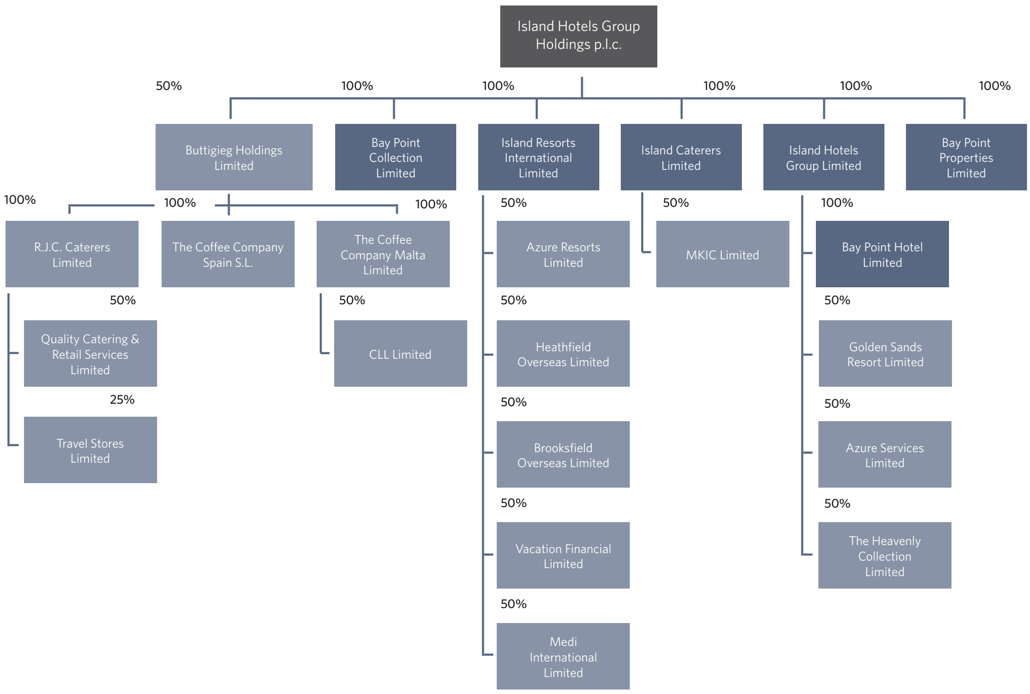
i. ***Five-Star Hotels*** - The Group's immediate focus is the repositioning of the Radisson® Blu Resort, St. Julians to achieve above average returns which are closer to the top performers within the five-star segment in the Sliema/ St. Julians area. The Group is also planning a total investment of €16 million into this property whilst at the same time maintaining high standards at the Radisson® Blu Resort & Spa, Golden Sands. In 2013, the Group obtained development permits for the Oasis Project.

ii. ***Vacation Ownership*** - As the travel agent and tour operating arm for Radisson® Blu Golden Sands Resort & Spa, Azure is expected to retain focus on its main target market, the U.K. whilst expanding the sales and marketing operation to other jurisdictions, particularly in the European continent in the event that opportunities arise in those jurisdictions. The Group is also selling vacation ownership units at the Radisson® Blu Resort St. Julians under a newly incorporated company, the Bay Point Collection. With the onset of the Oasis Project it is also anticipated that a vacation ownership product, albeit structured differently to that being sold in the two Radisson® properties pertaining to the Group, will also be sold.

iii. ***Event Catering Business*** - ICL will continue to seek additional unique venues within which to expand its business model and will maintain its high quality in terms of service, people and food. The Group will also continue to build on the work done to date to bring the Montekristo Estate up to a quality level where it will become one of the most sought after event and exhibition centres on the island.

iv. ***Retail Catering Business*** – The Group intends to develop The COSTA® Coffee brand both in the local and Spanish market.

B.5 The Issuer is a holding company having investments in a number of Subsidiaries and Affiliates which operate the business of the Group. The organisational structure of the Group is illustrated in the diagram overleaf:



B.9 The following is an extract from the profit forecasts of the Issuer for the financial years ending 31 October 2014 and 31 October 2015:

Consolidated Income Statement for the years ended 31 October	**2014** (€'000)	**2015** (€'000)
Revenue	34,872	36,129
Net operating Costs	(27,872)	(28,763)
EBITDA	**7,000**	**7,366**
Depreciation and amortisation	(3,352)	(3,290)
Investment Income	20	136
Finance costs	(2,564)	(3,494)
Profit/(Loss) before tax	**1,104**	**718**
Taxation	(292)	(150)
Profit/(Loss) for the year	**812**	**568**
Loss for the year from discountinued operations	(421)	-
Profit for the year	**391**	**568**

The Issuer's forecast statements of financial position as at 31 October 2014 and 31 October 2015 are summarised below:

Consolidated Balance Sheet as at 31 October	**2014** (€'000)	**2015** (€'000)
ASSETS		
Non-current assets	117,482	124,753
Current assets	24,499	12,065
Total Assets	**141,981**	**136,818**
EQUITY AND LIABILITIES		
Equity		
Capital and reserves	36,594	37,162
Total equity	**36,594**	**37,162**
Liabilities		
Non-current liabilities	83,999	77,847
Current liabilities	21,388	21,809
Total liabilities	**105,387**	**99,656**
Total equity and liabilities	**141,981**	**136,818**

The Issuer's forecast statement of cash flows for the financial years ending 31 October 2014 and 31 October 2015 are summarised below:

Consolidated Cash Flow Statement for the years ended 31 October	**2014** (€'000)	**2015** (€'000)
Net cash from operating activities	(2,585)	725
Net cash from investing activities	6,127	(10,398)
Net cash from financing activities	19,249	(3,369)
Net movement in cash and cash equivalents	**22,791**	**(13,042)**
Cash and cash equivalents at beginning of year	(10,403)	12,388
Cash and cash equivalents at end of year	**12,388**	**(654)**

B.10 Not Applicable: the audit reports on the audited financial statements for the years ended 31 October 2011, 2012 and 2013 do not contain any material qualifications.

B.12 The historical financial information for the Issuer and its Subsidiaries for the three financial years ended 31 October 2011, 2012 and 2013 as audited by Deloitte is set out in the financial statements of the Issuer. Such audited consolidated financial statements are available on the Issuer's website (www.islandhotels.com) and at its registered office.

The remaining components of Element B.12 are not applicable, given that there has been no material adverse change in the prospects of the Issuer since the date of their respective last published audited financial statements.

Extracts of the historical financial information referred to above are set out below:

Consolidated Income Statement for the years ended 31 October	**2011** (€'000)	**2012** (€'000)	**2013** (€'000)
Revenue	30,254	33,086	35,280
Net operating Costs	(24,750)	(27,659)	(28,748)
EBITDA	**5,504**	**5,427**	**6,532**
Depreciation and amortisation	(3,212)	(3,331)	(3,207)
Share of loss of associates	-	(1)	(25)
Investment Income	151	18	61
Finance costs	(3,041)	(2,947)	(2,916)
Profit/(Loss) before tax	**(598)**	**(834)**	**445**
Taxation	356	(155)	110
Profit/(Loss) for the year	**(242)**	**(989)**	**555**
Other comprehensive income			
Exchange differences on translating foreign operations	135	1,279	(821)
Total comprehensive (expense)/income for the year	**(107)**	**290**	**(266)**

Consolidated Balance Sheet as at 31 October	**2011** (€'000)	**2012** (€'000)	**2013** (€'000)
ASSETS			
Non-current assets	128,466	127,892	128,854
Current assets	10,168	10,925	12,287
Total Assets	**138,634**	**138,817**	**141,141**
EQUITY AND LIABILITIES			
Equity			
Capital and reserves	36,179	36,469	36,203
Total equity	**36,179**	**36,469**	**36,203**
Liabilities			
Non-current liabilities	60,593	66,506	67,501
Current liabilities	41,862	35,842	37,437
Total liabilities	**102,455**	**102,348**	**104,938**
Total equity and liabilities	**138,634**	**138,817**	**141,141**

Consolidated Cash Flow Statement for the years ended 31 October	**2011** (€'000)	**2012** (€'000)	**2013** (€'000)
Net cash from operating activities	2,649	3,839	4,235
Net cash from investing activities	(5,891)	(1,473)	(5,088)
Net cash from financing activities	1,165	(2,968)	737
Net movement in cash and cash equivalents	**(2,077)**	**(602)**	**(116)**
Cash and cash equivalents at beginning of year	(7,521)	(9,677)	(10,267)
Effect of foreign exchange rate changes	(79)	12	(20)
Cash and cash equivalents at end of year	**(9,677)**	**(10,267)**	**(10,403)**

B.13 Not Applicable: The Issuer is not aware of any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency.

B.14 As at the date of this Prospectus, the Issuer is a holding company having investments in a number of Subsidiaries and Affiliates which operate the business of the Group. The business of the Group largely relates to the ownership, management and operation of five-star hotels in Malta (namely, the Radisson® Blu Resort St. Julians and the Radisson® Blu Golden Sands Resort & Spa), the operation of a vacation ownership marketing business for the Radisson® Blu Resort St. Julians and the Radisson® Blu Golden Sands Resort & Spa, the operation of retail and event catering business (Island Caterers, Montekristo Estates and Papillion Caterers) and the development and operation of COSTA® Coffee outlets in Malta, the East Coast of Spain, Canary Islands and the Balearic Islands. The Group also owns a plot of land measuring 83,000m² located next to the Golden Bay, Mellieħa with permits to develop the Oasis Project. IHG recently sold its entire shareholding in CHL. The Issuer does not itself carry on any trading activities. The future performance of the Issuer is intimately related to that of the Group.

B.15 As at the date of the Prospectus, the Issuer is a holding company having investments in a number of Subsidiaries and Affiliates which operate the business of the Group. In terms of its Memorandum and Articles of Association, the principal object of the Issuer is to subscribe for, acquire, hold, manage, administer, dispose of or otherwise deal with, solely for and on behalf of the Company, directly or indirectly, any shares, stock, debentures, debenture stock, bonds, notes, options, interests in or securities of all kinds of any company, corporation, entity, partnership or other body of persons.

B.16 The Issuer's current authorised share capital is €40,000,000 divided into 40,000,000 ordinary shares of a nominal value of €1 each share. The issued share capital of the Company is €36,583,660 divided into 36,583,660 ordinary shares of €1 each share. The shares are held by the public and are listed on the Malta Stock Exchange, with the majority of which being held by T.M.C. Limited (C6720), Double You Limited (C25234) and T Limited (C25235). As at the date of this Prospectus, the shares in T.M.C Limited are held by Winston V. Zahra, Doris Zahra, Double You Limited (beneficially owned by Winston J. Zahra) and T Limited (beneficially owned by Trevor Zahra).

B.17 Not Applicable: The Issuer has not sought the credit rating of an independent rating agency, and there has been no assessment by any independent rating agency of the Bonds issued by the Issuer.

3 Section C Securities

C.1 The Issuer shall issue an aggregate of €35,000,000 in Bonds having a face value of €100 per bond, subject to a minimum subscription of €2,000 in Bonds. 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. On admission to trading the Bonds will have the following ISIN number MT0000481227. The Bonds shall bear interest at the rate of 6% per annum and shall be repayable in full upon maturity unless they are previously re-purchased, cancelled or redeemed.

C.2 The Bonds are denominated in Euro (€).

C.5 The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.

C.8 Investors wishing to participate in the Bonds will be able to do so by duly executing the appropriate Application Form in relation to the Bonds. Execution of the Application Form will entitle such investor to:

(i) the payment of capital;

(ii) the payment of interest;

(iii) ranking with respect to other indebtedness of the Issuer in accordance with the status of the Bonds, as follows: "*The Bonds constitute the general, direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank equally and rateably without any priority or preference among themselves and with other unsubordinated or unsecured debt*";

(iv) attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond; and

(v) enjoy all such other rights attached to the Bonds emanating from the Prospectus.

C.9 Interest is expected to accrue on the Bonds as from 16 June 2014 at the rate of 6% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 15 May 2015. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is six per cent (6%). The Bonds will mature on 15 May 2024.

The remaining component of Element C.9 is not applicable, given that no representative of debt security holders has been appointed.

C.10 Not Applicable: there is no derivative component in the interest payments on the Bonds.

C.11 The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 5 May 2014. Application has been made to the MSE for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List. The Bonds are expected to be admitted to the MSE with effect from 16 June 2014 and trading is expected to commence on 17 June 2014.

4 Section D Risks

Holding of a Bond involves certain risks. Prospective investors should carefully consider, with their own independent financial and other professional advisors, the following risk factors and other investment considerations as well as all the other information contained in the Prospectus before deciding to acquire Bonds. Prospective Investors are warned that by investing in the Bonds they may be exposing themselves to significant risks that may have the consequence of losing a substantial part or all of their investment.

The Prospectus contains statements that are, or may be deemed to be, "forward looking statements", which relate to matters that are not historical facts and which may involve projections of future circumstances. They appear in a number of places throughout the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and/or its' Directors. 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.

Below is a summary of the principal risks associated with an investment in the Issuer and the Bonds – there may be other risks which are not mentioned in this summary. Investors are therefore urged to consult their own financial or other professional advisors with respect to the suitability of investing the Bonds. The following is a summary of the principal risk factors:

D.2 (a) Risks relating to the Industries in which the Group operates

The Group is subject to certain risks common to the industries in which it operates, certain of which are beyond its control. Changes in the general condition of the economies in which the Group operates or which it is exposed may have an adverse impact upon the Group's operating and financial performance. The Group currently owns operates and manages two hotels in Malta, one of which, jointly owned by Mayfair, is also operated as a vacation ownership resort. In addition, the Group owns, operates and manages an event catering operation and a retail catering operation. As such, the Group's operations and the results of its operations are subject to a number of factors that could adversely affect the Group's business, income and financial condition, many of which are common to the industries in which the Group operates, including the following:

- **a downturn in international market conditions or the national, regional and/or local political, economic and market conditions;**
- **any increases in interest rates and a reduction in the availability of financing and/or refinancing on favourable terms;**
- **any fluctuations in the exchange rates between the Euro and Pound Sterling could have an impact on that part of the Group's profitability generated from the sale of vacation ownership;**
- **the impact of increased threats of terrorism or actual terrorist events, impediments to means of transportation (including airline strikes and border closures) or other factors that may affect travel patterns and reduce the number of business and leisure travellers;**
- **the increased competition of services and products offered by the Group;**
- **future growth depends in part on the Group's international expansion efforts in Spain through the COSTA® Coffee brand. The Spanish market is new to the Group, and accordingly there is a risk that the Group may not be as successful to in penetrating the Spanish market;**
- **periodic local oversupply of guest accommodation in Malta;**
- **changes in travel patterns, any increase in, or the imposition of new taxes on air travel and fuel, and cutbacks and stoppages on Malta-bound airline routes;**
- **increases in operating expenses that may not be offset by increased room rates;**

- **changes in governmental laws and regulations and the related costs of compliance;**
- **the reduction in availability of financing to buyers at acceptable costs with respect to the acquisition of vacation ownership;**
- **the termination, non-renewal and/or the renewal on less favourable terms of the material contracts, including those described in Section 15 under the heading "*Material Contracts*" of the Registration Document.**

(b) Risks Relating To Real Estate

i. The value of the Group's property portfolio may fluctuate(among other things) as a result of changing demand, changes in general economic conditions, changing supply within a particular area of competing space and attractiveness of real estate relative to other investment choices, as well as a result of other factors outside the Group's control, such as changes in regulatory requirements and applicable laws, political conditions and the condition of financial markets. The Group's operating performance could be adversely affected by a downturn in the property market in terms of capital values.

ii. The valuation of property and property-related assets is inherently subjective. Moreover, all property valuations are made on the basis of assumptions which may not prove to reflect the true position. There is no assurance that the valuations of the properties and property-related assets will reflect actual market prices.

iii. Properties such as those in which the Group invests are relatively illiquid and planning regulations may further reduce the numbers and types of potential purchasers. Such illiquidity may affect the Group's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices. This could have an adverse effect on the Group's financial condition and results of operations.

iv. Most of the Group's immovable property are held under title of emphyteusis. These grants may be terminated as a result of a breach of the conditions contained therein. Any such termination will have a material impact on the Group's operations and financial position.

v. The Directors believe that the Group is in compliance in all material respects with European Union, national and local laws and regulations concerning environmental and/or health and safety (''EHS'') laws and regulations currently applicable to it, however there can be no assurance that the Group will not be found to be in breach thereof EHS. This could result in regulatory action, the imposition of fines or third party claims which could in turn have a material adverse effect on the Group's results of operation, its financial condition and/or its reputation. In addition, compliance with new EHS laws and regulations could require the Group to incur significant expenditure.

vi. The Group is planning a total investment of €16 million into the Radisson® Blu Resort St. Julians as described in Section 6 of the Registration Document. The Malta Environment & Planning Authority has issued a new planning policy, in terms of which, under certain circumstances, hotels may be allowed to construct up to a maximum of two additional storeys above current height limitations. However this does not mean that there cannot be delays in obtaining the necessary planning permissions or not obtaining the planning permits at all. Furthermore the completion of the refurbishment programme as well as the construction of the conference centre at the Radisson® BLU Resort St Julians is dependent on various external parties completing the project within the timeframe and costs anticipated.

(c) Risks Associated With The Issuer's Financial Strategy

i. The Issuer's inability to react quickly to changes in its revenue by reducing its operating expenses could have a material adverse effect on its business, financial condition and results of operations. Furthermore for hotel properties to remain attractive and competitive the Group must periodically spend a percentage of its cash flow. This creates an ongoing need for cash. To the extent that the Group cannot fund capital expenditure from cash flows generated by operations, then the funds must come from additional financing.

ii. The Company's ability to implement its business strategies is dependent upon, among other things, its ability to generate sufficient funds internally and to access continued bank financing at acceptable costs. The Group's current debt to equity ratio may hinder the Group's ability to procure additional bank financing for any new investments. Furthermore, members of the Group are a party to a number of bank credit facility agreements that contain certain covenants and restrictions which might limit the Issuer's ability to, among other things obtain future financing and withstand future downturns in general business or economic conditions. The Issuer is also the issuer of the Current Bonds in Issue which are due for redemption in 2017-2019. A substantial portion of the cash flow generated from the Issuer's operations in the coming years must be dedicated to debt service and debt repayment. This will limit the amount of cash that would otherwise be available for funding the Issuer's capital expenditure, and other general corporate costs.

iii. Borrowings are likely to be secured over part of the Group's assets. In the event that a member of the Group defaults under the terms of any borrowing agreements entered into, the lender concerned may seize title to such assets by enforcing its security. In addition, any amounts owing under such borrowing agreements will rank ahead of bondholder entitlements.

iv. The Group may be exposed to a variety of financial risks associated to the unpredictability of financial markets, including market risk, foreign exchange rate risk and credit risk.

(d) Other Risks

i. The Group is reliant upon technologies and operating systems (including IT systems) developed by third parties for the running of its business and is exposed to the risk of failures in such systems.

ii. The industries in which the Group operates are affected by changes in consumer demands, national, regional and local economic conditions and demographic trends which could have a material adverse effect on the Company's business and operating results.

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

iv. Since the Issuer is a holding company, the possibility that the Issuer may satisfy the demands of its creditors ultimately depends on its ability to participate in its Subsidiaries' and Affiliates' asset distribution upon liquidation. The rights of Issuer's creditors to participate in the said asset distribution, is effectively subordinated to the Subsidiary's and Affiliate's payment claims.

v. The Group is subject to the risk of industrial disputes and adverse employee relations which could disrupt the Group's business operations and materially adversely affect the Group's business, financial condition or results of operations.

vi. Historically, the Group has maintained insurance at levels determined by the Group to be appropriate in the light of the cost of cover and the risk profiles of the business of the Group. However, the Group may not be able to obtain insurance that covers losses that are due to external risks and the scope of coverage the Group can obtain may be limited as may the Group's ability to obtain coverage at reasonable rates. With respect to losses for which the Group is covered by its policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Group may not be able to recover the full amount from the insurer.

vii. Since the Group operates in an industry which involves the continuous provision of services to guests, customers and consumers and such operation necessarily requires the continues interaction with suppliers, employees, franchisors and regulatory authorities it is exposed to the risk of litigation with such parties. Exposure to litigation or fines imposed by regulatory authorities may affect the Group's reputation.

viii. Since 2010, European countries have been implementing austerity measures in an effort to reduce government deficits. This may have an effect on the tourism market resulting in a material adverse effect on the Group's performance.

ix. The industries in which the Group operates are characterised by strong competition. Severe competition in certain countries and changes in economic and market conditions could adversely affect the Company business and operating results.

D.3 Risks Relating to the Bonds:

i. The existence of an orderly and liquid market for the Bonds depends on a number of factors, including but not limited to the presence of willing buyers and sellers of the Issuer's Bonds at any given time and the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price or at all.

ii. The value of investments can rise or fall, and past performance is not necessarily indicative of future performance. If in need of advice, you should consult a licensed stockbroker or an investment adviser licensed under the Investment Services Act (Cap. 370 of the laws of Malta).

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

iii. The Bonds constitute general, direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank pari passu, without any priority or preference, with all other present and future unsecured and unsubordinated obligations of the Issuer.

iv. 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.

v. 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 7.13 of the Securities Note. 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.

vi. The Terms and Conditions of the Bond Issue are based on Maltese law in effect as at the date of this 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 this Prospectus.

5 Section E Offer

E.2b The proceeds from the Bond Issue, which net of expenses are expected to amount to approximately €34,350,000 will be used by the Issuer for the ensuing purposes, in the following order of priority:

(a) approximately €20,000,000 of the proceeds from the Bond Issue will be used as follows:

i. Approximately €16,000,000 of the proceeds from the Bond shall be advanced to BPH, a wholly owned indirect subsidiary of the Issuer, for the purpose of carrying out the following at the Radisson® Blu Resort St Julians, as described in Section 6 "*Strategy and Trend Information - Radisson® Blu Resort St. Julians*" of the Registration Document:

- refurbishment works;
- construction and finishing two additional storeys; and
- construction and finishing works in relation to a conference centre;

ii. approximately €4,000,000 of the proceeds will be used for the development and operation of the COSTA® Coffee brand in the East Coast of Spain, the Balearic Islands and the Canary Islands;

(b) The remaining balance of the net proceeds from the Bond Issue will be used for general corporate funding purposes, including the early repayment of some bank loans and in particular the reduction in the Group's overdraft balance.

The Sponsors have already agreed to subscribe to €10,000,000 of Bonds pursuant to the Private Placement Agreements as referred to in Section 7.20 of the Securities Note. Should Applications for at least another €20,000,000 of the remaining portion of the Bond Issue not be received, for a total of €30,000,000 subscription (the "**Minimum Amount**"), no allotment of the Bonds shall be made, the Applications shall be deemed not to have been accepted by the Issuer and all money received from Applicants shall be refunded accordingly.

In the event that the Minimum Amount is reached but the Bond Issue is still not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed.

E.3 The Bonds are open for subscription by all categories of investors, including: Authorised Financial Intermediaries either for their own account or on behalf of clients; and the general public.

The Issuer entered into a Private Placement Agreement with the respective Sponsors in terms of which the Sponsors have agreed to subscribe to €10,000,000 in Bonds.

All other applicants may subscribe for Bonds by submitting an Application Form, subject to a minimum application of €2,000 and in multiples of €100 thereafter.

The following is a synopsis of the general terms and conditions applicable to the Bonds. A Bondholder is deemed to have invested only after having received, read and understood the contents of the Prospectus, including the full terms and conditions contained in the annexes thereto:

1. Registration, Form, Denomination and Title

Certificates will not be delivered to Bondholders in respect of the Bonds given that the entitlement to Bonds will be represented in an uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. There will be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and Malta Stock Exchange account numbers of the Bondholders and particulars of the Bonds held by them respectively and a copy of such register will, at all reasonable times during business hours, be open to the inspection of the Bondholders at the registered office of the Issuer.

Upon request by the Bondholder, the CSD will issue a statement of holdings to Bondholders evidencing their entitlement to Bonds held in the register kept by the CSD.

The Bonds will be issued in fully registered form, without interest coupons, in minimum subscriptions of €2,000 and thereafter in integral multiples of €100.

Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments) as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading "*Transferability of the Bonds*".

Subject to the admission to listing of the Bonds to the Official List of the Malta Stock Exchange, the Bonds are expected to be assigned the following ISIN code: MT0000481227.

2. Status of the Bonds

The Bonds constitute the general, direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank equally and rateably without any priority or preference among themselves and with other unsubordinated or unsecured debt. The obligations of the Issuer under the Bonds bind the Issuer to pay to Bondholders interest on each Interest Payment Date and the nominal value of the Bonds on the Redemption Date.

The indebtedness of the Issuer as at 31 October 2013 amounted to €41,472,625, and includes bank loans, corporate bonds and other borrowings from related companies. The bank borrowings as at 31 October 2013 amounting to €10,834,652 are secured by:

(a) a first general hypothec for an aggregate of €11,141,811 over the Issuer's present and future assets; and

(b) a pledge on two ordinary shares held by the Issuer in IRIL;

and therefore the indebtedness being created by the Bonds, together with that of the Current Bond in Issue, ranks after all these bank borrowings. In addition, the Bonds would also rank after any future debts which are privileged or otherwise secured.

3. Redemption and Purchase

Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on the Redemption Date. Subject to the provisions of this section, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike. All Bonds so purchased will be cancelled forthwith and may not be re-issued or re-sold. Any purchase by tender shall be made available to all Bondholders alike.

4. Interest and Yield

The Bonds shall bear interest at the rate of 6% per annum payable annually on the 15 May of each year. Interest is expected to accrue as from 16 June 2014. The first Interest Payment Date following the issuance of this Prospectus shall be 15 May 2015. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.

Each Bond will cease to bear interest from and including its due date of redemption unless upon due presentation, payment of the principal in respect of the Bond is improperly withheld or refused or an Event of Default (as defined herein) occurs.

When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated on the basis of a 360 day year consisting of 12 months of 30 days each, and, in the case of an incomplete month, the number of days elapsed.

The gross yield calculated on the basis of the interest, the Bond Issue Price and the redemption value of the Bonds at Redemption Date is 6%.

5. Negative Pledge

The Issuer undertakes, for as long as any principal or interest under the Bonds or any of the Bonds remains outstanding, not to create or permit to subsist any Security Interest (as defined below), other than a Permitted Security Interest (as defined below), upon the whole or any part of its present or future assets or revenues to secure any Financial Indebtedness (as defined below) of the Issuer, unless at the same time or prior thereto the Issuer's indebtedness under the Bonds, is secured equally and rateably therewith, and the instrument creating such Security Interest so provides.

"Financial Indebtedness" means any indebtedness in respect of (A) monies borrowed; (B) any debenture, bond, note, loan stock or other security; (C) any acceptance credit; (D) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance for the acquisition of that asset; (E) leases entered into primarily as a method of raising finance for the acquisition of the asset leased; (F) amounts raised under any other transaction having the commercial effect of borrowing or raising of money; (G) any guarantee, indemnity or similar assurance against financial loss of any person;

"Security Interest" means any privilege, hypothec, pledge, lien, charge or other encumbrance or real right which grants rights of preference to a creditor over the assets of the Issuer;

"Permitted Security Interest" means (A) any Security Interest arising by operation of law; (B) any Security Interest securing bank loans; (C) any other Security Interest (in addition to (A) and (B) above) securing Financial Indebtedness of the Issuer, in an aggregate outstanding amount not exceeding eighty per cent (80%) of the difference between the value of the unencumbered assets of the Issuer and the aggregate principal amount of Bonds outstanding at the time.

Provided that the aggregate Security Interests referred to in (B) and (C) above do not result in the unencumbered assets of the Issuer being less than one hundred and six point five per cent (106.5%) of the aggregate principal amount of the Bonds still outstanding;

"Unencumbered assets" means assets which are not subject to a Security Interest.

6. Payments

Payment of the principal amount of a Bond will be made in Euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven days of the Redemption Date.

Payment of interest on a Bond will be made in Euro to the person in whose name such Bond is registered as at the close of business 15 days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate from time to time. Such payment shall be effected within seven days of the Interest Payment Date.

7. Events of Default

The Securities Note sets out a list of events of default the occurrence of which would result in the Bonds becoming immediately due and repayable at their principal amount together with accrued interest.

8. Transferability of the Bonds

The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time. All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations. The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer. The Issuer will not register the transfer or transmission of Bonds for a period of 15 days preceding the due date for any payment of interest on the Bonds.

9. Further Issues

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further bonds, notes, debentures or any other debt securities ranking *pari passu* in all respects with the Bonds.

10. Meetings of Participation Bondholders

The provisions of the Prospectus may be amended with the approval of the Bondholders at a meeting called for that purpose by the Issuer in accordance with the terms and procedure set out under Section 7.13 of the Securities Note.

11. Governing Law and Jurisdiction

The Bonds have been created, and the Bond Issue relating thereto is being made, in terms of the Act. From their inception the Bonds, and all contractual arrangements arising therefrom, shall be governed by and shall be construed in accordance with Maltese law. Any legal action, suit, action or proceeding against the Issuer arising out of or in connection with the Bonds shall be brought exclusively before the Maltese Courts and the Bondholder shall be deemed to acknowledge that it is submitting to the exclusive jurisdiction of the Maltese Courts as aforesaid.

E.4 Save for the subscription for Bonds by the Authorised Financial Intermediaries (which includes respectively Curmi & Partners Ltd., Rizzo, Farrugia & Co (Stockbrokers) Ltd., the Manager & Registrar and the Joint Manager) and any fees payable to Curmi & Partners Ltd. and Rizzo, Farrugia & Co (Stockbrokers) Ltd. respectively as Lead Sponsor and Sponsor in connection with the Bond Issue, and to Bank of Valletta p.l.c. and HSBC Bank Malta p.l.c. respectively as Manager and Registrar and Joint Manager, so far as the Issuer is aware no person involved in the issue has an interest material to the Bond Issue.

E.7 Professional fees, costs related to publicity, advertising, printing, listing and registration, a one percent selling commission, as well as sponsor, management, registrar fees and other miscellaneous expenses in connection with this Bond Issue, are estimated not to exceed €650,000 and shall be borne by the Issuer.

6 Time-Table

Availability of Application Forms	12 May 2014
Private Placement Date	23 May 2014
Opening of Subscription Lists	26 May 2014
Closing of Subscription Lists	30 May 2014
Announcement of basis of acceptance	6 June 2014
Expected dispatch of allotment advices and refunds of unallocated monies	13 June 2014
Expected date of admission of the Bond to the listing and Commencement of interest	16 June 2014
Expected date of commencement of trading in the Bonds	17 June 2014

The Issuer reserves the right to close the offer of Bonds before 30 May 2014 in the event of over-subscription, in which case, the events set out in steps 5 to 8 above shall be brought forward, although the number of workings days between the respective events shall not also be altered.

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Registration Document

Dated 6 May 2014

This document is a Registration Document issued in accordance with the provisions of Chapter 4 of the Listing Rules published by the Listing Authority and in accordance with 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, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014. This Registration Document should be read in conjunction with the Securities Note containing information about the securities to which it relates.

ISLAND HOTELS

GROUP HOLDINGS PLC

(a public limited liability company registered under the laws of Malta

with registration number C44855)

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENTS ARE IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, 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 THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THESE SECURITIES.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.

LEGAL COUNSEL	LEAD SPONSOR	SPONSOR	MANAGER & REGISTRAR	JOINT MANAGER
CAMILLERI PREZIOSI ADVOCATES	CURMI & PARTNERS	RIZZO FARRUGIA YOUR INVESTMENT CONSULTANTS	BOV Bank of Valletta	HSBC

IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONSTITUTES PART OF A PROSPECTUS AND CONTAINS INFORMATION ON ISLAND HOTELS GROUP HOLDINGS P.L.C., ITS SUBSIDIARIES, AFFILIATES AND BUSINESS OF THE GROUP, AND INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH THE LISTING RULES OF THE LISTING AUTHORITY, THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA) AND 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 (AS AMENDED BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF THE 30 MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4 JUNE 2012, COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30 APRIL 2013) AND COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014).

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE COMPANY OR ITS DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS REGISTRATION DOCUMENT AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS OR ADVISORS.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, 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 PROSPECTUS.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE ISSUE IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED IN THE SECURITIES NOTE OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF SAID DIRECTIVE, THE SECURITIES CAN ONLY BE OFFERED TO “QUALIFIED INVESTORS” (AS DEFINED IN SAID DIRECTIVE) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE SAID DIRECTIVE.

A COPY OF THIS DOCUMENT HAS BEEN REGISTERED WITH THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, IN ACCORDANCE WITH THE ACT.

THE CONTENTS OF THE ISSUER’S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE COMPANY’S WEBSITE DO NOT FORM PART OF THIS DOCUMENT. ACCORDINGLY NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN ANY SECURITIES ISSUED BY THE COMPANY.

THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. 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.

THIS DOCUMENT AND ALL AGREEMENTS, ACCEPTANCES AND CONTRACTS RESULTING THEREFROM SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF MALTA AND ANY PERSON ACQUIRING ANY SECURITIES PURSUANT TO THE PROSPECTUS SHALL SUBMIT TO THE JURISDICTION OF THE MALTESE COURTS, WITHOUT LIMITING IN ANY MANNER THE RIGHT OF THE ISSUER TO BRING ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR IN CONNECTION WITH ANY PURCHASE OF SECURITIES OR AGREEMENT RESULTING HEREFROM OR THE PROSPECTUS AS A WHOLE IN ANY OTHER COMPETENT JURISDICTION.

ALL THE ADVISORS TO THE COMPANY NAMED IN THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

STATEMENTS MADE IN THIS DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN. THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE SECURITIES NOTE CONTAINING INFORMATION ABOUT THE OFFERING AND THE SECURITIES.

TABLE OF CONTENTS

1 DEFINITIONS AND INTERPRETATION

Act	the Companies Act, Cap. 386 of the laws of Malta;
Affiliates	each of:- (a) Golden Sands Resort Limited, a limited liability company registered under the laws of Malta with company registration number C30569 and with registered office at The Radisson SAS Golden Sands Resort & Spa, Golden Bay, Limits of Mellieħa, MLH 5510, Malta ("**GSR**"); (b) Azure Services Limited, a limited liability company registered under the laws of Malta with company registration number C31224 and with registered office at Level 1, LM Complex, Brewery Street, Mrieħel, Birkirkara, BKR 3000, Malta ("**Azure Services**"); (c) Vacation Financial Ltd, a BVI business registered under the BVI Business Companies Act, 2004 with company number 535715 and with registered office at 325, Waterfront Drive, Omar Hodge Building, 2nd Floor, Wickhams Cay, Road Town, Tortola, BVI ("**Vacation Financial**"); (d) Brooksfield Overseas Ltd, a BVI business registered under the BVI Business Companies Act, 2004 with company number 536243 and with registered office at 325, Waterfront Drive, Omar Hodge Building, 2nd Floor, Wickhams Cay, Road Town, Tortola, BVI ("**Brooksfield**"); (e) Heathfield Overseas Ltd, a BVI business registered under the BVI Business Companies Act, 2004 with company number 536242 and with registered office at 325, Waterfront Drive, Omar Hodge Building, 2nd Floor, Wickhams Cay, Road Town, Tortola, BVI ("**Heathfield**"); (f) Azure Resorts Limited, a BVI business registered under the BVI Business Companies Act, 2004 with company number 535716 and with registered office at 325, Waterfront Drive, Omar Hodge Building, 2nd Floor, Wickhams Cay, Road Town, Tortola, BVI ("**Azure**"); (g) Medi International Limited, a BVI business registered under the BVI Business Companies Act, 2004 with company number 1677242 and with registered office at 325, Waterfront Drive, Omar Hodge Building, 2nd Floor, Wickhams Cay, Road Town, Tortola, BVI ("**Medi International Limited**"); (h) Buttigieg Holdings Limited, a limited liability company registered under the laws of Malta with company registration number C4443 and with registered office at The Penthouse, Papillon Court A, Birbal Street, Balzan, BZN 9019, Malta ("**Buttigieg Holdings**"); (i) R. J. C. Caterers Limited, a limited liability company registered under the laws of Malta with company registration number C10552 and registered office at The Penthouse, Papillon Court A, Birbal Street, Balzan, BZN 9019, Malta ("**RJC Caterers**"); (j) Quality Catering & Retail Services Limited, a limited liability company registered under the laws of Malta with company registration number C41365 and with registered office at Miller House, Airport Way, Tarxien Road, Luqa, LQA 1814, Malta ("**QCRS**"); (k) Travel Stores Company Limited, a limited liability company registered under the laws of Malta with company registration number C43549 and with registered office at Miller House, Airport Way, Tarxien Road, Luqa, LQA 1814, Malta ("**Travel Stores**"); (l) The Coffee Company Malta Limited, a limited liability company registered under the laws of Malta with company registration number C55973 and with registered office at The Penthouse, Papillion Court A, Birbal Street, Balzan, BZN 9019, Malta ("**Coffee Company Malta**"); (m) CLL Limited, a limited liability company registered under the laws of Malta with company registration number C58906 and with registered office at 5, Birbal Street, Balzan, BZN9019, Malta ("**CLL**"); (n) The Coffee Company Spain S.L. a company registered under the laws of Spain with fiscal number (NIF): B66240581 and with registered office at Calle Floridablanca 98, Planta Ent, Puerta 2, 08015, Barcelona, Spain ("**Coffee Company Spain**"); (o) The Heavenly Collection Limited, a limited liability company registered under the laws of Malta with company registration number C48380 and with registered office at The Radisson SAS Golden Sands Resort & Spa Golden Bay, Limits of Mellieħa, MLH 5510, Malta ("**Heavenly Collection**"); and (p) MKIC Limited, a limited liability company registered under the laws of Malta with company registration number C56106 and with registered office at Montekristo Estates, Ħal Farruġ Road, Luqa, Malta ("**MKIC**");
Azure Group	means all of:- (a) Azure; (b) Vacation Financial; (c) Heathfield; (d) Brooksfield; and (e) Medi International Limited;
BVI	British Virgin Islands;
Code	the 'Code of Principles of Good Corporate Governance' contained in Appendix 5.1 of the Listing Rules;

Current Bonds in Issue	the €14,000,000 6.5% Bonds 2017-2019 issued by the Issuer pursuant to a prospectus dated 28 August 2009;
Directors or Board	the directors of the Company whose names and addresses are set out in Section 3.1 under the heading "*Directors*" of this Registration Document;
EBITDA	earnings before interest, tax, depreciation and amortisation;
Euro or €	the lawful currency of the Republic of Malta;
Group or IHG Group	the Issuer, the Subsidiaries and the Affiliates;
Issuer or Company	Island Hotels Group Holdings p.l.c. a public limited liability company registered under the laws of Malta with company registration number C44855 and with registered office at Radisson Blu Resort St. Julians, Louis V. Farrugia Street, St. George's Bay, St. Julians, STJ 3391, Malta;
Listing Authority	the Malta Financial Services Authority, as appointed in terms of the Financial Markets Act (Cap. 345. of the laws of Malta);
Listing Rules	the listing rules issued by the Listing Authority from time to time;
Malta Stock Exchange or MSE	the Malta Stock Exchange p.l.c. as originally constituted by the Financial Markets Act (Cap. 345 of the laws of Malta) having its registered office at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta and bearing company registration number C42525;
Mayfair	Mayfair Overseas Holdings Limited, a BVI business registered under the BVI Business Companies Act, 2004 with company number 283978 and with registered office at 325, Waterfront Drive, Omar Hodge Building, 2nd Floor, Wickhams Cay, Road Town, Tortola, BVI;
Memorandum and Articles of Association or M&As	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;
Prospectus	collectively the Summary Note, the Registration Document and the Securities Note, as such documents may be amended, updated, replaced and supplemented from time to time;
Registration Document	means this document in its entirety;
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 and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 supplementing Directive 2003/71/EC of the European Parliament and of the Council with regard to regulatory technical standards for publication of supplements to the prospectus Text with EEA relevance;
Securities Note	the securities note issued by the Issuer dated 6 May 2014, forming part of the Prospectus;
Subsidiaries	each of:- (a) Island Hotels Group Limited, a limited liability company registered under the laws of Malta with company registration number C19442 and with registered office at Radisson Blu Resort St. Julians, Louis V. Farrugia Street, St. George's Bay, St. Julians, STJ 3391, Malta ("**IHG**"); (b) Bay Point Hotel Limited, a limited liability company registered under the laws of Malta with company registration number C13170 and with registered office at Radisson Blu Resort St. Julians, Louis V. Farrugia Street, St. George's Bay, St. Julians, STJ 3391, Malta ("**BPH**"); (c) Island Resorts International Limited, a BVI business registered under the BVI Business Companies Act, 2004 with company number 294368 and with registered office at Akara Building 24, De Castro Street, Wickhams Cay I, Tortola, BVI ("**IRIL**"); (d) Island Caterers Limited, a limited liability company registered under the laws of Malta with company registration number C9377 and with registered office at Radisson Blu Resort St. Julians, Louis V. Farrugia Street, St. George's Bay, St. Julians, STJ 3391, Malta ("**ICL**"); (e) Bay Point Properties Limited[1], a limited liability company registered under the laws of Malta with company registration number C47131 and with registered office at Radisson Blu Resort St. Julians, Louis V. Farrugia Street, St. George's Bay, St. Julians, STJ 3391, Malta ("**BPPL**"); and (f) Bay Point Collection Limited, a company registered under the laws of the British Virgin Islands with company registration number 1743963 and with registered office at Akara Building, 24 De Castro Street, Wickhams Cay I, Road Town, Tortola, BVI ("**Bay Point Collection**");
Summary Note	the summary note issued by the Issuer dated 6 May 2014, forming part of the Prospectus.

1 *As at the date of this Registration Document BBPL is a dormant company and does not carry on any kind of trading activities nor does it own any property.*

2 RISK FACTORS

AN INVESTMENT IN THE SECURITIES ISSUED BY THE ISSUER INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. A PROSPECTIVE INVESTOR SHOULD CAREFULLY CONSIDER THE FOLLOWING MATTERS, AS WELL AS THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

IF ANY OF THE RISKS DESCRIBED WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER'S FINANCIAL RESULTS, TRADING PROSPECTS AND THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES.

THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE THAT THE DIRECTORS BELIEVE TO BE MATERIAL, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER FACES. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S DIRECTORS ARE NOT CURRENTLY AWARE OF OR DO NOT DEEM MATERIAL, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER THAT COULD LEAD TO A DECLINE IN VALUE OF THE SECURITIES.

NEITHER THE PROSPECTUS NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION NOR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE SPONSORS OR AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THIS PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

2.1 Forward Looking Statements

This Registration Document and the documents incorporated therein by reference or annexed thereto include statements that are, or may be deemed to be, ''forward-looking statements''. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms ''believes'', ''estimates'', ''anticipates'', ''expects'', ''intends'', ''may'', ''will'' or ''should'' or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Company and/or the Directors concerning, amongst other things, the Company's strategy and business plans, results of operations, financial condition, liquidity, prospects and dividend policy of the Company and the markets in which the Group operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such.

The Group's actual results of operations, financial condition, liquidity, dividend policy and the development of its strategy may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the results of operations, financial condition, liquidity and dividend policy of the Company are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in economic conditions generally and in Malta, hotel markets specifically, legislative/regulatory changes, changes in taxation regimes, the availability and cost of capital for future investments and the availability of suitable financing.

Potential investors are advised to read this document in its entirety and, in particular, the heading of this section entitled ''*Risk Factors*'' for a further discussion of the factors that could affect the Company's future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur. All forward-looking statements contained in this document are made only as at the date hereof. Subject to its legal and regulatory obligations (including under the Listing Rules), the Company and its Directors expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

2.2 Risks relating to the Industries in which the Group operates

The Group is subject to certain risks common to the industries in which it operates, certain of which are beyond its control. The performance of the Group may be influenced by the general condition of the economies in which it operates or which it is exposed to. Changes in interest rates, employment rates, inflation, consumer spending and government policy may affect sales and operating profits. Changes in economic conditions may result in customers changing spending patterns or their level of consumption, which may have an adverse impact upon the Group's operating and financial performance.

The Group currently owns, operates and manages two hotels in Malta, one of which, jointly owned by Mayfair, is also operated

as a vacation ownership resort. In addition, the Group owns, operates and manages an event catering operation and a retail catering operation. As such, the Group's operations and the results of its operations are subject to a number of factors that could adversely affect the Group's business, many of which are common to the industries in which the Group operates, including the following:

- **a downturn in international market conditions or the national, regional and/or local political, economic and market conditions, may diminish the demand for leisure and business travel and meeting/conference space;**
- **any increases in interest rates and a reduction in the availability of financing and/or refinancing on favourable terms could affect the Group's ability to negotiate working capital and capex funding;**
- **any fluctuations in the exchange rates between the Euro and Pound Sterling could have an impact on that part of the Group's profitability generated from the sale of vacation ownership;**
- **the impact of increased threats of terrorism or actual terrorist events, impediments to means of transportation (including airline strikes and border closures), extreme weather conditions, natural disasters, travel-related accidents, outbreaks of diseases and health concerns, or other factors that may affect travel patterns and reduce the number of business and leisure travellers;**
- **the increased competition of services and products offered by the Group which might result in a decrease in profit margins;**
- **future growth depends in part on the Group's international expansion efforts in Spain through the COSTA® Coffee brand. The Spanish market is new to the Group, and accordingly there is a risk that the Group may not be as successful in penetrating the Spanish market;**
- **periodic local oversupply of guest accommodation in Malta;**
- **changes in travel patterns, any increase in, or the imposition of new taxes on air travel and fuel, and cutbacks and stoppages on Malta-bound airline routes;**
- **increases in operating expenses as a result of inflation, increased personnel costs and healthcare related costs, higher utility costs (including energy costs), increased taxes and insurance costs, as well as unanticipated costs as a result of acts of nature and their consequences and other factors that may not be offset by increased room rates;**
- **changes in governmental laws and regulations, including those relating to vacation ownership, employment, the preparation and sale of food and beverages, smoking, health and alcohol licensing laws and environmental concerns, fiscal policies and zoning and development regulations and the related costs of compliance;**
- **the reduction in availability of financing to buyers at acceptable costs with respect to the acquisition of vacation ownership could affect that part of the Group's profitability generated from the sales of vacation ownership;**
- **the termination, non-renewal and/or the renewal on less favourable terms of the material contracts described in Section 15 under the heading "*Material Contracts*", as well as agreements entered into with tour operators;**
- **the termination or non-renewal of agreements entered into by the Group with respect to the lease and provision of event catering venues.**

The impact of any of these factors (or a combination of them) may adversely affect the Group's income. Such factors (or a combination of them) may also adversely affect the value of the Group's assets and in either such case would have a material adverse effect on the Group's business, financial condition and results of operations.

2.3 Risks relating to Real Estate

Risk relating to the Group's properties and operations

Property investments are subject to varying degrees of risks. Values are affected by (among other things) changes in demand, changes in general economic conditions, supply changes in a particular area of competing space and attractiveness of real estate relative to other investment choices. The value of the Group's property portfolio may also fluctuate as a result of other factors outside the Group's control, such as changes in regulatory requirements and applicable laws (including in relation to taxation and planning), political conditions, the condition of financial markets, potentially adverse tax consequences, interest and inflation rate fluctuations and higher accounting and control expenses. The Group's operating performance could be adversely affected by a downturn in the property market in terms of capital values.

Property valuation is inherently subjective and uncertain

The valuation of property and property-related assets is inherently subjective. As a result, valuations are subject to uncertainty. Moreover, all property valuations are made on the basis of assumptions which may not prove to reflect the true position. There

is no assurance that the valuations of the properties and property-related assets will reflect actual market prices.

Real estate investments are relatively illiquid

Properties such as those in which the Group invests are relatively illiquid and planning regulations may further reduce the numbers and types of potential purchasers should the Group decide to sell certain properties. Such illiquidity may affect the Group's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices in accordance with its strategy or in response to changes in economic, real estate market or other conditions. This could have an adverse effect on the Group's financial condition and results of operations.

Risk of Termination of Emphyteutical Concessions

Most of the Group's immovable property is held under title of emphyteusis. These grants may be terminated as a result of a breach of the conditions contained therein. Any such termination will have a material impact on the Group's operations and financial position.

Environmental and/or health and safety compliance costs and liabilities may have a material adverse effect on the Group's financial condition and operations

As an owner and operator of hotel properties and catering establishments, the Group is subject to a variety of European Union, national and local laws and regulations concerning environmental and/or health and safety ("EHS") matters. The Directors believe that the Group is in compliance in all material respects with EHS laws and regulations currently applicable to it however there can be no assurance that the Group will not be found to be in breach of EHS laws and regulations. The failure to comply with present or future EHS laws and regulations could result in regulatory action, the imposition of fines or third party claims which could in turn have a material adverse effect on the Group's results of operation, its financial condition and/or its reputation. In addition, compliance with new EHS laws and regulations could require the Group to incur significant expenditure that could have a material adverse effect on the Group's results of operation, financial condition or operations.

The Group's real estate property portfolio comprises properties that have been constructed at various times and, in some cases, on or in areas that have historically been the subject of commercial or industrial uses. As a result, hazardous substances are or may be present within land or buildings at some of these properties which may result in a financial cost to the Company. If an issue arises in relation to the presence of hazardous substances at any Group property, and is not remedied or not capable of being remedied, this may adversely affect the Group's ability to sell, lease or operate its property or to borrow using its property as collateral.

Planning Permission & other risks relating to construction

The Group is planning a total investment of €16 million in the Radisson® Blu Resort St. Julians as described in Section 6 of this Registration Document. The Malta Environment & Planning Authority has issued a new planning policy, in terms of which, under certain circumstances, hotels may be allowed to construct up to a maximum of two additional storeys above current height limitations[2] however this does not mean that there cannot be delays in obtaining the necessary planning permissions or not obtaining the planning permits at all since these are risks commonly associated with property development projects.

Furthermore the completion of the refurbishment programme, as well as the construction of the conference centre at the Radisson® Blu Resort St. Julians are dependent on various external parties completing the project within the timeframe and costs anticipated. Failure to do so may have an adverse impact on the revenue generation, cash flow and financial performance of the Group.

2.4 Risks Associated with the Issuer's Financial Strategy

A significant portion of the Issuer's operating expenses are fixed, which may impede the Issuer from reacting quickly to changes in its revenue

A significant portion of the Issuer's costs are fixed and the Issuer's operating results are vulnerable to short-term changes in its revenues. The Issuer's inability to react quickly to changes in its revenue by reducing its operating expenses could have a material adverse effect on its business, financial condition and results of operations. Furthermore for hotel properties to remain attractive and competitive the Group must periodically spend a percentage of its cash flow on refurbishments and relevant updates. This creates an ongoing need for cash. To the extent that the Group cannot fund capital expenditure from cash flows generated by operations, then the funds must come from additional financing.

The Group's level of debt

The Company's ability to implement its business strategies is dependent upon, among other things, its ability to generate sufficient funds internally and to access continued bank financing at acceptable costs. The Group's current debt to equity ratio may hinder the Group's ability to procure additional bank financing for any new investments.

Furthermore, members of the Group are a party to a number of bank credit facility agreements that contain certain covenants and restrictions which might limit the Issuer's ability to, among other things: obtain future financing, fund capital expenditures,

2 *http://www.mepa.org.mt/newslet38-article2.*

withstand future downturns in general business or economic conditions and conduct certain corporate activities. The Issuer is also the issuer of the Current Bonds in Issue which are due for redemption in 2017-2019.

A substantial portion of the cash flow generated from the Issuer's operations in the coming years must be dedicated to debt service and debt repayment. This will limit the amount of cash that would otherwise be available for funding the Issuer's capital expenditure, and other general corporate costs.

Enforcement of security over the Issuer's assets

Borrowings are likely to be secured over part of the Group's assets. In the event that a member of the Group defaults under the terms of any borrowing agreements entered into, the lender concerned may seize title to such assets by enforcing its security. In addition, any amounts owing under borrowing agreements will rank ahead of bondholder entitlements.

Certain Financial Market Risks

The Group may be exposed to a variety of financial risks associated with the unpredictability of financial markets, including market risk (such as the risk associated with fluctuations in interest rates and fair values of investments), foreign exchange rate risk and credit risk (the risk of loss by the Issuer due to its debtors not respecting their commitments).

In particular, interest rate risk refers to the potential changes in the value of financial assets and liabilities in response to changes in the level of market interest rates and their impact on cash flows.

2.5 Other Risks

The Group's reliance on non-proprietary software systems and third-party information technology providers

The Group is reliant upon technologies and operating systems (including IT systems) developed by third parties for the running of its business and is exposed to the risk of failures in such systems. Whilst the Group has service level agreements and disaster recovery plans with third party providers of these systems to ensure continuity and stability of these systems, there can be no assurance that the service or systems will not be disrupted. Disruption to those technologies or systems and/or lack of resilience in operational availability could adversely affect the efficiency of the Group's business, financial condition and/or operating results.

Consumer preferences and perceptions

The industries in which the Group operates are affected by changes in consumer demands, national, regional and local economic conditions and demographic trends. There could be a materially adverse effect on the Company's business and operating results if consumer demands change. This is particularly relevant for the event catering business and the COSTA® Coffee franchise business.

The Group's key senior personnel and management have been and remain material to its growth

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

Holding Company Structure

Since the Issuer is a holding company, the possibility that the Issuer may satisfy the demands of its creditors ultimately depends on its ability to participate in its Subsidiaries' and Affiliates' asset distribution upon liquidation. The Issuer's rights and therefore its creditors' rights to participate in the said asset distribution, is effectively subordinated to the Subsidiary's and Affiliate's payment claims.

The Group may face industrial disputes or other disruptions that could interfere with its operations

The Group is subject to the risk of industrial disputes and adverse employee relations, and these disputes and adverse relations could disrupt the Group's business operations and materially adversely affect the Group's business, financial condition or results of operations. The Group's employees do not currently form part of a workers' union however no assurance can be given that there will not be industrial disputes and/or adverse employee relations in the future that could have a material adverse effect on the Group's operations in a specific hotel, country or region.

The Group's insurance policies

Historically, the Group has maintained insurance at levels determined by the Group to be appropriate in the light of the cost of cover and the risk profiles of the business in which the Group operates. However, the Group may not be able to obtain insurance that covers losses that are due to external risks, such as acts of terrorism or flooding. In addition, the scope of coverage the Group can obtain may be limited as may the Group's ability to obtain coverage at reasonable rates. With respect to losses for which the Group is covered by its policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Group may not be able to recover the full amount from the insurer. No assurance can be given that the 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.

The Group is exposed to the risk of litigation from its guests, customers, actual and potential partners, suppliers, employees, regulatory authorities, franchisers

Since the Group operates in an industry which involves the continuous provision of services to guests, customers and consumers and such operation necessarily requires continuous interaction with suppliers, employees, franchisors and regulatory authorities it is exposed to the risk of litigation with such parties. Exposure to litigation or fines imposed by regulatory authorities may affect the Group's reputation even though the monetary consequences may not be significant.

Austerity Measures

Since 2010, European countries have been implementing austerity measures in an effort to reduce government deficits. This may have an effect on the tourism market resulting in a material adverse effect on the Group's performance.

Increased Competition

The industries in which the Group operates are characterised by strong competition. Many of the Group's current and potential competitors may have longer operating histories, greater name recognition, larger customer bases and greater financial and other resources than the Group. Severe competition in certain countries and changes in economic and market conditions could adversely affect the Company business and operating results.

3 IDENTITY OF DIRECTORS, ADVISORS AND AUDITORS

3.1 Directors

As at the date of this Registration Document, the Board of Directors of the Issuer is constituted as follows:

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

The business address of the Directors is Radisson Blu Resort St. Julians, Louis V. Farrugia Street, St. George's Bay, St. Julians, STJ 3391, Malta.

This Registration Document includes information prepared in compliance with the Listing Rules of the Listing Authority for the purpose of providing prospective investors with information with regard to the Issuer. Each and all of the directors of the Issuer whose names appear under the heading "*Directors*" in this Section 3.1 of this Registration Document accept responsibility for the information contained in this Prospectus.

To the best of the knowledge and belief of the Directors of the Issuer, who have taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors of the Issuer hereby accept responsibility accordingly.

3.2 Advisors and Auditors

The persons listed in this section "*Advisors and Auditors*" have advised and assisted the Directors in the drafting and compilation of the Prospectus.

3.2.1 Sponsors

Lead Sponsor

Name: Curmi & Partners Ltd.

Address: Finance House
Princess Elizabeth Street
Ta' Xbiex, XBX 1102
Malta

Sponsor

Name: Rizzo, Farrugia & Co (Stockbrokers) Ltd.

Address: Airways House, Third Floor
High Street
Sliema, SLM 1549
Malta

3.2.2 Legal Counsel

Name: Camilleri Preziosi

Address: Level 3, Valletta Buildings
South Street
Valletta, VLT 1103
Malta

3.2.3 Managers and Registrar

Manager and Registrar

Name: Bank of Valletta p.l.c.

Address: BOV Centre
Cannon Road
Santa Venera, SVR 9030
Malta

Joint Manager

Name: HSBC Bank Malta p.l.c.

Address: 233, Republic Street
Valletta, VLT 1116
Malta

3.2.4 Statutory Auditors

Name: Deloitte Audit Limited

Address: Deloitte Place
Mrieħel Bypass, Mrieħel
Birkirkara, BKR 3000
Malta

The financial statements of the Issuer for the financial years ended 31 October 2011, 2012 and 2013 respectively have been audited by Deloitte Audit Limited. Deloitte Audit Limited is a firm of Certified Public Accountants holding a practising certificate to act as auditors in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta).

4 INFORMATION ABOUT THE ISSUER

4.1 History and Development of the Issuer

4.1.1 Introduction

Full Legal and Commercial Name of the Issuer	Island Hotels Group Holdings p.l.c.
Registered Address	Radisson Blu Resort St. Julians, Louis V. Farrugia Street, St. George's Bay, St. Julians STJ 3391, Malta
Place of Registration and Domicile	Malta
Registration Number	C44855
Date of Registration	5 August 2008
Legal Form	The Company is lawfully existing and registered as a public limited company in terms of the Act
Telephone Numbers	+356 21374894
Fax Number	+356 21374895
Email Address	info@islandhotels.com
Website	www.islandhotels.com

4.1.2 Important Events in the Development of the Group's Business

The Issuer was registered on the 5 August 2008 as a private limited liability company for the purpose of acquiring the business of IHG. By virtue of a number of share transfer instruments, the Issuer acquired IHG, ICL and IRIL and hence the Issuer now serves as the holding company of the Group.

As at the date of the Registration Document, the business activities of the Group are the following: -

- the operation of the Radisson® Blu Resort St. Julians (through BPH);
- the operation of the Radisson® Blu Golden Sands Resort & Spa (through a 50% equity contribution in GSR);
- the event catering business of the Group (through ICL);
- the operation of Montekristo Estates exclusive venues (through a 50% equity contribution in MKIC);
- the operation of the vacation ownership marketing business of Radisson® Blu Golden Sands Resort & Spa (through a 50% equity contribution in the Azure Group) and Radisson® Blu Resort St. Julians (through Bay Point Collection);
- the development and operation of the COSTA® Coffee brand in Malta through the Coffee Company Malta, and in the East Coast of Spain, the Balearic Islands and the Canary Islands through the Coffee Company Spain;
- the operation of retail outlets at Mater Dei Hospital through QCRS, 50% of which is owned by RJC Caterers, a subsidiary of Buttigieg Holdings; and
- ownership of the 83,000m^2 plot of land at Ħal Ferħ with permits to develop the property into a luxurious tourist complex the "**Oasis Project**" (through its 50% equity stake in Heavenly Collection).

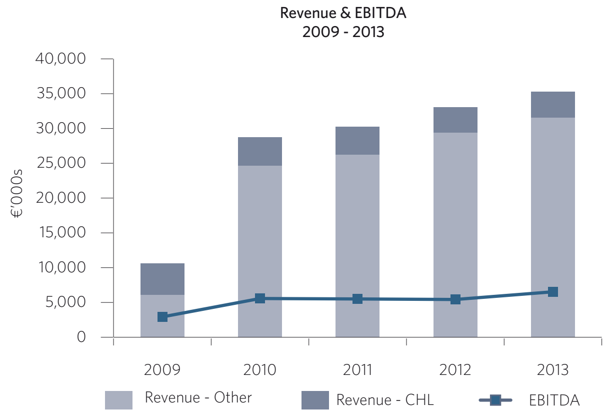
On the 21 August 2009, the Company was converted to a public limited liability company. The Issuer's ordinary shares and the Current Bonds in Issue were first admitted to the Official List of the MSE on the 7 October 2009, and trading commenced on the 8 October 2009.

Established in 1987 with a single 200-bed hotel and employing 20 personnel, the Group developed over the last 27 years to become a leading player in the leisure, hospitality and catering industry in Malta, managing a bed stock in excess of 1,450 beds across two hotel properties and employing just under 1,000 personnel (including part time equivalents) in its core hotel and catering operations. Over this period, the business expanded from a revenue figure of under €750,000 and an EBITDA figure of under €250,000 in the first year of operation to revenues of €35 million and EBITDA of €6.5 million in 2013. In 2011 the Issuer acquired a 50% stake in Buttigieg Holdings, a company operating mainly in the retail and contract catering sector thus continuing to diversify its catering business. In 2012 Buttigieg Holdings entered into a Franchise Agreement with Costa International Limited, granting it exclusive development and operating rights for the COSTA® Coffee brand in Malta. Following an international tendering process The Coffee Company Spain was awarded the right to develop the COSTA® Coffee brand in the territory of Spain (East Coast), the Balearic Islands and the Canary Islands.

The following table sets out the highlights of the IHG Group's historical milestones:

Year	Event
1987	Formation of partnership between T.M.C. Limited and Vassallo Builders Group Limited
	Commencement of operations with the two hundred bed hotel named Bugibba Holiday Complex
1989	Expansion of Bugibba Holiday Complex to a one-thousand bed complex
1992	Island Caterers set up to provide event catering services
	Acquisition of Salina Bay Hotel and commencement of major redevelopment works
1994	Re-opening of Salina Bay Hotel as the new four star Coastline Hotel
1995	Commencement of construction works on the Group's first five-star hotel in St. George's Bay
1997	Opening of the Group's Radisson® Blu Resort St. Julians
1998	Acquisition of 16.67% equity stake in a company holding the lease in and operating the Dragonara Casino in St. Julians
2003	Acquisition of the old Golden Sands Hotel, Għajn Tuffieħa
	Strategic partnership with Mayfair, a specialist vacation ownership marketer, in the Radisson® Blu Golden Sands Resort & Spa project
	Commencement of works on the five-star Radisson® Blu Golden Sands Resort & Spa
2005	Opening of the five-star Radisson® Blu Golden Sands Resort & Spa to coincide with the Commonwealth Heads of Government Meeting (CHOGM) held in Malta in October 2005
2008	Sale of Bugibba Holiday Complex & indirect equity interest in Dragonara Casino Limited
2009	The Issuer was the sole tenderer for the development of land and property situated at Ħal Ferħ, Malta in response to the tender issued by the Government of Malta on the 20 March 2009. In December 2009, the transaction was completed pursuant to which the Issuer acquired the perpetual emphyteusis over a tract of land adjacent to the Radisson® Blu Golden Sands Resort & Spa
	Issue of a total of 140,000 6.5% Bonds 2017 – 2019
	Offer of a total of 17,200,600 ordinary shares to the general public and listing of the shares of the Issuer on the Malta Stock Exchange
2011	Completion of acquisition of 50% of Buttigieg Holdings Limited, a company operating mainly in the retail and contract catering sector
2012	Buttigieg Holdings, through the Coffee Company Malta, entered into a Franchise Agreement with Costa International Limited granting it exclusive development and operating rights for COSTA® Coffee brand in Malta
	Island Caterers Limited acquired 50% of MKIC, the operator of Montekristo Estates, a 300,000m^2 venue in Luqa
2013	The Malta Environment and Planning Authority approved the application that had been submitted for the Oasis Project at Golden Sands. The site will be developed through the Issuer's affiliate, Heavenly Collection
2014	Following an international tender issued by Costa International Limited the Coffee Company Spain was awarded the right to develop the COSTA® Coffee brand in the territory of Spain (East Coast), the Balearic Islands and the Canary Islands
	The group sold its 100% equity holding in Coastline Hotel Ltd to Claret Holdings Limited. At the same time it entered into a 5-year agreement to provide food & beverage services to Coastline Hotel Limited

The following chart sets out the growth in revenue and EBITDA of the IHG Group over the last five years and distinguishes the revenue resulting from the operations of the Coastline Hotel (sold in 2014 see Section 5.1.1, *"Hotel Operation - Sale of the Coastline Hotel"*) as opposed to that from the other Group companies.



Source: National Statistics Office

4.2 Recent Events

The Issuer is not aware of any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency.

4.3 Investments

In terms of an agreement dated 18 May 2011 the Issuer purchased a 50% stake in Buttigieg Holdings (See Section 5.1.5). As part of the same agreement the Issuer has the option to purchase the other 50% stake of Buttigieg Holdings currently held by third parties thus becoming the 100% owner of Buttigieg Holdings. The option is exercisable during the period commencing 18 May 2014 and ending on 18 May 2017. The Issuer intends to exercise this option during 2014.

The Issuer will either:

(a) utilise its own funds to purchase the aforesaid stake; or

(b) issue shares in itself in consideration of the acquisition; or

(c) a combination of (a) and (b) above.

The Group is also planning:

(i) an investment in the Radisson® Blu Resort St. Julians consisting of the construct of a stand-alone conference centre adjacent to the hotel and the refurbishment of all guest rooms, public areas and exterior spaces of the hotel as well as the construction of an additional two storeys;

(ii) to open additional outlets of COSTA® Coffee in Malta and new outlets in the East Coast of Spain, Canary Islands and the Balearic Islands.

The proceeds of the bond will be utilised to finance these investments (refer to Securities Note forming part of this Prospectus).

5 BUSINESS OVERVIEW

5.1 Principal Activities

The Issuer is a holding company having investments in a number of Subsidiaries and Affiliates which operate the business of the Group. The business of the Group largely relates to: the ownership, management and operation of five-star hotels in Malta (namely, the Radisson® Blu Resort St. Julians and the Radisson® Blu Resort & Spa, Golden Sands); the operation of a vacation ownership marketing business for the Radisson® Blu Resort St. Julians and the Radisson® Blu Resort & Spa, Golden Sands; the operation of retail and event catering business (Island Caterers, Montekristo Estates and Papillion Caterers); and the development and operation of COSTA® Coffee outlets in Malta, the East Coast of Spain, Canary Islands and the Balearic Islands. The Group also owns a plot of land measuring 83,000m^2 located next to the Golden Bay, Mellieħa with permits to develop this land into a luxury tourist complex. IHG recently sold its entire shareholding in the Coastline Hotel Limited, a company registered in Malta with registration number C14107 and with its registered office at the Coastline Hotel, Salina Bay, Salina, Naxxar, NXR 9030, Malta ("**CHL**") (see Section 5.1.1 "*Hotel Operation - Sale of the Coastline Hotel*").

The following is a description of the activities of each of the operating Subsidiaries and Affiliates:

5.1.1 Hotel Operation

Radisson® Blu Resort St. Julians

BPH, (a fully-owned indirect Subsidiary of the Issuer), owns the 252-room five-star Radisson® Blu Resort St. Julians situated in St George's Bay in St. Julians. The hotel consists of 224 twin rooms, 14 Junior Suites, 6 Club Suites and 8 Executive Suites in addition to a range of facilities including, 3 restaurants, 2 bars and 2 pool-side bars, indoor and outdoor pools, beach club, spa, tennis courts, gymnasium, conference suites and the Grand Ballroom. The Radisson® Blu Resort St. Julians operates under a franchise agreement with the Carlson Rezidor® Hotel Group, one of the world's foremost hotel companies incorporating 1,345 hotels worldwide with 216,000 hotel rooms in 108 countries, under seven global brands. The original franchise agreement was extended in 2007 for a period up to 31 December 2018 (see Section 15 *"Material Contracts"*).

The Resort opened its doors for business in May 1997. The Radisson® Blu Resort St. Julians has been of service to numerous conferences and individuals and enjoys a strong reputation as a unique destination able to cater for extensive customer needs backed by a team of professional hoteliers dedicated to delivering a genuine hospitality experience to their guests.

Over the course of these seventeen years of operation the hotel has undergone numerous enhancements most recently the refurbishment of the guest room bathrooms, a projected completed in February 2014.

The Issuer believes that there is still significant potential for improvement in the room and occupancy rates of the Radisson® Blu Resort St. Julians and that this can be achieved by improving further the standard of the premises. This would allow Radisson® Blu Resort St. Julians to compete better with the other five-star hotels in the area.

The following table sets out the highlights of the hotel's operating performance for the years indicated therein: -

	Financial year ended 31 October 2011	Financial year ended 31 October 2012	Financial year ended 31 October 2013
Revenue (€)	9,402,497	9,156,753	9,554,729
Revenue per available room (€)[3]	102.2	99.3	103.9
Occupancy level (%)	71	69	69
Revenue per occupied room (€)[4]	145.0	144.2	150.9

Radisson® Blu Resort & Spa Golden Sands

GSR, an indirect, 50% Affiliate of the Issuer, owns the 329-room five-star Radisson® Blu Resort & Spa Golden Sands situated in Għajn Tuffieħa. The hotel has been named the Top Hotel in Malta in the 2014 Travelers' Choice® awards as well as being recognized in the categories of Top Hotels for Romance and Top Luxury Hotels in Malta[5]. The property offers a full complement of five-star hotel facilities, leisure conference and vacation ownership accommodation. The facilities include indoor and outdoor pools, private beach, spa facilities, tennis court, a fully equipped gymnasium, four restaurants, three bars and three pool-side bars as well as extensive conference facilities and event rooms.

The hotel, which opened its doors to host the Commonwealth Heads of Government Meeting (CHOGM) during their visit to Malta in November 2005, has been developed primarily as a luxury five-star hotel and vacation ownership resort in collaboration with Mayfair, a company specialising in vacation ownership. The Radisson® Blu Resort & Spa Golden Sands operates under a franchise agreement with the Carlson Rezidor® Hotel Group that has exclusive rights for the use of the Radisson® Blu name within the EMEA region (see Section 15 "*Material Contracts*").

Since opening, the resort has hosted numerous leisure guests, conference and incentive events, many high profile individuals as well as a large number of vacation club travellers. The business to date reflects that of a mixed used resort focusing, on the one part on a traditional hotel operation, and on the other part a vacation ownership club. The following table sets out the highlights of the hotel's operating performance* for the years indicated therein:

	Financial year ended 31 October 2011	Financial year ended 31 October 2012	Financial year ended 31 October 2013
Revenue (€)	**15,138,539**	**15,453,362**	**14,949,685**
Revenue per available room (€)[6]	**125.9**	**128.3**	**124.5**
Occupancy level (%)	**68**	**66**	**68**
Revenue per occupied room (€)[7]	**185.6**	**193.6**	**183.1**

** GSR is a 50% indirect affiliate of the Issuer. The figures in the table above refer to 100% of the hotel's operating performance. The consolidated financial statements of the Group reflect the Group's 50% share of GSR.*

Sale of the Coastline Hotel

By virtue of a sale agreement entered into on the 2 May 2014 by and between IHG and Claret Holdings Limited, a company registered in Malta with registration number C39960 and with its registered office at European School of English, Paceville Avenue, St. Julians ("**Claret**"), IHG transferred its entire shareholding in CHL in favour of Claret for a gross price of €14,000,000. CHL is the owner of the Coastline Hotel. Concurrently the Group has entered into an agreement with Claret to supply CHL with food and beverage services for five years commencing on the date of the share transfer. This service will be provided through ICL.

The sale of CHL from the portfolio of the Group is in line with the Group's current strategy to focus on the five-star segment of the local hotel industry and the proceeds of the sale will be utilised to contribute to the continued development of the Group in this area as well as the other core activities of the Group including vacation ownership, high end event catering and the development of the COSTA® Coffee brand.

3, 6 Calculated as Total Revenue (including revenue from Food & Beverages) divided by the total number of available room nights

4, 7 Calculated as Total Revenue (including revenue from Food & Beverages) divided by the total number of occupied room nights

5 See www.tripadvisor.com

The following table sets out the highlights of the CHL's operating performance for the years indicated therein:

	Financial year ended 31 October 2011	**Financial year ended 31 October 2012**	**Financial year ended 31 October 2013**
Revenue (€)	4,024,314	3,661,338	3,734,495
EBITDA (€)	762,372	643,548	571,985
(Loss)/Profit before Tax (€)	40,034	(22,408)	(41,666)

5.1.2 Vacation Ownership

Azure Group

The Azure Group is constituted of the 50% owned Affiliates of the Company held through IRIL, the other 50% being held indirectly by third parties through Mayfair. Azure is the travel agent and tour operating arm for GSR and is involved in marketing and reselling pre-allocated travel, holiday and vacation ownership holiday accommodation to travellers. Heathfield accepts credit card payments on vacation ownership sales. Brooksfield holds promotion agreements with Azure Services. The latter company provides promotional services in Malta for persons that are established abroad. Vacation Financial and Medi International Limited are involved in the financial aspects of the vacation ownership products.

Vacation ownership, also traditionally referred to as timeshare, is based on a simple premise where a guest chooses to secure accommodation allocation at a hotel of choice for an extended period of time either via an intermediary marketing company, or directly through the channels offered by established international chains involved in this line of business, such as Marriott®, Starwood® and Wyndham®. In this way guests can be guaranteed a constant standard of accommodation at affordable prices for a number of years giving them the peace of mind that future holidays are secure and giving the Group the benefit of securing future revenue streams and occupancy levels irrespective of changing conditions that generally affect the tourism industry regionally or globally.

Vacation ownership typically allows guests to exchange their pre-allocated accommodation rights for alternative packages offered by the exchange company to which the original property is attached. GSR is affiliated with Resort Condominiums International (RCI), one of the two major international exchange companies in the world. Buying into the vacation club system affords secured allocation rights for a pre-determined period of time against the payment of an upfront fee and an obligation to pay an annual fee, without however acquiring any real rights over the property.

Azure has been entrusted by GSR with the marketing and re-selling of the hotel inventory at the Radisson® Blu Golden Sands Resort & Spa. This ensures participation by GSR and Azure in the income generated from the selling and marketing of the holiday accommodation packages. This business model gives a secure, long term and constant stream of revenues to the company through the advance allocations being made for future bookings.

Azure's revenue is generated from the sale of accommodation packages to targeted vacation ownership guests, whilst its operating profit is the resultant surplus after deducting all selling and marketing costs, future accommodation allocations costs payable to GSR and all administrative and other operating and finance costs.

The following table sets out how the revenue of Azure* has increased for the years indicated:

	Financial year ended 31 October 2011	**Financial year ended 31 October 2012**	**Financial year ended 31 October 2013**
Revenue (€)	**12,955,857**	**14,817,744**	**15,641,330**

** Azure is a 50% indirect affiliate of the Issuer. The figures in the table above refer to 100% of Azure's operating performance. The consolidated financial statements of the Group reflect the Group's 50% share of Azure.*

Bay Point Collection Limited

Bay Point Collection, a fully owned subsidiary of the Issuer, was incorporated and commenced its operations in 2013 with the principal activity of operating the vacation ownership of Radisson® Blu Resort St. Julians. The company has been allocated a total of 45 rooms to be sold as vacation ownership units.

The revenue of Bay Point Collection for the financial year ended 31 October 2013 was of €471,723.

5.1.3 Event Catering Business

Island Caterers Limited

ICL, a fully owned subsidiary of the Company, operates a successful event catering business. ICL was set up in 1992 implementing a strategy of offering innovative food products and events at new and unique venues in order to fill a gap identified in the event catering market which at the time was served by a number of catering companies in a highly fragmented market.

Using a strategy based on the delivery of a quality food product served by trained, knowledgeable and friendly staff within venues that were unique proved to be highly successful for the company. Over the past twenty two years, the company has catered over 10,000 events and has been of service to over five million guests. Clients have included many international blue chip companies, local corporates, high profile individuals, and heads of state. ICL caters at a variety of events including weddings, receptions, banquets, conference and incentive events and private parties. ICL is today still headed by the same management team that was responsible for the growth of the company.

ICL has also pioneered the use of local historical sites, including the Mediterranean Conference Centre, Villa Bologna and the Saluting Battery in Valletta, using a methodology which ensures that substantial funds are re-invested into those sites to fund their restoration.

The team manages a large variety of exclusive venues situated in Malta intended for hosting of events. Apart from the historical sites above mentioned, ICL also manages the venues located within the hotels forming part of the Group and also caters at a variety of other venues according to the needs of its clients.

ICL operates from its own premises in St. Julians located on the same site of the Radisson® Blu Resort St. Julians. Additionally all food for the company is prepared within the various kitchens located within the hotels of the Group and this enables both a high degree of quality control as well as various synergies which emanate from the best use of resources for both ICL and the hotels in question.

The following table sets out the revenue and EBITDA of ICL:

	Financial year ended 31 October 2011	**Financial year ended 31 October 2012**	**Financial year ended 31 October 2013**
Revenue (€)	4,245,959	4,012,132	4,162,011
EBITDA (€)	289,098	155,840	148,767

Notwithstanding the relatively stable revenue, there is a downward trend in EBITDA as a result of pricing pressures brought about by increased competition in the sector in which ICL operates.

5.1.4 MKIC Limited

MKIC was set up in 2012 as a 50% joint venture with Monte Kristo Estates Limited (C41417) in order to take over the exclusive operation of Montekristo Estates in Ħal Farruġ, the unique complex a few kilometres away from the villages of Luqa and Siġġiewi. The company caters for weddings, corporate events, themed functions for local and international clientele, and other major events. The company also offers outside catering services and operates a pizza and pasta restaurant with 160 covers.

The following table sets out the revenue of MKIC for the six months up to October 2012 and for the year ended 31 October 2013:

	6 months ended 31 October 2012	**Financial year ended 31 October 2013**
Revenue (€)	**1,100,053**	**1,751,972**

** MKIC is a 50% indirect affiliate of the Issuer. The figures in the table above refer to 100% of MKIC's operating performance. The consolidated financial statements of the Group reflect the Group's 50% share of MKIC.*

5.1.5 Buttigieg Holdings Limited

Buttigieg Holdings is an events and retail catering group which became part of the Group in June 2011 after the Issuer acquired a 50% interest in Buttigieg Holdings. Buttigieg Holdings is the main shareholder of RJC Caterers which operates the Papillon catering and retail outlets including the concessions at the Malta International Airport, Luqa and Mater Dei Hospital at Tal-Qroqq. As part of the Group's vision of securing an internationally recognised retail catering brand, in 2012 Buttigieg Holdings signed a ten-year agreement with Costa Coffee International Limited for the development of the COSTA® Coffee retail outlets in Malta. The first

COSTA® Coffee outlet was opened in June 2012 at the check-in lounge of the Malta International Airport. Since then, another two COSTA® Coffee outlets were opened at the Malta International Airport, the fourth outlet opened in June 2013 at Tigné Point Shopping Complex, Sliema and six months later the Papillion retail catering outlet in Balzan was converted into a COSTA® Coffee outlet. The Group has plans to open another three outlets in key retail locations in Malta, including Valletta and the Schengen departures area within the Malta International Airport.

Earlier this year, the Group also signed a franchise agreement with Costa Coffee International Limited for the development and operation of up to 75 COSTA® Coffee outlets in the East Coast of Spain, the Balearic and Canary Islands. The first outlet in Spain will open towards the third quarter of 2014 with another three outlets planned before the end of the year.

The following table sets out the revenue of Buttigieg Holdings for the years indicated therein:

Revenue (€)	**Four months ended 31 October 2011**	**Financial year ended 31October 2012**	**Financial year ended 31October 2013**
Costa Coffee	N/A	599,308	2,107,677
Other Business	2,063,470	5,623,607	4,334,636
Total	**2,063,470**	**6,222,915**	**6,442,313**

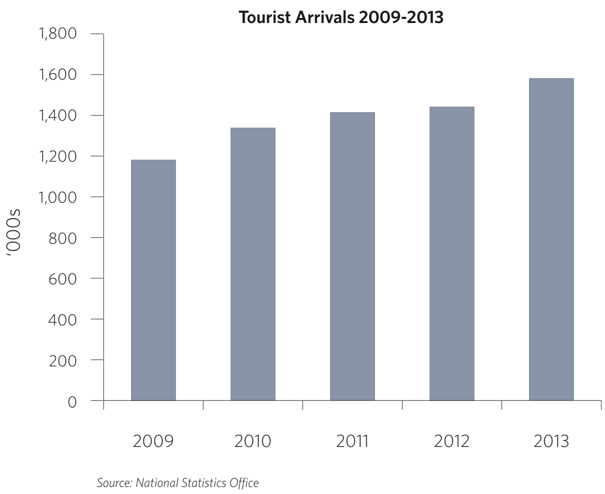
**Buttigieg Holdings is a 50% indirect affiliate of the Issuer. The figures in the table above refer to 100% of Buttigieg Holdings' operating performance. The consolidated financial statements of the Group reflect the Group's 50% share of Buttigieg Holdings. In terms of an agreement dated 18 May 2011 the Issuer has the option to purchase the other 50% stake of Buttigieg Holdings thus becoming the 100% owner of Buttigieg Holdings. The option is exercisable during the period commencing 18 May 2014 and ending on 18 May 2017. The Issuer intends to exercise this option during 2014.*

5.2 Principal Markets

The Group operates primarily in the hospitality and catering sectors and in the financial year ended 31 October 2013, 76% of the Group's total revenue was derived from its hotel and vacation ownership business with the remaining 24% generated from its catering business.

5.2.1 Competitive Environment in the Hotel Industry

Tourism remains one of the pillars of the Maltese economy contributing significantly to employment, investment and GDP. Since 2009, tourist arrivals reported consistent annual growth reaching a high of 1,582,000 in 2013, which represented a 9.6% increase over the previous year. Total estimated tourist expenditure for the year reached €1.4 billion[8]



The UK continues to hold the top position as Malta's main tourist market with 28.7% of total tourist arrivals followed by Italy at 14.8% and Germany at 9%. The table below sets out the geographic distribution of tourist arrivals to Malta for calendar years 2012 and 2013 as reported by the National Statistics Office.

8 National Statistics Office, News Release, 31 January 2014 (021/2014)

Country	2012	2013	% change
United Kingdom	441,275	454,659	3%
Italy	202,200	233,777	16%
Germany	137,500	147,110	7%
France	107,893	116,533	8%
Scandinavia	97,363	105,068	8%
Spain	60,223	53,278	-12%
The Netherlands	39,191	41,486	6%
Russia	31,563	40,048	27%
Libya	17,217	34,621	101%
Ireland	27,731	30,224	9%
Belgium	27,279	28,948	6%
Switzerland	25,758	28,702	11%
Austria	19,827	25,739	30%
USA	18,027	19,502	8%
Other	190,368	222,457	17%
Total	**1,443,415**	**1,582,152**	**10%**

Five-Star Segment

The five-star sector, in which the Group operates is highly competitive with a room stock of approximately 3,478 and a strong presence of international hotel operators with brands including Hilton®, Intercontinental®, Westin® and Corinthia®. The segment counts 15 properties. Occupancy percentage levels in this segment reached an average of 68.2% in 2012 increasing to an average of 69.6% in 2013. Average room rates in this category increased from €105.3 in 2012 to €111.8 in 2013. In 2013, the five-star segment industry business mix comprised the following[9]:

(a) tour operator business accounting for approximately 35% of the business mix;

(b) conference and incentive visitors accounting for approximately 14% of the business mix;

(c) corporate travellers accounting for approximately 14% of the business mix; and

(d) other sectors, including predominantly direct bookings accounting, contributing to approximately 30% of the business mix.

The Group's hotels comprise the Radisson® Blu Resort St. Julians and The Radisson® Blu Resort & Spa Golden Sands. The business mix for the Radisson® Blu Resort St. Julians comprised the following:

(i) tour operator business accounting for approximately 45% of the business mix;

(ii) conference and incentive travellers accounting for approximately 14% of the business mix;

(iii) corporate travellers accounting for approximately 12% of the business mix and

(iv) other sectors, including predominantly direct bookings accounting for 27% of the business mix.

The Radisson® Blu Golden Sands Resort & Spa business mix is somewhat particular in view of the hotel's focus on the vacation ownership market which accounted for 72.5% of rooms occupied in 2013. Key performance indicators for the two hotels including occupancy, average room rate and revenue per available room are listed in Section 5.1.1 above under the heading "*Hotel Operations*"

5.2.2 Event and Retail Catering

The Group operates in a competitive environment which is exposed to both the domestic and international markets and the economic conditions thereof.

There are no official statistics about the number of event caterers operating on the island of Malta and neither are there official statistics on revenues generated within this sector. It is therefore difficult to benchmark ICL against any available industry averages.

The international business catered for by ICL emanates from the services delivered by the company to a large number of conference and incentive houses, the majority of which contract ICL's services through local destination management companies (DMCs). ICL enjoys well established relationships with the major DMCs operating on the island.

9 BOV MHRA Survey Q4 2013 by Deloitte

The main market for ICL within the local context is the wedding market. ICL caters for an average of 200 weddings a year, accounting for over 10% of the market by number of events. In addition to weddings, ICL caters at numerous local corporate and private events.

Insofar as the retail catering business is concerned the Group intends to continue to develop the chain of COSTA® Coffee brand outlets in Malta and open up to a maximum of ten stores. The Group also intends to commence the development of the COSTA® Coffee brand in Spain. This is expected to give the Coffee Company Spain the right to develop up to 75 stores.

Spain has a population of 46.5 million, of which 13.5 million are concentrated around the four larger cities, including; Barcelona (4.7 million) and Valencia (1.7 million).

Spain is one of the world's top tourism destinations, ranking third, with 60.6 million visitors generating revenue in 2013 equal to €53.9 billion, an increase of circa 9.55% from 2012[10]. Tourism is concentrated primarily in the largest cities as well as the Balearic and Canary Islands. The importance of this industry for the Spanish economy is also highlighted by the fact that it accounts for circa 10.8% of GDP and 12.2% of total employment.

Spain also has a large percentage of UK tourists (representing circa 26% of overnight stays) with whom the COSTA® Coffee brand is familiar. Germany accounts for a further 25% of arrivals, and France for 7%.

The most frequented region is Catalonia with 15 million visitors, followed by the Balearic Islands (10.2 million visitors) and the Canary Islands (9.6 million).

The food service segment in Spain is fragmented, with independent domestic operators dominating in terms of number of outlets. While most traditional restaurants in Spain are family-owned, there is a growing number of national and international chains.

Current international specialised chained coffee brands in Spain are Starbucks® and McCafe®. Starbucks® established its presence in Spain ten years ago and has since rolled out 75 outlets, while McCafe® opened its first outlet in 2008 and had 27 outlets at the end of 2012.

Spain's economy grew steadily for ten consecutive years prior to the 2009 recession. As indicated by Euromonitor International, the Spanish economy is showing positive signs of economic recovery for 2014, with a projected growth estimated at 0.5% as set out in the table below[11]:

	2010	2011	2012	2013	2014
Real GDP Growth (% growth)	-0.2	0.1	-1.6	-1.3	0.5

5.2.3 Dependency on Material Contracts

The Group is dependent upon the validity of each of the Material Contracts described in Section 15 under the heading "*Material Contracts*". In the event that any of the said Material Contracts were to terminate prior to their expected date of termination, if any, this could have a material adverse effect on the financial position and future profitability of the Issuer and the Group.

5.3 Organisational Structure

5.3.1 Major Shareholders

Shareholder	Number of shares	Percentage Ownership
T.M.C. Limited (C6720)	17,634,600	48.20%
Double You Limited (C25234)	4,408,650	12.05%
T Limited (C25235)	4,408,650	12.05%

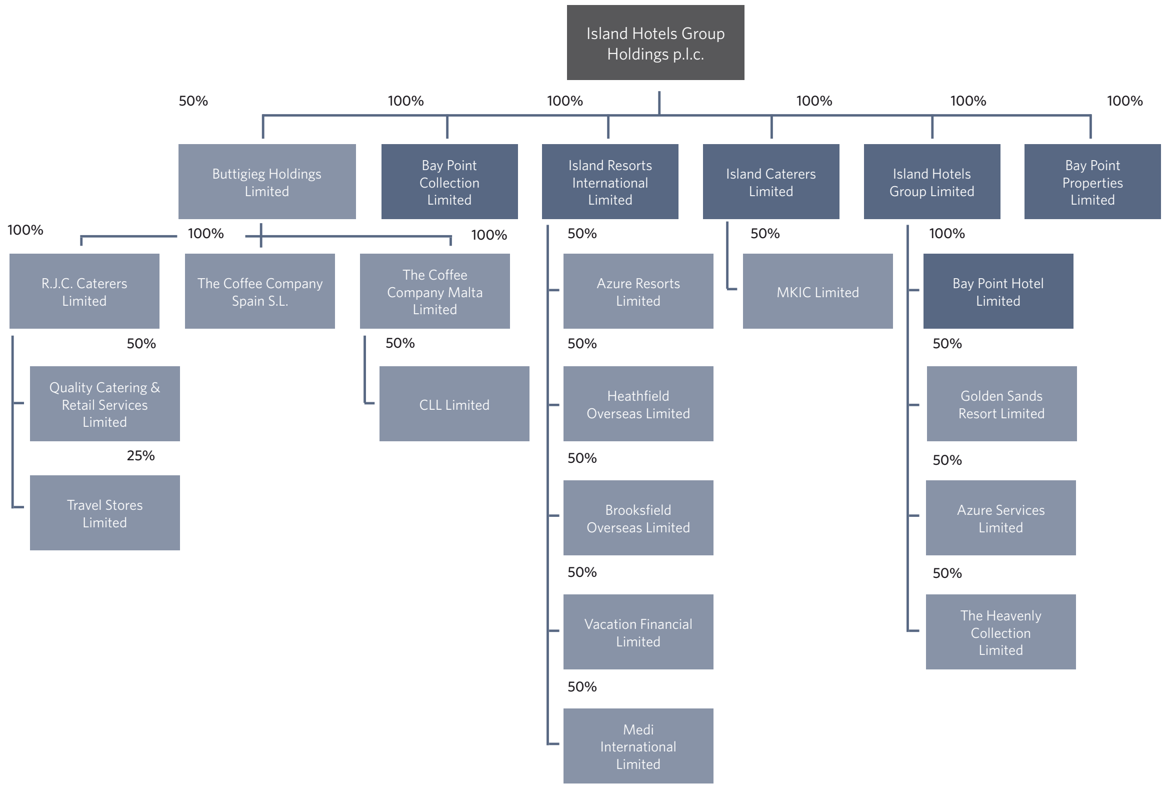
As at the date of this Registration Document, the shares in T.M.C. Limited are held by Winston V. Zahra, Doris Zahra, Double You Limited (beneficially owned by Winston J. Zahra) and T Limited (beneficially owned by Trevor Zahra). Accordingly in the event that the aforesaid members of the Zahra family decide to act in concert in exercising their voting rights as shareholders, control of the Issuer will vest in them through the power to appoint the directors of the Issuer.

The Issuer has adopted measures in line with the Code to ensure that control is not abused of, including the appointment of independent non-executive directors who also sit on the committees of the Board and the adherence to the Rules on Related Party Transactions, which transactions require the sanctioning of the Audit Committee, the majority of which is constituted by independent non-executive directors, one of whom also acts as chairman.

10 *Government of Spain (Ministry of Industry, Energy and Tourism)*

11 *http://www.euromonitor.com/spain/country-factfile*

As the holding company of the Group, the Issuer is ultimately dependent upon the operations and performance of its Subsidiaries, Affiliates and their respective operations. The organisational structure of the Group is illustrated in the diagram below.



6 STRATEGY AND TREND INFORMATION

There has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements.

The Group's overall vision is to be a leader in the hospitality industry through its traditional core values of innovation and excellence in the delivery of its services in all of the market segments in which it operates. Moreover the Group's local achievements are considered an appropriate platform for further growth overseas where the first steps have been taken with the COSTA® Coffee brand.

The primary short term objectives of the Group are to optimise existing investments to ensure maximisation of returns with a focus on four main pillars of operation – five-star hotels, vacation ownership, event catering and retail catering through the COSTA® Coffee brand.

The main focus on the five-star hotel sector will be to reposition the Radisson® Blu Resort St. Julians to be aligned to the top performing properties within its segment. The vacation ownership sector will continue to be a pivotal part of the Group's income stream and will continue to be developed within the five-star properties of the Group. Event catering will be developed further through the Island Caterers brand and MKIC, the company entrusted with the management of the catering side of Montekristo Estates while the retail catering sector will be developed significantly through the COSTA® Coffee brand both locally as well as internationally. The Group's first step in expanding its operations overseas will take place through the development and operation of the COSTA® Coffee brand in the East Coast of Spain, the Balearic Islands and the Canary Islands.

The Issuer is actively seeking a fresh equity injection so as to finance its expanding operations. The Issuer's efforts at raising fresh equity are not proving easy in the difficult international market conditions but the efforts will continue, driven by the prospects of the high-end Oasis Project, the plans to further up-scale existing stock and, the COSTA® Coffee Spain venture.

The following is a synopsis of the current intentions of the Group with respect to each of the business units of the Group in the short to medium term.

Five-Star Hotels

Radisson® Blu Resort St. Julians

In line with the strategy to focus on the five-star segment within the local hotel industry the Group recently divested itself of the Coastline Hotel, a 207-room four-star hotel at Salina. The Group's immediate focus is the repositioning of the Radisson® Blu Resort St. Julians to achieve above average returns which are closer to the top performers within the five-star segment in the Sliema/St. Julians area.

The Group is planning a total investment of €16 million into this property. Plans for the hotel involve the construction of a stand-alone conference centre adjacent to the hotel on a site currently being utilised as a secondary car park. A full development permit for this has been issued by the Malta Environment and Planning Authority. At the same time, the property will be completely refurbished including all guest rooms, public areas, and exterior spaces. The Company has applied for and is currently awaiting building permits to construct an additional two floors which will increase its number of guest rooms to 290. This project is scheduled to start in November 2014 and is intended to be completed within eight months for the refurbished property to re-open in summer 2015. Construction is planned to happen over the winter period when occupancy is at its lowest with a view to minimising the negative impact of closing the property.

Radisson® Blu Resort & Spa Golden Sands

Concurrently the Group will continue to invest in the upkeep of the Radisson® Blu Resort & Spa Golden Sands in order to ensure it retains its current position as a high end luxury five-star property with results amongst the top performing five-star properties in Malta. The business model used at the resort with a mix of vacation ownership and traditional hotel business has worked excellently well over the first eight years of operation and it is intended that this model will continue to be used in the foreseeable future. Part of the success of the model is maintaining the product to the highest level possible and care and attention will continue to be given to this aspect to ensure that this resort remains as sought after as it is today.

The Oasis Project

In 2013, the Group obtained development permits for the 83,000 m^2 adjacent to the Radisson® Blu Resort & Spa, Golden Sands. Plans are for the construction of 176 units and 12 pavilions covering approximately 20% of the site's footprint with over 80% of the site being dedicated to landscaping.

The Issuer believes that this project is a unique opportunity which will contribute significant returns on investment. The strategy of the Group is to undertake this project with a solid equity base and is currently seeking an international equity investment to bring the project to fruition.

Vacation Ownership

As the travel agent and tour operating arm for Radisson® Blu Resort & Spa Golden Sands, Azure is expected to retain focus on its main target market, the U.K. Azure will expand the sales and marketing operation to other jurisdictions, particularly in the European continent, only if it is clear that opportunities arise in those jurisdictions.

The Group is also selling vacation ownership units at the Radisson® Blu Resort St. Julians under a newly incorporated company, The Bay Point Collection. Plans are to convert a total of 45 rooms to be allocated under the vacation ownership concept which are expected to add to the returns of this property over the coming years.

With the onset of the Oasis Project it is also anticipated that a vacation ownership product, albeit structured differently to that being sold in the two Radisson® properties pertaining to the Group, will also be sold.

Event Catering Business

In the area of event catering, the Group's focus will be for Island Caterers to be the market leader in this segment in Malta. ICL will continue to seek additional unique venues within which to expand its business model and will maintain its high quality in terms of service, people and food. The focus of the Island Caterers team will continue to be on local and international weddings, international conference and incentive events, local corporate events and local privately hosted events.

The Group will also continue to build on the work done to date to bring the Montekristo Estates up to a quality level where it will become one of the most sought after event and exhibition centres on the Island. This is being done through its 50% joint venture with Monte Kristo Estates Limited (C41417).

Retail Catering Business

Since signing the agreement on the development and operation of the COSTA® Coffee brand in Malta, the Group opened five COSTA® Coffee brand retail outlets and has plans on opening three more outlets in 2014 and a further two in 2015. The COSTA® Coffee brand is proving to be very popular and successful in the local market.

In line with its strategy of expansion overseas, the Group signed an agreement with Costa International Limited for the development and roll out of the COSTA® Coffee outlets in the East Coast of Spain, the Balearic Islands and the Canary Islands. The Group plans to open three outlets in Spain before the end of the year and another seven in 2015. Furthermore the Group plans to reach 58 outlets in these regions by 2019. The full development agreement allows for up to 75 outlets to be opened in the region.

7 PROFIT FORECASTS

The forecast statement of financial position, the forecast income statement and the forecast statement of cash flows of the Issuer and its Subsidiaries for the financial years ending 31 October 2014 and 31 October 2015 are contained in Annex I of this Registration Document.

8 SELECTED FINANCIAL INFORMATION

The financial information about the Issuer is included in the audited consolidated financial statements for each of the financial years ended 31 October 2011, 2012 and 2013. The said statements have been published and are available on the Issuer's website www.islandhotels.com and at its registered office. Set out below are highlights taken from the audited consolidated financial statements for each of the financial years ended 31 October 2011, 2012 and 2013.

Consolidated Income Statement for the years ended 31 October	**2011**	**2012**	**2013**
	(€'000)	(€'000)	(€'000)
Revenue	30,254	33,086	35,280
Net operating Costs	(24,750)	(27,659)	(28,748)
EBITDA	**5,504**	**5,427**	**6,532**
Depreciation and amortisation	(3,212)	(3,331)	(3,207)
Share of loss of associates	-	(1)	(25)
Investment Income	151	18	61
Finance costs	(3,041)	(2,947)	(2,916)
Profit/(Loss) before tax	**(598)**	**(834)**	**445**
Taxation	356	(155)	110
Profit/(Loss) for the year	**(242)**	**(989)**	**555**
Other comprehensive income			
Exchange differences on translating foreign operations	135	1,279	(821)
Total comprehensive (expense)/income for the year	**(107)**	**290**	**(266)**

Consolidated Balance Sheet as at 31 October	**2011**	**2012**	**2013**
	(€'000)	(€'000)	(€'000)
ASSETS			
Non-current assets	128,466	127,892	128,854
Current assets	10,168	10,925	12,287
Total Assets	**138,634**	**138,817**	**141,141**
EQUITY AND LIABILITIES			
Equity			
Capital and reserves	36,179	36,469	36,203
Total equity	**36,179**	**36,469**	**36,203**
Liabilities			
Non-current liabilities	60,593	66,506	67,501
Current liabilities	41,862	35,842	37,437
Total liabilities	**102,455**	**102,348**	**104,938**
Total equity and liabilities	**138,634**	**138,817**	**141,141**

Consolidated Cash Flow Statement for the years ended 31 October	**2011**	**2012**	**2013**
	(€'000)	(€'000)	(€'000)
Net cash from operating activities	2,649	3,839	4,235
Net cash from investing activities	(5,891)	(1,473)	(5,088)
Net cash from financing activities	1,165	(2,968)	737
Net movement in cash and cash equivalents	**(2,077)**	**(602)**	**(116)**
Cash and cash equivalents at beginning of year	(7,521)	(9,677)	(10,267)
Effect of foreign exchange rate changes	(79)	12	(20)
Cash and cash equivalents at end of year	**(9,677)**	**(10,267)**	**(10,403)**

9 DIRECTORS AND SENIOR MANAGEMENT

The Directors of the Company, whose names are set out hereunder under the heading "*Board of Directors*" are the persons responsible for the information contained in this Prospectus. Having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the Director's knowledge, in accordance with the facts and contains no omission likely to affect its import.

9.1 Board of Directors

The Board of Directors of the Company consists of seven directors who are entrusted with setting the overall direction and strategy of the Company.

9.1.1 Current Directors

Winston V. Zahra

Winston V. Zahra was the Managing Director of the IHG Group of companies up until the 31 July 2009. Prior to 1987, he was the co-founder of one of the leading tourism-oriented companies in Malta. This provided him with an invaluable wealth of experience in practically all aspects of the tourism industry, including a tour operation company based in London. Winston V. Zahra was one of the first to build and operate an 'aparthotel'. In 1986 he relinquished all his holdings in the business and became a timeshare consultant, a position that, in a short time, developed into a partnership with the Vassallo Group. Winston V. Zahra was Managing Director of the IHG Group of companies from its inception and has been responsible for the development of the said group till 2009, when he gave up the position of Managing Director and took up the post of Chairman of the Group. His responsibilities also included the project management of all the Group's properties. He has served on various boards and committees related to the tourism industry, including the National Tourism Organisation of Malta and later the Malta Tourism Authority (MTA). He was president of the Malta Hotels and Restaurants Association (MHRA) and chairman of the Marketing Board of the MTA. He was also a Board member of the Malta Council for Economic and Social Development (MCSED). Winston V. Zahra is also a director of a number of companies outside the Group. Mr. Zahra is also a director of Caritas and is a member of the Council of the University of Malta. Winston V. Zahra was also Chairman of Volksbank Malta Limited, for a period of three years. In December 2008, the Government of Malta honoured Winston V. Zahra by bestowing upon him the National Order of Merit for his contribution to the tourism industry, in which he has been involved since 1967.

Winston J. Zahra

Winston J. Zahra graduated with a First Class Bachelors of Arts honours degree in Hotel and Catering Management from Portsmouth University in 1991. Mr. Zahra joined the Group in October 1991. He was instrumental in the setting up of ICL as well as the Coastline Hotel, the Radisson® Blu Resort St. Julians and the Radisson® Blu Resort & Spa Golden Sands. After having effectively managed all areas of the Group, in June 2001 Mr. Zahra was appointed Director of Operations, Sales and Marketing of the Group. Since October 2009 Mr. Zahra has been the CEO of the Group. Mr. Zahra was the youngest ever President of the MHRA serving from 2002-2004 at a time when Malta's entry into the European Union was high on the national agenda. Mr. Zahra sat on the council of the MHRA for twelve years. He has also served on the boards of the National Commission for the Promotion of Equality and the MCESD. Over the years Mr. Zahra has also occupied various posts on national boards within the tourism industry, including the HCEB, the main board of the MTA, Malta International Airport p.l.c., Transport Malta and the Airport Charges Regulatory Board. He was recognised as the "Young Hotelier of the World" for 1999 by the International Hotels and Restaurants Association and HOTELS Magazine after a recommendation from the President and CEO of the Rezidor® Hotel Group.

Trevor Zahra

Trevor Zahra joined the Group in 1988 at the Bugibba Holiday Complex. In 1992 he was appointed Front Office Manager of the Bugibba Holiday Company and in 1994 he was appointed Front Office Manager for the Coastline Hotel, responsible, amongst others, for the sales and marketing of the hotel. In 1997 he was appointed General Manager of the Bugibba Holiday Complex and in 2004 he was appointed director of Sales for the leisure market for the Group. In 2009 Mr. Zahra resigned from the Group Executive Team to set up 3sixtymeetings Limited, a destination management company specialising in corporate meetings, events, incentives and conferences.

William Hancock

William Hancock is today the Managing Partner of Resolute Asset Management LLP. Prior to setting up this company he was a senior director at JER, a private equity firm based in the US. Mr. Hancock was a member on the European, North American and Global investment Committees of the company. Before joining JER, Mr. Hancock was a director in the Real Estate Investment Banking team at Credit Suisse First Boston for 11 years with primary responsibility for corporate finance and capital raising activities in Continental Europe.

Gary Alexander Neville

Gary Alexander Neville is best known for his footballing achievements with Manchester United. He has also played for the English National football team 85 times and captained the side on two occasions. He was also on the Professional Footballers Association management committee for 11 years. Having retired from the game in 2011, he took up the role of Ambassador for Manchester United and is also a Sky Sports commentator. Mr. Neville is a partner in a renewables company and a director of Signature Developments.

John L. Bonello

John L. Bonello retired as Chairman and Senior Partner of PricewaterhouseCoopers in Malta on 31 December 2009 having reached the firm's statutory retirement age. He had joined the firm in 1972 and became a partner in 1976. Today he sits on the Board of Directors of HSBC Bank Malta plc where he is the Chairman of the Audit and Risk Committee and the Chairman of the Remuneration Committee. He sits on the Board of Tigne Mall plc where he chairs the Audit Committee and sits on the Remuneration Committee and sits on the boards of a number of private companies. He is also a member of the Kumitat Finanzjarju Djocesan.

He was the first President of the Association of Nominee Companies (now the Institute of Financial Services Practitioners), an association of the legal and accounting firms engaged in servicing the very successful financial services industry in Malta. From 1992 until the end of 1996 John L. Bonello was the non-executive Chairman of the Malta External Trade Corporation, which at the time was the national trade promotion organisation in the form of a partnership between Government, the Federation of Industry and the Chamber of Commerce. Between 2011 and 2013 he was Chairman of the Policy Advisory Board, which was a board made up of people from the private sector as well as members of the civil service, and Chairman of the Management Systems Unit at the Office of the Prime Minister. He is a member of the Joint Disciplinary Board of the Accountancy Board and the Malta Institute of Accountants. He is the contact member in Malta for the Institute of Chartered Accountants in England and Wales. He is also the Chairman of the Board of Trustees of St. Edwards College.

John L. Bonello is a UK Chartered Accountant and a Certified Public Accountant and Auditor in Malta.

Michael C. Bonello

After obtaining a degree in languages and economics from the University of Malta in 1965, Mr. Bonello pursued his studies as a Rhodes Scholar at the University of Oxford, where he was awarded an honours degree in Philosophy, Politics and Economics in 1969 and an MA in 1973. He served as a Senior Research Officer at the Central Bank of Malta from 1971 to 1978. Mr. Bonello was also President of the Malta Branch of the Chartered Institute of Bankers. In 1978 he joined the private sector, where he held senior management positions and sat on the Councils of the Chamber of Commerce and the Federation of Industry.

In 1983 Mr. Bonello joined the United Nations Conference on Trade and Development in Geneva, where over a period of sixteen years he was a senior economist in the fields of trade and finance and an advisor in the Office of the Secretary-General.

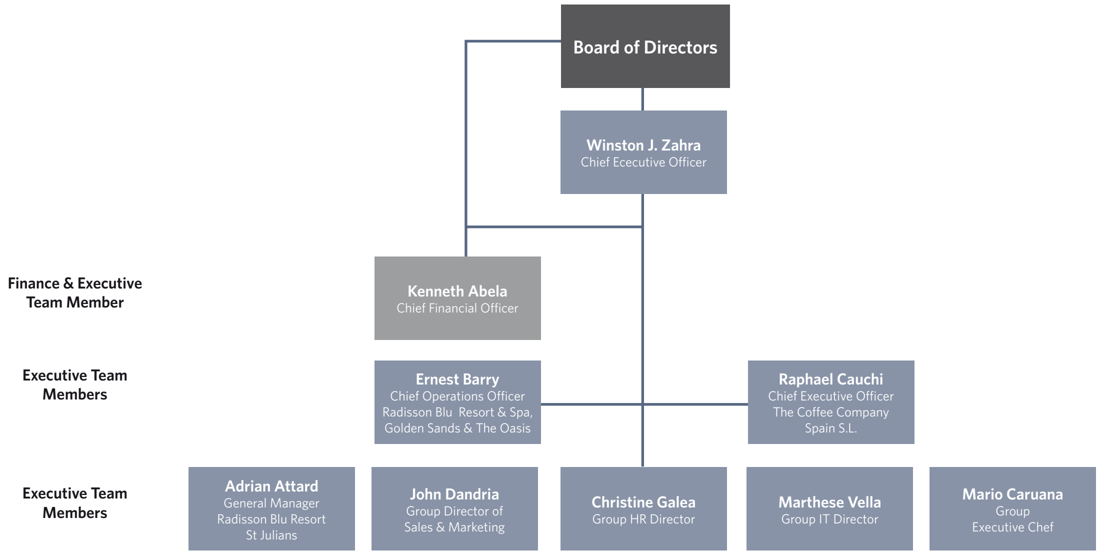
In 1999 Mr. Bonello was appointed Governor of the Central Bank of Malta, a post he relinquished at his request in June 2011. During his tenure, Mr. Bonello steered the Central Bank of Malta towards membership of the European System of Central Banks upon Malta's accession to the European Union in 2004, and subsequently of the Eurosystem when Malta adopted the Euro as its national currency in 2008. In his capacity as Governor, he was a member of the Governing and General Councils of the European Central Bank and of the European Systemic Risk Board, as well as of the Board of Governors of the Malta Financial Services Authority.

Mr. Bonello is a Fellow of the Institute of Financial Services and a member of the WTO List of Panellists, and currently sits on the boards of Lombard Bank Malta p.l.c, of which he is Chairman, the Company and the European Wholesale Securities Market Limited. He is also a Council member of Din l-Art Ħelwa, Malta's National Trust.

Mr. Bonello is a *Grande Ufficiale nell'Ordine Al Merito della Repubblica Italiana* and an *Officier de la Légion d'Honneur.*

9.2 Senior Management

The Company's operation and management is structured as follows: -



Chief Executive Officer

Winston J. Zahra (44yrs)

Joined in 1991 - 22 years of service

Vide CV contained in Section 9.1.1 under the heading "*Current Directors*".

Group Chief Finance Officer (CFO)

Kenneth Abela (47yrs)

Joined in 1992 – 21 years of service

Kenneth Abela, is a Fellow member of the Malta Institute of Accountants. After graduating with a Bachelor of Arts (Hons.) degree in Accountancy from the University of Malta in November 1991, he was recruited by KPMG as a senior auditor and held this post up to November 1992. Following this, he joined the Group as assistant to the financial controller of one of the subsidiaries within the Group, a post that he occupied until June 1995. Subsequently, he was promoted to the position of Financial Controller of the Coastline Hotel and later on the Radisson® Blu Resort St. Julians. In 1996, he was selected to head the group's finance team as Group Financial Controller. In 2009 he was appointed as Group Chief Financial Officer, a position he still currently occupies.

Mr. Abela is responsible for the overall financial management of the Group and directs the individual finance teams of the respective companies within the Group accordingly. He oversees all company accounting practices and also directs the Group's financial strategy, planning and forecasts and supervises investment appraisal and the raising of funds for business. In addition to the role of CFO, Mr. Abela is also the Company Secretary of all the companies within the Group, a post that he has held since June 1995. He also holds the position of director within all local Subsidiaries and a number of joint ventures within the Group.

Chief Executive Officer, Coffee Company Spain
Country Manager, COSTA Spain (East Coast, Balearic and Canary Islands)

Raphael Cauchi (43yrs)

Joined in 1997 – 17 years of service

Raphael Cauchi graduated from the Institute of Tourism Studies in Malta with a Diploma in Hotel and Catering Management. He then continued his studies at the École Hotel Lausanne. His training in the hotel industry commenced by virtue of traineeships with the Royal York Hotel (four-star) in London, Suncrest Hotel (four-star) in Malta and Hotel Bellevue (five-star) in Switzerland. In 1993, he was employed by the Suncrest Hotel as Assistant Food and Beverage Manager. In 1997, he joined the IHG Group where he was initially responsible for the setting up of the food and beverage department of the Radisson® Blu Resort St. Julians before its official opening. This was followed by a promotion to General Manager of the resort. In 2005 he was appointed pre-opening General Manager of the Radisson® Blu Resort & Spa Golden Sands, a role which he occupied until April 2010. He was then promoted to Chief Operating Officer responsible for Radisson® Blu Resort St. Julians, the Coastline Hotel and ICL. Raphael also worked in Brussels as director of operations at the Radisson® Blu Royal Hotel.

Raphael is also a director of a number of companies within the Group.

Chief Operating Officer, GSR

Ernest Barry (46yrs)

Joined in 1989 – 25 years of service

Ernest Barry commenced his career with the IHG Group. The experience he has gained is the result of the various positions held within the Group which include Front Office Receptionist, Accounts Supervisor, Food and Beverage Controller and Assistant to the Catering Manager. In 1997, he was appointed General Manager of the Coastline Hotel whereby he was responsible for the operation and management of the hotel reporting directly to the Chief Executive Officer. In January 2005, he was appointed General Manager of the Radisson® Blu Resort St. Julians, a post which he occupied until 2010.

In 2011 Mr. Barry was promoted to the position of Chief Operating Officer responsible for the Radisson® Blu Resort & Spa Golden Sands as well as the Oasis Project.

Director of Sales

John Dandria (46yrs)

Joined in 1997 – 17 years of service (2 year gap)

John Dandria was initially employed within the IHG Group between 1997 and 2002 as Reception Manager wherein he was responsible for the department's budgets, wage costs and pay roll, duty management, roster, training and the setting up of standard of performance manuals. Between 2002 and 2004 Mr. Dandria gained working experience with the Suncrest® Hotel, the Corinthia® Palace Hotel, the Windsor® Hotel and subsequently at the Westin Dragonara Resort, where he was appointed Executive Sales Manager on Meetings, Incentives, Conferences and Events (MICE) and promoted to director of sales shortly after. In 2004, he rejoined the Group as Group Director of Sales – MICE.

Mr. Dandria is responsible for the overall sales effort in the meetings, conference and events segment. This role incorporates the overall strategy for attracting sales from corporates organising events ranging from sales promotions to incentives for their management and sales teams through sales channels with predominance on international professional conference organisers, local destination management companies and the Rezidor® General Sales offices.

Group Executive Chef

Mario Caruana (55yrs)

Joined in 1988 – 26 years of service

Mario Caruana commenced his career as trainee chef at the Arches Restaurant followed by the Sheraton® Skyline Hotel in London. His work experience emanates from his employment with the Corinthia Group of Companies (chef de Partie at the Mistra Village), the Riza Hotel (Sous Chef), the Suncrest® Hotel (Chef Tournant) and the Bugibba Holiday Complex as Head Chef. Since 1994, he has occupied the post of Group Executive Chef.

Mario Caruana is responsible for the overall direction and management of the food preparation units within the hotels and ICL. Together with four executive chefs and over 100 chefs in different grades, he ensures that the overall objectives related to food production are respected.

Director of IT

Marthese Vella (43yrs)

Joined in 1999 – 15 years of service

Marthese Vella graduated from the University of Malta in 1992 with a Bachelors of Engineering Honours degree in Electrical Engineering. In 1998 she furthered her studies and graduated from Lancaster University in the United Kingdom with a Master of Science degree in Information Management. Her previous work experience include the post of IT Manager with Airmalta plc where her responsibilities included internal consultancy on IT and telecommunications solutions and the management and implementation of the technical and information aspects of projects. In 1999 she was employed by the IHG Group in the post of Group IT director reporting directly to the Group director of operations, sales & marketing.

Ms. Vella is responsible for the overall strategy, direction and management of the IT department of the Group. Together with a small team of four, the IT platform used by the Group is maintained to ensure the highest level of efficiency and security possible.

General Manager, BPH

Adrian Attard (39yrs)

Joined in 2005 – 9 years of service

Adrian Attard graduated in Hotel Administration from the Institute of Tourism Studies in Malta 1996. Before joining the Group, Mr. Attard gained experience with the Corinthia Group between 1993 and 2005. Mr. Attard's previous responsibility within the Group included opening Food and Beverage Manager at the Radisson® Blu Resort & Spa Golden Sands, Assistant General Manager also at Golden Sands and Group Food and Beverage Manager. In 2009 he assumed the role of director of revenue heading the groups' revenue management and marketing initiatives.

Mr. Attard is currently the General Manager at the Radisson® Blu Resort St. Julians overseeing the resorts operations and developments.

Group director of human resources

Christina Galea (34yrs)

Joined in 2004 – 10 years of service

In her capacity as Group director of human resources, Ms. Galea is responsible for the formulation and implementation of the human resources strategy for the Group aimed at maintaining the Group's position as an employer of choice within the hospitality industry through talent management, leadership development and employee engagement in line with the Company's core values. Ms. Galea joined the Group in 2004 following a number of years in various human resources positions with Corinthia® Hotels International including that of Employment Services Manager. Ms. Galea actively contributes to human resources activities and is an assessor for the Foundation of Human Resources Awards as well as a qualified mentor of the Maltese Mentoring Society amongst others.

None of the said Directors and members of the senior management of the Company have been:-

(a) convicted in relation to fraud or fraudulent conduct in the last five years;

(b) made bankrupt or associated with any liquidation or insolvency caused by action of creditors;

(c) the subject of any official public incrimination or sanction by any statutory or regulatory authority; or

(d) disqualified by a court from acting as director or manager in the last five years.

9.3 Members of Committees

The members of the Audit Committee and the RemNom Committee are referred to in Section 10.1.1 and 10.2.1 respectively.

9.4 Nature of Relationships

Winston J. Zahra and Trevor Zahra are next of kin to Winston V. Zahra.

9.5 Related Party Transactions and Potential Conflicts of Interest

As at the date of this Registration Document Winston V. Zahra and Winston J. Zahra are officers of a number of companies of the Group and as such are susceptible to conflicts between the potentially diverging interests of the different members of the Group.

Furthermore as at 31 October 2013 the amounts owed to shareholders (who are also controlled by officers of certain companies in the Group) totalled €2,318,618. During the year ended 31 October 2013 the total interest charge incurred by the Group on such shareholder balances was of €88,241.

No private interests or duties unrelated to the Issuer have been disclosed by the senior managers and the Subsidiaries' general managers which may or are likely to place any of them in conflict with any interests in, or duties towards, the Issuer.

9.6 Remuneration

The total amount of remuneration paid and benefits in kind granted to the Board of Directors and senior management personnel in the last financial year ended 31 October 2013 amounts to approximately €628,756.

10 BOARD PRACTICES

10.1 Audit Committee

The terms of reference of the Audit Committee (the "**Committee**") establish the composition, role and function, as well as the parameters of its remit. 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.

10.1.1 Composition

The Committee is composed of the following persons:

John L. Bonello (independent director, chairman of the Committee and competent in accounting and auditing);

Michael C. Bonello (independent director);

William Hancock (independent director).

10.1.2 Role

The role of the Committee is determined principally by the Listing Rules. In essence, it is entrusted to ensure that the Company has the appropriate measures in place to identify, manage, minimise and control its risks. Furthermore, it has the authority to make recommendations to the Board and to approve the remuneration terms of engagement of the external auditors. The Committee is required to advise the Board of Directors on the following matters:

(a) its monitoring responsibility over the financial reporting processes, financial policies and internal control structures;

(b) maintaining communications on such matters between the Board, management, the independent auditors and the internal auditors; and

(c) preserving the Company's assets by understanding the Company's risk environment and determining how to deal with those risks.

In the discharge of this role, but without prejudice to the generality of the foregoing, the Committee has, *inter alia,* the responsibility:

(i) to review the significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, interim reports, preliminary announcements and related formal statements. The audit committee should also review the clarity and completeness of disclosures in the financial statements;

(ii) to review the Company's internal financial controls and the Company's internal control and risk management systems and the effectiveness of the Company's internal audit function;

(iii) to monitor and review the internal audit activities. Where there is no internal audit function, the audit committee should consider annually whether there is a need for an internal audit function and make a recommendation to the board;

(iv) to make recommendations to the board in relation to the appointment of the external auditors and to approve the remuneration and terms of engagement of the external auditors with the aim of requesting shareholder approval;

(v) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process;

(vi) proposals for the development and implementation of a policy on the engagement of the external auditors to provide non-audit services to the Company; and

(vii) unless dealt with in any other manner, to monitor and scrutinise Related Party Transactions falling within the ambits of the Listing Rules and to make its recommendations to the Board on any proposed Related Party Transactions falling within the scope of the Listing Rules.

10.1.3 Meetings

In accordance with the terms of reference of the Committee and in terms of the Listing Rules, the Committee meets at least four times a year, though the Committee may meet more frequently depending on the necessities of the Issuer. The chairman of the Committee may convene additional meetings as and when he/she considers it appropriate. The quorum for the dispatch of business of the Committee is two members. Committee meetings should be attended by each of the finance director or equivalent officer within the Company (or his representative), the internal auditor or head of the Internal Audit Department (or his representative) and a representative of the external auditors.

10.1.4 Remuneration

The members of the Committee are entitled to such reasonable remuneration to recompense them for the responsibilities assumed in being a member of the Committee.

10.1.5 Related Party Transactions

The Committee must monitor and scrutinise Related Party Transactions falling within the ambits of the Listing Rules and make its recommendations to the Board on any proposed Related Party Transactions falling within the scope of the Listing Rules. The said monitoring function of the Committee is to be undertaken with the view to ensure that the execution of any such transaction is at arm's length and on a commercial basis and is ultimately in the best interests of the Company. In this context the Committee may call in to the meeting such officers of the Company and advisers as it may consider appropriate to enable it to make a proper and exhaustive assessment of the proposed transaction.

10.2 RemNom Committee

10.2.1 Composition

In terms of the terms of reference of the RemNom Committee, the members thereof are selected by the Board of Directors of the Company from amongst the Directors. The members of the RemNom Committee are the following persons:

William Hancock (chairman of RemNomCommittee);

John L. Bonello;

Gary Alexander Neville;

Winston V. Zahra.

10.2.2 Role

In view of its size the Company has taken the view that whilst it considers the role and function of each of the remuneration committee and nominations committee (the "**RemNomCom**"), it would be more efficient for these committees to be merged into one committee that would serve a dual role.

In its function as remuneration committee the RemNomCom has the principal task of establishing remuneration policies for directors and senior executives of the Group and particularly incentive based remuneration and share option plans. In addition it has the task of assessing and evaluating performance and the implementation of the remuneration policies on the basis of such performance.

Pursuant to article 55.1.2 of Memorandum and Articles of Association, the Company may have a nominations committee for the purpose of establishing the most appropriate composition of the Company's board of directors and sourcing the individuals which in the opinion of that committee have the required skills that will provide the board with added value and also ensure compliance with principles of best practice for corporate governance. The committee's function therefore is to make recommendations to the board as to potential prospective candidates for directorships of the Company for the board to make its recommendations to the shareholders in general meeting.

10.2.3 Meetings

In accordance with the terms of reference of the RemNomCom, the committee is to meet at least twice a year. The chairman of the committee may convene additional meetings as and when he/she considers it appropriate. The quorum for the dispatch of business of the RemNomCom is two members. RemNomCom meetings may require the presence of the finance director or equivalent officer within the Company (or his representative), the internal auditor or head of the Internal Audit Department (or his representative) and a representative of the external auditors.

10.3 Corporate Governance

Except as otherwise stated in this section, the Issuer is in compliance with the Code. The Issuer is confident that the adoption of the Code has resulted in a positive effect accruing to it.

Whilst the Board of Directors is satisfied that, in its short life as a listed entity, the Issuer has entrenched a sound culture of good corporate governance throughout the Group in accordance with the requirements of the Code, it is relevant to note that the Issuer does not have a formal mechanism in place as required by Code provision 9.3 to resolve conflicts between minority shareholders and controlling shareholders. No such conflicts have arisen to date.

11 LEGAL AND ARBITRATION PROCEEDINGS

The Issuer has made a claim against Vassallo Builders Group Limited for an amount of €264,421 representing amounts due by Vassallo Builders Group Limited in terms of an Amended and Restated Framework Agreement which was entered into in 2009.

Separately, Vassallo Builders Group Limited has, in the case Vassallo Builders Group Ltd. vs Island Hotels Group Holdings Plc et., made a claim for the refund of expenses allegedly overpaid by the plaintiff. The amount claimed has not yet been liquidated by the Court, although the Board understands that the amount should not exceed €624,970 (which amount is inclusive of VAT but exclusive of interest and fees).

Other than the aforesaid, the Group is not involved in any other governmental, legal or arbitration proceedings (including any pending or threatened proceedings of which the Issuer is aware), which may have, or have had in the recent past, significant effects on the Issuer and/or Group's financial position or profitability.

12 HISTORICAL FINANCIAL INFORMATION

The historical financial information for the three years ended 31 October 2011, 2012, and 2013 are set out in the consolidated financial statements of the Issuer which have been audited by Deloitte Audit Limited. Such financial statements are available for inspection as set out in Section 18 "*Documents on Display*" below as well as on the Issuer's website www.islandhotels.com.

There were no significant changes to the financial or trading position of the Group, since the end of the financial period to which the last annual financial statements relate.

13 SIGNIFICANT CHANGE IN ISSUER'S FINANCIAL POSITION

The historical financial information for the three financial years ended 31 October 2011, 2012 and 2013 is set out in the consolidated financial statements of the Issuer as audited by Deloitte Audit Limited. Such financial statements are available on the Issuer's website www.islandhotels.com. There were no significant changes to the financial or trading position of the Issuer or the Group since the end of the financial period to which the last annual financial statements relate.

14 ADDITIONAL INFORMATION

14.1 Share Capital

The authorised share capital of the Company is €40,000,000 divided into 40,000,000 ordinary shares of a nominal value of €1 each share. The issued share capital of the Company is €36,583,660 divided into 36,583,660 ordinary shares of €1 each share. The share capital has been fully issued, subscribed and fully paid up, as follows:

Shareholders	**Ordinary Shares**
Shares held by the public listed on the Malta Stock Exchange	36,583,660

The Issuer's ordinary shares were first admitted to the Official List of MSE on 7 October 2009, and trading commenced on 8 October 2009.

More than eight per cent of the Issuer's authorised share capital remains unissued. However, in terms of the Issuer's Memorandum and Articles of Association, the Issuer may not issue shares which would dilute a substantial interest without the approval of the shareholders in general meeting. Also, in terms of the Memorandum and Articles of Association and by virtue of an extraordinary resolution of the general meeting of the Issuer dated 19 May 2010, the Board of Directors was authorised and empowered for a period of five years from 19 May 2010, to issue and allot up to a maximum of 4,730,800 ordinary shares in the Company in exchange for non-cash consideration, without first offering the said shares to the existing holders of ordinary shares. A total of 1,314,460 from the said 4,730,800 ordinary shares have already been issued by the Board pursuant to the said power.

There is no capital of the Issuer which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option.

14.2 Memorandum and Articles of Association

The Memorandum and Articles of Association of the Company are registered with the Malta Financial Services Authority. The objects of the Company are the following: -

(a) to subscribe for, acquire, hold, manage, administer, dispose of or otherwise deal with, solely for and on behalf of the Company, directly or indirectly, any shares, stock, debentures, debenture stock, bonds, notes, options, interests in or securities of all kinds of any company, corporation, entity, partnership or other body of persons;

(b) to acquire and undertake the whole or any part of the business, property and liabilities of any person or company carrying on any business which the Company is authorised to carry on;

(c) to hold shares and investment portfolios in corporate bodies engaged in activities similar or ancillary to those performed by the Company;

(d) to develop, manage or operate any offices, stores or other buildings which may further the Company's interest;

(e) to own, manage and in any way dispose of trademarks, patents and other intellectual property and property rights;

(f) to purchase, take by title of lease, or otherwise acquire any immovable or movable property which the Company may deem necessary or convenient for its business;

(g) to borrow without any limit in connection with the Company's business, and to secure the repayment of such monies borrowed or any other obligation by granting hypothecary or other forms of security over any movable or immovable property of the Company;

(h) to sell, lease, hypothec or otherwise dispose of the whole or any part of the property or assets of the Company;

(i) to lend and advance money or give credit to any person or company and to secure, without any limit, any debt or obligation of any third party, including, if deemed appropriate, by granting hypothecary or other forms of security over the Company's assets;

(j) to carry on any other business within the objects of the Company and which may seem to the Company capable of being conveniently carried on in connection with its business;

(k) to do all such other things as are incidental or conducive to the attainment of the objects and the exercise of the powers of the Company; and

(l) to receive, from any assets held by the company pursuant to any of the provisions of this clause, dividends, capital gains, interest, and any other income derived from investments including income or gains on their disposal, rents, royalties and similar income whether arising in or outside Malta, and profits or gains attributable to a permanent establishment (including a branch) whether situated in or outside Malta.

The Memorandum and Articles of Association of the Company regulate matters customarily dealt with therein, including matters such as voting rights and restrictions thereof, and the appointment and powers of directors. A copy of the Memorandum and Articles of Association of the Company may be inspected during the lifetime of this Prospectus at the registered office of the Company and at the Registry of Companies during the lifetime of the Company.

15 MATERIAL CONTRACTS

International License Agreements – Radisson® Blu Resort & Spa Golden Sands

In 2003, GSR entered into an International Licence Agreement with SAS Hotels A/S Danmark (for the purpose of this particular Section, referred to as the "Licensor") for the Radisson® Blu Golden Sands Resort & Spa to employ a proprietary and distinctive system, identified by the trademarks 'Radisson' and 'Blu'. The licence commenced on 1 May 2005 and will expire on 31 December 2015.

Pursuant to the agreement, GSR undertook to pay the Licensor (i) a royalty fee for the licence; (ii) the Radisson® SAS Hotels Worldwide marketing and advertising contribution; and (iii) a monthly reservation fee. In terms of the agreement, GSR is solely responsible for the manner and means by which the hotel is operated. However, the agreement imposes a number of obligations on GSR relating to reporting and accounting standards.

International License Agreements - Radisson® Blu Resort St. Julians

On the 9 March 1997, BPH and Rezidor Hotels ApS Danmark (for the purpose of this particular Section, referred to as the "Licensor") entered into an International License Agreement for the operation of the Bay Point Hotel as a "Radisson® Bay Point Resort Malta" to employ a proprietary and distinctive system which is identified by the trademarks 'Radisson' and 'Blu'. Such agreement expired on the 31 December 2007 and accordingly, on the 18 December 2007, the parties entered into another International Licence Agreement with respect to the operation of the Radisson® Blu Resort St. Julians.

The agreement was effective as of 1 January 2008 and will expire on 31 December 2018.

Pursuant to the agreement, BPH pays the Licensor (i) a royalty fee for the licence; (ii) the Radisson® SAS Hotels Worldwide marketing and advertising contribution; and (iii) a monthly reservation fee.

BPH is solely responsible for the manner and means by which the hotel is operated, however a number of obligations relating to reporting and accounting standards are set out in the agreement.

Shareholders Agreement between IHG and Mayfair dated 4 December 2002

IHG and Mayfair entered into an agreement on 4 December 2002 for the incorporation of a Maltese company to be jointly owned and controlled by IHG and Mayfair for the acquisition and rebuilding of the Golden Sands Hotel and the Cote d'Or at Għajn Tuffieħa, Malta from the Maltese company Golden Sands Limited. The agreement sets out the basis of the parties' respective roles within the company as well as the basis on which the Company is to acquire, rebuild and manage the abovementioned property.

The agreement sets out the intention of the parties to operate the Golden Sands Hotel as a hotel aimed at tour operators and vacation ownership purposes. Depending on the success of the vacation ownership scheme, the parties intended that within the first five years of operation, 50% of the hotel would be available for vacation ownership, with the final objective being the employment of the entire hotel for such a purpose. The parties agreed that the company formed pursuant to the agreement, manages the property, while Island Hotels Group provides management expertise.

The agreement remains in force until it is terminated unilaterally by one of the parties notifying the defaulting party of an event of default or upon dissolution of the company registered pursuant to the agreement.

Emphyteutical Grant for the Construction of the Radisson® Blu Resort St. Julians

Pursuant to a deed published in the records of Notary Vincent Miceli on 1 September 1992, the Commissioner of Lands on behalf of the Government of Malta granted on temporary emphyteusis for a term of 75 years expiring on 1 September 2067, to BPH as emphyteuta, two sites situated at St. George's Bay.

The original ground rent for the site measuring 26,848m^2 is €65,222, while the ground rent for the site measuring 8,748m^2 is €6,965, both payable yearly in advance and to be increased every five years by 5%.The emphyteutical grant is subject to the condition that the land is used for a five-star hotel with 260 rooms to be kept fully operational throughout term of emphyteusis.

In terms of the emphyteutical grant, the Government has the right to dissolve the emphyteusis in the case of non-compliance with the conditions of the deed within three months from the notification of breach and if the ground rent, or an outstanding balance payable to the Government amounting to two months ground rent, is not paid for two years. Apart from the privilege established by law in respect of the emphyteutical lands, the emphyteuta granted a hypothec in favour of the Government over all its property in general, present and future as security for the payment of ground rent.

Emphyteutical Grant – Radisson® Blu Resort & Spa Golden Sands

Pursuant to a deed published by Notary Dr Angelo Vella on 12 February 2003, Golden Sands Limited transferred to GSR the temporary *utile dominium* for the remaining period of the original grant stipulated for a period of 150 years which expires on the 19 January 2114 of the Golden Sands Hotel, subject to an annual and temporary ground rent of approximately €7,500 and subject to all the terms and conditions resulting from the following public deeds: -

(a) A public deed in the records of Notary Anthony Attard dated 20 January 1964;

(b) A public deed in the records of Notary Alexander Grech dated 23 August 1979;

(c) A public deed in the records of Notary Vincent Miceli dated 13 August 1993.

GSR also acquired adjacent land, today forming part of the Radisson® Blu Resort & Spa Golden Sands, known as the Cote D'Or Hotel on 12 February 2003, on a free and unencumbered basis subject to all the terms and conditions resulting from the public deed in the records of Notary Anthony Attard dated 20 January 1964.

Sub-Emphyteutical Grant – Oasis Project

Pursuant to a deed published by Dr Diana Charles, the Government of Malta granted by title of perpetual emphyteusis to IHG two separate divided portions of land, both situated in Mellieħa, having an area of circa 79,942m^2 and 3,588m^2 respectively, subject to an annual and perpetual ground rent of approximately €3,000. On 23 December 2009, IHG transferred to Heavenly Collection the perpetual *utile domimium* over the said portions of land. The emphyteutical grant is subject to the condition that the sites are used for tourism development, which includes accommodation, ancillary and supporting facilities and may not be used for permanent residential occupation or any other use.

In terms of the emphyteutical deed, the vendor has the right to dissolve the sub-emphyteusis in the case of non-compliance with the conditions of the deed.

COSTA International Limited Development Agreement – Coffee Company Malta

Pursuant to an agreement dated 16 May 2012, Costa International Limited granted the Coffee Company Malta the following exclusive rights:

(a) the right and obligation to open in Malta a number of COSTA® Coffee outlets; and

(b) the right and obligation to operate individual COSTA® Coffee outlets in Malta.

The agreement sets out a number of targets and milestones to be acheived by the Coffee Company Malta in the development of the COSTA® Coffee brand in Malta and the operation of the COSTA® Coffee outlets.

Furthermore the parties agreed to a number of covenants and development targets. If these development targets are not met, COSTA International Limited has reserved the right to terminate the agreement.

COSTA International Limited Development Agreement – Coffee Company Spain

Pursuant to an agreement dated 3 April 2014, Costa International Limited granted the Coffee Company Spain the following rights:

(a) the right and obligation to open in specified regions of eastern Spain, the Balearic Islands and the Canary Islands a minimum of 75 COSTA® Coffee outlets;

(b) the right and obligation to operate individual COSTA® Coffee outlets in specified regions of eastern Spain, the Balearic Islands and the Canary Islands.

The agreement set out a number of targets and milestones to be achieved by the Coffee Company Spain in the development and operation of the COSTA® Coffee brand in specified regions of eastern Spain, the Balearic Islands and the Canary Islands. In pursuance thereof, the parties agreed to a number of covenants and development and operational targets. If these development and operational targets are not met, Costa International Limited has reserved the right to terminate the agreement.

16 PROPERTY VALUATION REPORTS

The Issuer commissioned iAS – Innovative Architectural Structures Limited, a firm of architects, to issue a property valuation report in relation to the following sites:

(a) Radisson® Blu Resort & Spa, Golden Sands (valued at €115,000,000)

(b) Radisson® Blu Resort St. Julians (valued at €49,000,000)

(c) The Oasis Project (valued at €30,000,000)

The following are the details of the said valuer:

Name: Peter Zammit

Address: iAS – Innovative Architectural Structures Limited
Level 4, Cobalt House,
Notabile Road, Mrieħel,
Birkirara,
Malta

Listing Rule 7.4.3 provides that property valuations to be included in a prospectus must not be dated (or be effective from) more than 60 days prior to the date of publication of the prospectus. The valuation reports are dated 15 April 2014.

A copy of the reports compiled by Arch. Peter Zammit of iAS – Innovative Architectural Structures Limited in respect of the above mentioned sites are available for inspection as set out in Section 18 "*Documents on Display*".

17 THIRD PARTY INFORMATION AND EXPERTS' STATEMENTS

Save for the valuation reports referred to in Section 16 *"Property Valuation Reports"* and in Section 18 "*Documents on Display*" as well as the financial analysis summary set out as Annex I of this Registration Document, the Prospectus does not contain any statement or report attributed to any person as an expert.

The financial analysis summary has been included and the valuation reports have been put on display in the form and context in which that appear with the authorisation of Curmi & Partners Ltd. and iAS - Innovative Architectural Structures Limited, which have given, and have not withdrawn their respective consent to the inclusion, or display of such reports. Curmi & Partners Ltd. and iAS - Innovative Architectural Structures Limited do not have any material interest in the Issuer.

The Issuer confirms that the information sourced from third parties and contained or referred to in this Prospectus has been accurately reproduced and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

18 DOCUMENTS ON DISPLAY

For the duration period of the Prospectus the following documents shall be available for inspection at the registered office of the Company:

(a) Memorandum and Articles of Association of the Company;

(b) the Historical Consolidated Financial Information of the Issuer for each of the financial years ended 31 October 2011, 2012 and 2013;

(c) the Historical Financial Information of:

  (i) each to the Subsidiaries (other than Bay Point Collection) for each of the financial years ended 31 October 2011, 2012 and 2013;

  (ii) Bay Point Collection for financial year ended 31 October 2013;

(d) the letter of confirmation drawn up by Deloitte Audit Limited dated 25 April 2014; and

(e) independent expert's property valuation reports prepared at the Issuer's request in respect of the sites referred to in Section 16 "*Property Valuation Reports*" prepared by Arch. Peter Zammit of iAS – Innovative Architectural Structures Limited dated 15 April 2014.

Island Hotels Group Holdings p.l.c.

Forecast Financial Information

Deloitte.

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Company Reg No: C51320
VAT Reg No: MT2013 6212
Exemption number: EXO2156

The Directors
Island Hotels Group Holdings p.l.c
Radisson Blu Resort St. Julians
Louis V. Farrugia Street
St. George's Bay
St. Julians STJ 3391
Malta

25 April 2014

Dear Sirs,

Independent Accountants' Report on the forecast financial informations of Island Hotels Group Holdings p.l.c

We report on the forecast statement of financial position, income and cash flow ("the forecast financial information") of Island Hotels Group Holdings p.l.c and its subsidiaries (the "Group") for the two financial years ending 31 October 2014 and 31 October 2015. The forecast financial information, the basis of preparation and the material assumptions upon which the forecasts are based, are set out in Section A "Summary of significant assumptions and accounting policies" of Annex I of the Registration Document issued by Island Hotels Group Holdings p.l.c dated 6 May 2014.

This report is required in terms of rule 5.40 of the Listing Rules issued by the Listing Authority of the Malta Financial Services Authority and is given for the purpose of complying with that regulation and for no other purpose.

Directors' responsibilities for the forecast financial information

It is the responsibility of the Directors of Island Hotels Group Holdings p.l.c to prepare the forecast financial information and the assumptions upon which they is based, as set out in Section A "Summary of significant assumptions and accounting policies" of Annex I of the Registration Document, in accordance with the requirements of the Listing Rules issued by the Listing Authority of the Malta Financial Services Authority and EU Regulation EC 809/2004.

Accountants' responsibility

It is our responsibility to form an opinion as required by Listing Rule 5.40 as issued by the Listing Authority of the Malta Financial Services Authority and Annex IV item 9.2 of EU Regulation EC 809/2004 as to the proper compilation of the forecast financial information, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned, and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in connection with report or our statement, required by and given solely for the purposes of complying with the Listing Rules, consenting to its inclusion in the Registration Document.

Basis of preparation of the forecast financial information

The financial information has been prepared on the basis stated in Section A "Summary of significant assumptions and accounting policies" of Annex I of the Registration Document and is based on the forecast for the years ending 31 October 2014 and 2015. The forecast financial information is required to be presented on a basis consistent with the accounting policies of the Group.

Deloitte.

Basis of opinion

We have examined the basis of compilation and the accounting policies of the accompanying forecast financial information of the Group for the years ending 31 October 2014 and 2015 in accordance with ISAE 3000 "Assurance Engagements Other than Audits and Reviews of Historical Financial Information". Our work included evaluating the basis on which the financial information included in the forecast has been prepared and considering whether the forecast financial information has been accurately computed based upon the disclosed assumptions and the accounting policies of the Group.

The assumptions upon which the forecast financial information is based are solely the responsibility of the Directors of Island Hotels Group Holdings p.l.c. and accordingly we express no opinion on the validity of the assumptions. However, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Directors which, in our opinion, are necessary for a proper understanding of the forecast financial information have not been disclosed and whether any material assumption made by the Directors appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the forecast financial information has been properly compiled on the basis stated, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned.

The forecast financial information is not intended to, and does not provide all the information and disclosures necessary to give a true and fair view of the results of the operations and the financial position of the Group in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs).

Since the forecast financial information and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the forecast financial information and differences may be material.

Opinion

In our opinion, the forecast financial information has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies of the Group.

Yours sincerely,

Raphael Aloisio
Director

A Summary of significant assumptions and accounting policies

1. Introduction

The forecast statement of financial position, the forecast income statement, and the forecast statement of cash flows of Island Hotels Group Holdings p.l.c. and its subsidiary undertakings (the "Group") for the financial years ending 31 October 2014 (FY14) and 31 October 2015 (FY15), have been prepared to provide financial information for the purposes of inclusion in the Prospectus of Island Hotels Group Holdings p.l.c., dated 6 May 2014. The forecast financial information as presented in Annex I of the Registration Document, together with the assumptions set out below, are the sole responsibility of the Directors of the Company.

The forecast information is intended to show a possible outcome based on assumptions relating to anticipated future events which the Directors expect to take place, and on actions the Directors expect to take. Events and circumstances frequently do not occur as expected, and therefore, actual results may differ materially from those included in the forecast and projected financial information. Attention is drawn, in particular, to the risk factors set out in the Prospectus, which describe the primary risks associated with the business to which the forecast financial information relates.

The forecast financial information is not intended to and does not provide all the information and disclosures necessary to give a true and fair view of the financial results, financial position, and cash flows of the Group, in accordance with International Financial Reporting Standards as adopted by the EU.

The Directors have exercised due care and diligence in adopting the assumptions set out below. The forecast financial information was formally approved on 23 April 2014 by the Directors, and the stated assumptions reflect the judgements made by the Directors at that date. The assumptions that the Directors believe are significant to the prospective financial information are described in Section 3 below.

2. Significant accounting policies

The significant accounting policies of Island Hotels Group Holding p.l.c. are set out in the audited financial statements of the Group for the financial year ended 31 October 2013 (FY13). Where applicable, in so far as they relate to recognition and measurement criteria, they have been consistently applied in the preparation of the forecast financial information.

3. Basis of preparation and principal assumptions

The principal assumptions relating to the environment in which the Group operates, and the factors which are exclusively outside the influence of the Directors and which underlie the forecast financial statements, are the following:

- there will be no material adverse movements originating from market and economic conditions affecting tourism, consumer spending levels, employment and job growth, amongst others;
- exchange rates will not change significantly over the period covered by the forecast financial information;
- interest rates will not change significantly over the period covered by the forecast financial information;
- the rate of inflation will be in line with historic trends;
- the company will continue to enjoy the confidence of its bankers;
- the Group will be able to meet its financial obligations; and
- the basis and rates of taxation, direct and indirect, will not change materially throughout the period covered by the prospective financial information.

The principal assumptions relating to the environment in which the Group operates, and the factors which the Directors can influence and which underlie the forecast financial information, are the following:

Significant assumptions

For the purposes of the forecast financial information the following have been assumed:

- the disposal of the Coastline Hotel Limited in terms of a sale agreement dated 2 May 2014. The financial forecasts include the results for the hotel up to the date of disposal and gross proceeds from disposal of €14 million;
- proceeds from the bond will amount to €35 million in May 2014;
- the Radisson® Blu Resort St. Julians will undergo a major refurbishment project which will include the refurbishment of the existing hotel, construction and finishing of two additional storeys and construction and finishing of a conference centre. The total project cost is assumed at €16 million based on management's estimates, following guidance from the Group's architects, and comprises an estimate of €13 million for the hotel including civil works, building services, finishes and furnishings; and €3 million for the conference centre. The works will take place between November 2014 and June 2015, and payment will be effected as follows:

(i) €3 million in 2014;

(ii) €7 million in FY15; and

(iii) €6 million after 31 October 2015;

- the Group will open three COSTA® Coffee outlets in Spain, and another two outlets in Malta during FY14. During FY15, the forecasts assume that seven new outlets will be rolled out in Spain and another two outlets will be opened in Malta, to bring the total COSTA® Coffee outlets open in Malta and Spain to eighteen. The total projected investment in new outlets between FY14 and FY15 is €3.9 million;
- out of proceeds from the sale of the Coastline Hotel and the Bond, €12.5 million will be applied towards the reduction in bank loans and overdrafts in FY14;
- working capital movements are forecast at €6.3 million in FY 14, and €2.9 million in FY15; and
- the Group will exercise its option to acquire the remaining 50% of Buttigieg Holdings and its subsidiaries, including RJC Caterers, Coffee Company Malta, and Coffee Company Spain in May 2014 at a cost of €2.15 million, inclusive of taxes and related costs.

Radisson® Blu Resort St.Julians

During FY14, the Radisson® Blu Resort St. Julians is forecast to report an 8% increase in total revenue, mainly driven by vacation ownership business, whilst hotel revenue is forecast to remain in line with FY13 levels. The increase in vacation ownership revenue is forecast to result in a 4.7% improvement in overall EBITDA for the property.

During FY15, the hotel will be shut down for refurbishment for an eight month period between 1 November 2014 and 30 June 2015. Following the refurbishment, the hotel's room complement will increase from the current 252 rooms to 290 rooms, 45 of which will be allocated to vacation ownership.

Forecast revenue for the four-month period between July and October 2015 is substantially in line with budgeted revenue for the same period in FY14. The forecasts assume improved rates, but lower occupancy, when compared to that normally recorded during the summer months, allowing for the gradual build-up following re-opening. The forecast increase in average room rate is attributed to the improved quality of the property following the refurbishment and the shift in business mix towards conference and incentive business following the development of new conference facilities.

During the eight-month refurbishment period, management is planning to deploy certain staff on the project, whereas some of the staff will be temporarily transferred to other properties. The financial forecasts assume that €1.2 million of wages will be capitalised as part of the refurbishment project. This, together with saved variable operating costs during the construction period will result in a 55% drop in the hotel's cost base in FY15. The net result is a 39% forecast drop in hotel EBITDA during that financial year.

Sales of vacation ownership units are projected to continue increasing in FY15 as the new stock of vacation ownership rooms are placed on the market. Overall contribution from vacation ownership is forecast to increase by 3% in FY15.

Radission® Blu Resort and Spa Golden Sands

The financial forecasts assume that revenue from this property will be substantially in line with FY13, whereas EBITDA is forecast to improve by 3% in FY14. Capital expenditure is forecast at 3% of revenue.

Catering

In FY14, revenue from ICL is forecast to be substantially in line with FY13. The forecast financial information assumes an inflationary increase of 3% in FY15.

With respect to COSTA® Coffee business in Malta, the forecast financial information assumes the opening of two new outlets in FY14 (including the Balzan outlet which was opened in December 2013) and two new outlets in FY15, bringing the total complement to eight stores. Forecast revenue per outlet is similar to that achieved in FY13.

Revenue from the other catering and retail outlets, together with the Group's central food processing unit are forecast to be substantially in line with previous years.

With respect to COSTA® Coffee business in Spain, the forecast financial information assumes that three new outlets will be opened during the third quarter of FY14, and another seven new outlets will be opened evenly throughout FY15. Average revenue per outlet is based on the average achieved in Malta during FY13, and EBITDA margin is in line with that forecast for COSTA® Coffee Malta.

With regards to MKIC, the forecast financial information assumes a 29% increase in revenue, and an EBITDA percentage of 2% in FY14. Increase in revenue in FY15 is forecast at 5% with an improved EBITDA of 3.5%.

Other key assumptions

Finance costs on existing debt have been forecast on the basis of existing arrangements, and the interest rate on the new €35 million bond is assumed at 6%.

Interest incurred by the Heavenly Collection on loans in respect of land acquired for the Oasis project is being capitalised.

The forecast financial information is based on tax calculations at each operating unit level as follows:

- Malta income tax has been provided at 35% of forecast taxable income generated in Malta, taking into consideration capital allowances, investment tax credits and unabsorbed losses carried forward.
- Spanish income tax has been provided at 30% of forecast taxable income generated by COSTA® Coffee Spain.
- Forecasts assume that 75% of profits from foreign operations will be distributed and the flat rate foreign tax credit is applied to the dividend income received in Malta.

4. Conclusion

The Directors believe that the assumptions on which the projections are based are reasonable. The Directors further believe that, in the absence of unforeseen circumstances outside their control, the working capital available to the Issuer will be sufficient for the carrying on of its business.

Approved by the Board of Directors on 23 April 2014 and signed on its behalf by:

Winston V. Zahra

Director

Winston J. Zahra

Director

A Forecast Income Statement - Year ending 31 October

	Forecast 2014 €'000	Forecast 2015 €'000
Continuing operations		
Revenue	34,872	36,129
Staff costs	(12,815)	(12,025)
Food and beverage costs	(4,486)	(5,538)
Other operating expenses	(10,571)	(11,200)
Earnings before interest, taxation, depreciation and amortisation	7,000	7,366
Depreciation and amortisation	(3,352)	(3,290)
Operating profit	3,648	4,076
Investment income	20	136
Finance costs	(2,564)	(3,494)
Profit before tax	1,104	718
Income tax expense	(292)	(150)
Profit for the year from continuing operations	812	568
Discontinued operation		
Loss for the year from discontinued operation	(421)	-
Profit for the year	**391**	**568**
Profit for the year attributable to the owners of the holding company	391	568

B Forecast Statements of Financial Position - As at 31 October

	Forecast 2014 €'000	Forecast 2015 €'000
ASSETS		
Non-current assets		
Goodwill	30,470	30,470
Other intangible assets	2,930	2,565
Property, plant and equipment	74,635	81,771
Loans and receivables	8,947	8,947
Other financial assets	500	1,000
	117,482	**124,753**
Current assets		
Inventories	1,404	1,403
Trade and other receivables	10,646	10,638
Current taxation	61	24
Cash and bank balances	12,388	-
	24,499	**12,065**
Total assets	**141,981**	**136,818**
EQUITY AND LIABILITIES		
Equity attributable to the owners of the holding company		
Share capital	36,584	36,584
Currency translation reserve	85	85
(Accumulated losses)/retained earnings	(75)	493
Total equity	**36,594**	**37,162**
Non-current liabilities		
Bank loans	11,980	7,741
Other financial liabilities	60,091	59,705
Trade and other payables	3,296	1,795
Deferred tax liabilities	8,632	8,606
	83,999	**77,847**
Current liabilities		
Trade and other payables	16,502	15,402
Bank overdrafts and loans	3,369	4,890
Current taxation	-	-
Other financial liabilities	1,517	1,517
	21,388	**21,809**
Total liabilities	**105,387**	**99,656**
Total equity and liabilities	**141,981**	**136,818**

C Forecast Statement of Cash Flows - Year ending 31 October

	Forecast 2014 €'000	Forecast 2015 €'000
Cash flow from operating activities		
Profit before tax from continuing operations	1,104	718
Adjustments for:		
Depreciation	3,352	3,290
Loss before tax on discontinued operations	(350)	-
Finance costs	2,564	3,494
Operating profit before working capital movements	6,670	7,502
Movement in working capital	(6,306)	(2,947)
Cash flows from operations	364	4,555
Interest paid	(2,921)	(3,691)
Tax paid	(28)	(139)
Operating cash flows	**(2,585)**	**725**
Cash flow from investing activities		
Purchase of property, plant and equipment	(4,920)	(9,898)
Proceeds from disposal of discontinued operation	14,000	-
Transfer to sinking fund reserve	(477)	(500)
Acquisitions, net of cash acquired	(2,476)	-
Financing cash flows	**6,127**	**(10,398)**
Cash flow from financing activities		
Proceeds from issue of debt securities	35,000	-
Movement in bank loans	(15,751)	(3,369)
Investing cash flows	**19,249**	**(3,369)**
Net movement in cash and cash equivalents	**22,791**	**(13,042)**
Cash and cash equivalents at beginning of year	(10,403)	12,388
Cash and cash equivalents at end of year	**12,388**	**(654)**

Securities Note

Dated 6 May 2014

This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Listing Rules published by the Listing Authority and in accordance with 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, as amended by Commission Delegated Regulation (EU) No 486/2012 of the 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014. This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Issuer.

ISLAND HOTELS

GROUP HOLDINGS PLC

(a public limited liability company registered under the laws of Malta

with registration number C44855)

In respect of an Issue of €35,000,000 6% Bonds 2024 of a nominal value of €100 per Bond issued at par

ISIN: MT0000481227

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENTS ARE IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT.

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LEGAL COUNSEL	LEAD SPONSOR	SPONSOR	MANAGER & REGISTRAR	JOINT MANAGER
CAMILLERI PREZIOSI ADVOCATES	CURMI & PARTNERS	RIZZO FARRUGIA YOUR INVESTMENT CONSULTANTS	BOV Bank of Valletta	HSBC

IMPORTANT INFORMATION

THIS SECURITIES NOTE CONSTITUTES PART OF THE PROSPECTUS, CONTAINS INFORMATION ON ISLAND HOTELS GROUP HOLDINGS P.L.C. (THE "ISSUER"), ITS SUBSIDIARIES, AFFILIATES AND ITS GROUP BUSINESS. THE INFORMATION IS BEING MADE AVAILABLE IN CONNECTION WITH AN ISSUE BY THE ISSUER OF €35,000,000 BONDS 2024 OF A NOMINAL VALUE OF €100 EACH.

THE BONDS SHALL BE ISSUED AT PAR AND BEAR INTEREST AT THE RATE OF 6% PER ANNUM PAYABLE ANNUALLY ON 15 MAY OF EACH YEAR, UNTIL THE REDEMPTION DATE. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 15 MAY 2024.

THIS SECURITIES NOTE CONTAINS INFORMATION ABOUT THE ISSUER AND THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES, THE ACT AND THE REGULATION, AND SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED BY THE ISSUER.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ANY OF ITS DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF THE BONDS OTHER THAN THOSE CONTAINED IN THE PROSPECTUS AND IN THE DOCUMENTS REFERRED TO HEREIN IN CONNECTION WITH THE ISSUE HEREBY MADE, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, ITS DIRECTORS OR ADVISORS.

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THIS PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR THE PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR THE BONDS BY ANY PERSON IN ANY JURISDICTION (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY BONDS ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE ISSUE IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF SAID DIRECTIVE, THE BONDS CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN SAID DIRECTIVE) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF SAID DIRECTIVE.

THE BONDS HAVE NOT BEEN NOR WILL THEY BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933 AS AMENDED, OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE "U.S.") OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY U.S. PERSON (AS DEFINED IN REGULATION "S" OF THE SAID ACT). FURTHERMORE THE ISSUER WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT, 1940 AS AMENDED AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS, AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE ACT.

STATEMENTS MADE IN THIS PROSPECTUS ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.

THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THIS PROSPECTUS. ACCORDINGLY NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

THE ISSUER DISCLAIMS ALL RESPONSIBILITY FOR ANY DEALINGS MADE, REPRESENTATIONS GIVEN, PROCESSES ADOPTED, FUNDS COLLECTED OR APPLICATIONS ISSUED BY AUTHORISED FINANCIAL INTERMEDIARIES IN THEIR EFFORT TO PLACE OR RE-SELL THE BONDS SUBSCRIBED BY THEM.

ALL THE ADVISORS TO THE ISSUER NAMED IN THE PROSPECTUS UNDER THE HEADING "ADVISORS TO THE ISSUER" OF THE SECURITIES NOTE HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS ISSUE AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

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 MATURITY. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

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1 DEFINITIONS AND INTERPRETATION

In this Securities Note 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 any one of the Sponsors or to any of the other Authorised Financial Intermediaries;
Application Form	The form of application for subscription for Bonds, a specimen of which is contained in Annex II of this Securities Note;
Authorised Financial Intermediaries	the licensed stockbrokers and financial intermediaries listed in Annex III of this Securities Note;
Bond(s)	the €35,000,000 6% Bonds due 2024 of a face value of €100 per bond, redeemable at their nominal value on the Redemption Date, bearing interest at the rate of 6% per annum issued pursuant to this Prospectus;
Bondholder(s)	the persons registered in the Issuer's register as being the holders of the Bonds;
Bond Issue	the issue of the Bonds;
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;
CSD	the Central Securities Depository of the Malta Stock Exchange established pursuant to Chapter 4 of the Malta Stock Exchange Bye-Laws, having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
Current Bonds in Issue	the €14,000,000 6.5% Bonds 2017-2019 issued by the Issuer pursuant to a prospectus dated 28 August 2009;
Cut-Off Date	means close of business 9 May 2014;
Directors or Board	the directors of the Company whose names and addresses are set out in Section 3.1 ("*Directors*") of the Registration Document;
Euro, EUR or €	the lawful currency of the Republic of Malta;
Existing Shareholder	means a holder of one or more shares in the issued share capital of the Issuer as at the Cut-Off Date;
Group	shall have the meaning assigned to it in the Registration Document;
IHGH Group Employees	employees who provide their services to companies forming part of the Group as at the Cut-Off Date;
Interest Payment Date	annually on 15 May of each year between and including 2015 and 2024, 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;
Issuer or Company	Island Hotels Group Holdings p.l.c. a public limited liability company incorporated under the laws of Malta with company registration number C44855 and with registered office at Radisson Blu Resort St. Julians, Louis V. Farrugia Street, St. George's Bay, St. Julians, STJ 3391, Malta;
Issue Period	26 May 2014 to 30 May 2014, both days included, during which the Bonds are on offer;
Listing Authority	the Malta Financial Services Authority, as appointed in terms of the Financial Markets Act (Cap. 345 of the laws of Malta);
Listing Rules	the listing rules, issued by 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 (Cap. 345 of the laws of Malta) having its registered office at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta, and bearing company registration number C42525;
Memorandum and Articles of Association or M&As	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;
MFSA	the Malta Financial Services Authority, incorporated in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);

Official List	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
Private Placement Agreement	the agreement between the Sponsors and the Issuer to subscribe to Bonds in accordance with Section 7.20 of this Securities Note for the purpose of distributing to or placing with their underlying customers any portion of the Bonds;
Prospectus	collectively the Registration Document, Summary Note and this Securities Note, as such documents may be amended, updated, replaced and supplemented from time to time;
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as may be amended from time to time;
Redemption Date	15 May 2024;
Redemption Value	the nominal value of each Bond;
Registration Document	the registration document issued by the Issuer dated 6 May 2014, forming part of the Prospectus;
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 and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 supplementing Directive 2003/71/EC of the European Parliament and of the Council with regard to Regulatory technical standards for publication of supplements to the prospectus text with EEA relevance;
Securities Note	this document in its entirety;
Sponsors	means the sponsors referred to in Section 4.1 of this Securities Note;
Subsidiaries	each of:- (a) Island Hotels Group Limited, a limited liability company registered under the laws of Malta with company registration number C19442 and with registered office at Radisson Blu Resort St. Julians, Louis V. Farrugia Street, St. George's Bay, St. Julians, STJ 3391, Malta; (b) Bay Point Hotel Limited, a limited liability company registered under the laws of Malta with company registration number C13170 and with registered office at Radisson Blu Resort St. Julians, Louis V. Farrugia Street, St. George's Bay, St. Julians, STJ 3391, Malta; (c) Island Resorts International Limited, a BVI business registered under the BVI Business Companies Act, 2004 with company number 294368 and with registered office at Akara Building 24, De Castro Street, Wickhams Cay I, Tortola, BVI; (d) Island Caterers Limited, a limited liability company registered under the laws of Malta with company registration number C9377 and with registered office at Radisson Blu Resort St. Julians, Louis V. Farrugia Street, St. George's Bay, St. Julians, STJ 3391, Malta; (e) Bay Point Properties Limited[1], a limited liability company registered under the laws of Malta with company registration number C47131 and with registered office at Radisson Blu Resort St. Julians, Louis V. Farrugia Street, St. George's Bay, St. Julians, STJ 3391, Malta; and (f) Bay Point Collection Limited, a company registered under the laws of the British Virgin Islands with company registration number 1743963 and with registered office at Akara Building, 24 De Castro Street, Wickhams Cay I, Road Town, Tortola, BVI ("**Bay Point Collection**");
Summary Note	the summary note issued by the Issuer dated 6 May 2014, forming part of the Prospectus;
Terms and Conditions	the terms and conditions relating to the Bonds as contained in this Prospectus, in particular Section 7 of this Securities Note.

1 *As at the date of this Securities Note Bay Point Properties Limited is a dormant company and does not carry on any kind of trading activities nor does it own any property.*

2 RISK FACTORS

THE VALUE OF INVESTMENTS, INCLUDING BONDS, CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.

THE NOMINAL VALUE OF THE BONDS IS REPAYABLE IN FULL UPON MATURITY. THE ISSUER SHALL REDEEM THE BONDS ON THE REDEMPTION DATE. AN INVESTMENT IN THE BONDS STILL INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW.

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

IF ANY OF THE RISKS DESCRIBED WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER'S FINANCIAL RESULTS, TRADING PROSPECTS AND THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES.

THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE THAT THE DIRECTORS BELIEVE TO BE MATERIAL, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER FACES. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S DIRECTORS ARE NOT CURRENTLY AWARE OF OR DO NOT DEEM MATERIAL, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER THAT COULD LEAD TO A DECLINE IN VALUE OF THE SECURITIES.

NEITHER THE PROSPECTUS, NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE BONDS: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION OR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE SPONSOR OR AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THIS SECURITIES NOTE OR ANY OTHER PART OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS OR ANY BONDS, SHOULD PURCHASE ANY BONDS.

ACCORDINGLY PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

2.1 Forward Looking Statements

This Securities Note and the documents incorporated therein by reference or annexed thereto include statements that are, or may be deemed to be, ''forward-looking statements''. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms ''believes'', ''estimates'', ''anticipates'', ''expects'', ''intends'', ''may'', ''will'' or ''should'' or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Issuer and/or the Directors concerning, amongst other things, the Issuer's strategy and business plans, results of operations, financial condition, liquidity, prospects and dividend policy of the Issuer and the markets in which the Group operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Group's actual results of operations, financial condition, liquidity, dividend policy and the development of its strategy may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the results of operations, financial condition, liquidity and dividend policy of the Issuer are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in economic conditions generally and in Malta, hotel markets specifically, legislative/regulatory changes, changes in taxation regimes, the availability and cost of capital for future investments and the availability of suitable financing.

Potential investors are advised to read this document together with the Registration Document in its entirety and, in particular, the heading of each of these documents entitled ''Risk Factors'' for a further discussion of the factors that could affect the Issuer's future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur. All forward-looking statements contained in this document are made only as at the date hereof. Subject to its legal and regulatory obligations (including under the Listing Rules), the Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

2.2 Risks Relating to the Bonds

2.2.1 Limited liquidity of the Malta Stock Exchange

The existence of an orderly and liquid market for the Bonds depends on a number of factors, including but not limited to the presence of willing buyers and sellers of the Issuer's Bonds at any given time and the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price or at all.

2.2.2 Value

The value of investments can rise or fall, and past performance is not necessarily indicative of future performance. If in need of advice, you should consult a licensed stockbroker or an investment adviser licensed under the Investment Services Act (Cap. 370 of the laws of Malta).

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

2.2.3 Prior Ranking Charges

The Bonds constitute general, direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu,* without any priority or preference, with all other present and future unsecured and unsubordinated obligations of the Issuer.

2.2.4 Exchange Rate Fluctuations

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.

2.2.5 Amendment to Terms and Conditions

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 7.13 of this Securities Note. 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.

2.2.6 Status of Applicable Law

The Terms and Conditions of the 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.

3 PERSONS RESPONSIBLE

This document includes information given in compliance with the Listing Rules for the purpose of providing prospective investors with information with regard to the Issuer and the Bonds. All the Directors of the Issuer, whose names appear under Section 3.1 of the Registration Document "*Directors*", are the persons responsible for the information contained in this Securities Note. The current directors of the Issuer are:

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

To the best of the knowledge and belief of the Directors of the Issuer, who have taken all reasonable care to ensure that such is the case, the information contained in this Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors of the Issuer accept responsibility accordingly.

4 ADVISORS TO THE ISSUER

4.1 Sponsors

Lead Sponsor

Name: Curmi & Partners Ltd.

Address: Finance House
Princess Elizabeth Street
Ta' Xbiex, XBX 1102
Malta

Sponsor

Name: Rizzo, Farrugia & Co (Stockbrokers) Ltd.

Address: Airways House, Third Floor
High Street
Sliema, SLM 1549
Malta

4.2 Legal Counsel

Name: Camilleri Preziosi

Address: Level 3, Valletta Buildings
South Street
Valletta, VLT 1103
Malta

4.3 Managers and Registrar

Manager & Registrar

Name: Bank of Valletta p.l.c.

Address: BOV Centre
Cannon Road
Santa Venera, SVR 9030
Malta

Joint Manager

Name: HSBC Bank Malta p.l.c.

Address: 233, Republic Street
Valletta, VLT 1116
Malta

5 CONSENT REQUIRED IN CONNECTION WITH THE USE OF THE PROSPECTUS DURING THE ISSUE PERIOD BY THE AUTHORISED FINANCIAL INTERMEDIARIES

For the purposes of any subscription for Bonds through any of the Authorised Financial Intermediaries during the Issue Period and any subsequent resale, placement or other offering of Bonds by such Authorised Financial Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive, the Issuer consents to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale, placement or other offering of Bonds, provided this is limited only:

(a) in respect of Bonds subscribed for through the Authorised Financial Intermediaries listed in Annex III of this Securities Note during the Issue Period;

(b) to any resale or placement of Bonds subscribed for as aforesaid taking place in Malta; and

(c) to any resale or placement of Bonds subscribed for as aforesaid taking place within the period of 60 days from the date of the Prospectus.

Neither the Issuer nor any of the Sponsors has any responsibility for any of the actions of any Authorised Financial Intermediary, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale or placement of Bonds.

Other than as set out above, neither the Issuer nor any of the Sponsors has authorised (nor do they authorise or consent to the use of the Prospectus in connection with) the making of any public offer of the Bonds by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Issuer or any of the Sponsors and neither the Issuer nor any of the Sponsors has any responsibility or liability for the actions of any person making such offers.

Investors should enquire whether an intermediary is considered to be an Authorised Financial Intermediary in terms of the Prospectus. If the investor is in doubt as to whether he/she can rely on the Prospectus and/or who is responsible for its contents, the investor should obtain legal advice.

No person has been authorised to give any information or to make any representation not contained in or inconsistent with the Prospectus. If given or made, it must not be relied upon as having been authorised by the Issuer or any of the Sponsors. The Issuer does not accept responsibility for any information not contained in the Prospectus.

In the event of a resale, placement or other offering of Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary shall be responsible to provide information to investors on the terms and conditions of the resale, placement or other offering at the time such is made.

Any resale, placement or offering of Bonds to an investor by an Authorised Financial Intermediary will be made in accordance with any terms and other arrangements in place between such Authorised Financial Intermediary and such investor including as to price, allocations and settlement arrangements. Where such information is not contained in the Prospectus, it will be the responsibility of the applicable Authorised Financial Intermediary at the time of such resale, placement or offering to provide the investor with that information and neither the Issuer nor the Sponsor has any responsibility or liability for such information.

Any Authorised Financial Intermediary using the Prospectus in connection with a resale or placement of Bonds subsequent to the Bond Issue shall, limitedly for the period of 60 days from the date of the Prospectus, publish on its website a notice to the effect that it is using the Prospectus for such resale and placement in accordance with the consent of the Issuer and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period.

Any new information with respect to Authorised Financial Intermediaries unknown at the time of the approval of this Securities Note will be made available through a company announcement which will also be made available on the Issuer's website: www.islandhotels.com.

6 ESSENTIAL INFORMATION

6.1 Interest of any Natural and Legal Persons Involved in the Issue

Save for the subscription for Bonds by the Authorised Financial Intermediaries (which includes Curmi & Partners Ltd., Rizzo, Farrugia & Co (Stockbrokers) Ltd., the Manager & Registrar and the Joint Manager) and any fees payable to Curmi & Partners Ltd. and Rizzo, Farrugia & Co (Stockbrokers) Ltd. respectively as Lead Sponsor and Sponsor in connection with the Bond Issue, and to Bank of Valletta p.l.c. and HSBC Bank Malta p.l.c. respectively as Manager and Registrar and Joint Manager, so far as the Issuer is aware no person involved in the Issue has an interest material to the Bond Issue.

6.2 Reasons for the Issue and Use of Proceeds

The proceeds from the Bond Issue, which net of expenses are expected to amount to approximately €34,350,000 will be used by the Issuer for the ensuing purposes, in the following order of priority:

(a) approximately €20,000,000 of the proceeds from the Bond Issue will be used as follows:

(i) approximately €16,000,000 of the proceeds from the Bond shall be advanced to Bay Point Hotel Limited, a limited liability company registered under the laws of Malta with company registration number C13170 and with registered office at Radisson Blu Resort St. Julians, Louis V. Farrugia Street, St. George's Bay, St. Julians, STJ 3391, Malta ("**BPH**"), a wholly owned indirect subsidiary of the Issuer, for the purpose of carrying out the following at the Radisson® Blu Resort St. Julians, as described in Section 6 "*Strategy and Trend Information - Radisson® Blu Resort St. Julians*" of the Registration Document:

- refurbishment works;
- construction and finishing two additional storeys; and
- construction and finishing works in relation to a conference centre;

(ii) approximately €4,000,000 of the proceeds will be used to for the development and operation of the

COSTA® Coffee brand in the East Coast of Spain, the Balearic Islands and the Canary Islands;

(b) The remaining balance of the net proceeds from the Bond Issue will be used for general corporate funding purposes, including the early repayment of some bank loans and in particular the reduction in the Group's overdraft balance.

Private Placement and Minimum Amount

The Sponsors have already agreed to subscribe to €10,000,000 in value of Bonds pursuant to the Private Placement Agreements as referred to in Section 7.20 of the Securities Note. Should Applications for at least another €20,000,000 of the remaining portion of the Bond Issue not be received, for a total of €30,000,000 subscription (the "**Minimum Amount**"), no allotment of the Bonds shall be made, the Applications shall be deemed not to have been accepted by the Issuer and all money received from Applicants shall be refunded accordingly.

In the event that the Minimum Amount is reached but the Bond Issue is still not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed.

6.3 Expenses

Professional fees, costs related to publicity, advertising, printing, listing and registration, a one per cent selling commission, as well as sponsor, management, registrar fees and other miscellaneous expenses in connection with this Bond Issue, are estimated not to exceed €650,000 (excluding VAT) and shall be borne by the Issuer.

6.4 Issue Statistics

Issuer:	Island Hotels Group Holdings p.l.c. a public limited liability company incorporated under the laws of Malta with company registration number C44855 and with registered office at Radisson Blu Resort St. Julians, Louis V. Farrugia Street, St. George's Bay, St. Julians, STJ 3391, Malta;
Amount:	€35,000,000;
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 (€);
ISIN:	MT0000481227
Minimum Amount per Subscription:	Minimum of €2,000 and integral multiples of €100 thereafter;
Redemption Date:	15 May 2024;
Plan of Distribution:	The Bonds are open for subscription by all categories of investors, including Authorised Financial Intermediaries either for their own account or on behalf of clients and the general public;
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, if any;
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;
Application Forms Available:	12 May 2014;
Private Placement Agreement:	The Issuer has entered into private placement agreements with the Sponsors for a total amount of €10,000,000 in value of Bonds;
Closing Date for Application Forms:	30 May 2014;
Issue Period:	26 May 2014 to 30 May 2014, both days included;
Interest:	6% per annum;
Interest Payment Date:	Annually, 15 May;
First Interest Payment Date:	15 May 2015;
Redemption Value:	At par (€100);
Events of Default:	Refer to Section 7.10 of this Securities Note;
Manager and Registrar:	Bank of Valletta p.l.c.;
Joint Manager:	HSBC Bank Malta p.l.c.;
Lead Sponsor:	Curmi & Partners Ltd.;
Sponsor:	Rizzo, Farrugia & Co (Stockbrokers) Ltd.;

Underwriting:	The Bonds are not underwritten. Should subscriptions for a total of at least €30,000,000[2] (the "**Minimum Amount**") not be received no allotment of the Bonds shall be made, the Applications shall be deemed not to have been accepted by the Issuer and all money received from Applicants shall be refunded accordingly; In the event that the Minimum Amount is reached but the Bond Issue is still not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed;
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.

7 INFORMATION ABOUT THE BONDS

7.1 Legislation under which the Bonds are created

The issue of the Bonds is made in accordance with the requirements of the Listing Rules, the Act and the Regulation.

7.2 Registration, Form, Denomination and Title

Certificates will not be delivered to Bondholders in respect of the Bonds given that the entitlement to Bonds will be represented in an uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. There will be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and Malta Stock Exchange account numbers of the Bondholders and particulars of the Bonds held by them respectively and a copy of such register will, at all reasonable times during business hours, be open to the inspection of the Bondholders at the registered office of the Issuer.

Upon request by the Bondholder, the CSD will issue a statement of holdings to Bondholders evidencing their entitlement to Bonds held in the register kept by the CSD.

The Bonds will be issued in fully registered form, without interest coupons, in minimum subscriptions of €2,000 and thereafter in integral multiples of €100.

Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments) as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under Section 7.11 of this Securities Note "*Transferability of the Bonds*".

Subject to the admission to listing of the Bonds to the Official List of the Malta Stock Exchange, the Bonds are expected to be assigned the following ISIN code: MT0000481227.

7.3 Currency of the Bonds

The currency of the Bonds is Euro (€).

7.4 Status of the Bonds

The Bonds constitute the general, direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank equally and rateably without any priority or preference among themselves and with other unsubordinated or unsecured debt. The obligations of the Issuer under the Bonds bind the Issuer to pay to Bondholders interest on each Interest Payment Date and the nominal value of the Bonds on the Redemption Date.

The indebtedness of the Issuer as at 31 October 2013 amounted to €41,472,625, and includes bank loans, corporate bonds and other borrowings from related companies. The bank borrowings as at 31 October 2013 amounting to €10,834,652 are secured by:

(a) a first general hypothec for an aggregate of €11,141,811 over the Issuer's present and future assets; and

(b) a pledge on two ordinary shares held by the Issuer in Island Resorts International Limited, a business registered under the Business Companies Act, 2004 of the British Virgin Islands ("**BVI**") with company number 294368 and with registered office at Akara Building 24, De Castro Street, Wickhams City Cay I, Tortola, BVI,

and therefore the indebtedness being created by the Bonds, together with that of the Current Bond in Issue, ranks after all these bank borrowings. In addition, the Bonds would also rank after any future debts which are privileged or otherwise secured.

Subject to Section 7.8 of this Securities Note *"Negative Pledge"*, the Issuer may incur further borrowings or indebtedness and may create or permit to subsist other security interests upon the whole or any part of its present or future, undertaking, assets or revenues (including uncalled capital).

2 *This amount includes the Bonds for a value of €10,000,000 subscribed pursuant to the Private Placement Agreements.*

7.5 Rights Attached to the Bonds

There are no special rights attached to the Bonds other than the right of the Bondholders to:

(a) payment of capital;

(b) payment of interest;

(c) the right to attend, participate and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond; and

(d) enjoy all such other rights attached to the Bond emanating from this Securities Note.

7.6 Redemption and Purchase

Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on the Redemption Date.

Subject to the provisions of this Section 7.6, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.

All Bonds so purchased will be cancelled forthwith and may not be re-issued or re-sold. Any purchase by tender shall be made available to all Bondholders alike.

7.7 Interest and Yield

The Bonds shall bear interest at the rate of 6% per annum payable annually on the 15 May of each year. Interest is expected to accrue as from 16 June 2014 as set out in Section 9 of this Securities Note ("*Expected Timetable of this Bond Issue*"). The first Interest Payment Date following the issuance of this Prospectus shall be 15 May 2015. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.

Each Bond will cease to bear interest from and including its due date of redemption unless upon due presentation, payment of the principal in respect of the Bond is improperly withheld or refused or an Event of Default (as defined herein) occurs.

When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated on the basis of a 360 day year consisting of 12 months of 30 days each, and, in the case of an incomplete month, the number of days elapsed.

The gross yield calculated on the basis of the interest, the Bond Issue Price and the redemption value of the Bonds at Redemption Date is 6%.

7.8 Negative Pledge

The Issuer undertakes, for as long as any principal or interest under the Bonds or any of the Bonds remains outstanding, not to create or permit to subsist any Security Interest (as defined below), other than a Permitted Security Interest (as defined below), upon the whole or any part of its present or future assets or revenues to secure any Financial Indebtedness (as defined below) of the Issuer, unless at the same time or prior thereto the Issuer's indebtedness under the Bonds, is secured equally and rateably therewith, and the instrument creating such Security Interest so provides.

"Financial Indebtedness" means any indebtedness in respect of (A) monies borrowed; (B) any debenture, bond, note, loan stock or other security; (C) any acceptance credit; (D) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance for the acquisition of that asset; (E) leases entered into primarily as a method of raising finance for the acquisition of the asset leased; (F) amounts raised under any other transaction having the commercial effect of borrowing or raising of money; (G) any guarantee, indemnity or similar assurance against financial loss of any person;

"Security Interest" means any privilege, hypothec, pledge, lien, charge or other encumbrance or real right which grants rights of preference to a creditor over the assets of the Issuer;

"Permitted Security Interest" means (A) any Security Interest arising by operation of law; (B) any Security Interest securing bank loans; (C) any other Security Interest (in addition to (A) and (B) above) securing Financial Indebtedness of the Issuer, in an aggregate outstanding amount not exceeding eighty per cent (80%) of the difference between the value of the unencumbered assets of the Issuer and the aggregate principal amount of Bonds outstanding at the time.

Provided that the aggregate Security Interests referred to in (B) and (C) above ("*Permitted Security Interest*") do not result in the unencumbered assets of the Issuer being less than one hundred and six point five per cent (106.5%) of the aggregate principal amount of the Bonds still outstanding;

"Unencumbered assets" means assets which are not subject to a Security Interest.

7.9 Payments

Payment of the principal amount of a Bond will be made in Euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven days of the Redemption Date. The Issuer shall not be responsible for any loss or delay in transmission. Upon payment of the Redemption Value the Bonds shall be redeemed and the appropriate entry made in the electronic register of the Bonds at the CSD.

In terms of article 2156 of the Civil Code (Cap. 16 of the laws of Malta), the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five years.

In the case of Bonds held subject to usufruct, payment will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment the Issuer and/or the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner/s and the usufructuary/ies to payment of the Bonds.

Upon payment of the Redemption Value, the Bonds shall be redeemed and the appropriate entry made in the electronic register of the Bonds at the CSD, provided that where the Bondholder's bank account number is not known, the principal amount shall be retained by the Issuer for collection by the Bondholder or remittance when the bank account number of the said Bondholder is made known to the Issuer. In the case of Bonds held subject to usufruct, payment will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment, the Issuer and/or the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner/s and the usufructuary/ies to payment of the Bonds.

Payment of interest on a Bond will be made in Euro to the person in whose name such Bond is registered as at the close of business 15 days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate from time to time. Such payment shall be effected within seven days of the Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission.

All payments with respect to the Bonds are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable fiscal or other laws and regulations. In particular, but without limitation, all payments by the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed or levied by or on behalf of the Government of Malta or authority thereof or therein having power to tax.

No commissions or expenses shall be charged to the Bondholders in respect of such payments.

7.10 Events of Default

The Bonds shall become immediately due and repayable at their principal amount together with accrued interest if any of the following events ("**Events of Default**") shall occur:

(a) the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for 60 days after written notice thereof shall have been given to the Issuer by any Bondholder; or

(b) the Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions of the Bonds and such failure shall continue for 60 days after written notice thereof shall have been given to the Issuer by any Bondholder; or

(c) an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; or

(d) the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or

(e) the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or

(f) there shall have been entered against the Issuer a final judgment by a court of competent jurisdiction from which no appeal may be or is taken for the payment of money, which payment of money has a material impact on the balance sheet of the Issuer and 90 days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; or

(g) any default occurs and continues for 90 days under any contract or document relating to any Financial Indebtedness (as defined above) of the Issuer which has a material impact in the Statement of Financial Position of the Issuer.

7.11 Transferability of the Bonds

7.11.1 The Bonds are freely transferable and once admitted to the Official List of the MSE shall be transferable in whole in accordance with the rules and regulations of the MSE applicable from time to time.

7.11.2 Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD, a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall testify his election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person.

7.11.3 All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.

7.11.4 The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer.

7.11.5 The Issuer will not register the transfer or transmission of Bonds for a period of 15 days preceding the due date for any payment of interest on the Bonds.

7.12 Further Issues

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further bonds, notes, debentures or any other debt securities ranking *pari passu* in all respects with the Bonds.

7.13 Meetings of Bondholders

The Terms and Conditions relating to the Bonds may be amended by the Issuer with the approval of Bondholders at a meeting called for that purpose in accordance with the terms hereunder.

7.13.1 The Issuer may from time to time call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of the Prospectus require the approval of a Bondholders' meeting.

7.13.2 A meeting of Bondholders shall be called by the Directors by giving all Bondholders listed on the register of Bondholders as at a date being not more than 30 days preceding the date scheduled for the meeting, not less than 14 days notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Prospectus that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders. Following a meeting of Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this Section 7.13 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.

7.13.3 The amendment or waiver of any of the provisions of and/or conditions contained in this Securities Note, or in any other part of the Prospectus, including any of the Terms and Conditions, may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.

7.13.4 A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose at least two Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within 30 minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Bondholders present at that meeting. The Issuer shall within two days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven days, and not later than 15 days, following the original meeting. At an adjourned meeting the number of Bondholders present, in person or by proxy, shall constitute a quorum, and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.

7.13.5 Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.

7.13.6 Once a quorum is declared present by the chairman of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting, the directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.

7.13.7 The voting process shall be managed by the company secretary under the supervision and scrutiny of the auditors of the Issuer.

7.13.8 The proposal placed by the Issuer before a meeting of Bondholders shall only be considered approved if a majority in nominal value of the Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.

7.13.9 Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall *mutatis mutandis* apply to meetings of Bondholders.

7.14 Authorisations and Approvals

7.14.1 The Board of Directors of the Issuer authorised the issue of Bonds pursuant to a board of directors' resolution passed on 23 April 2014.

7.14.2 The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 5 May 2014.

7.14.3 Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to this Prospectus to be listed and traded on the Official List of the Malta Stock Exchange.

7.14.4 The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 16 June 2014, and trading is expected to commence on 17 June 2014.

7.15 Issue Date

The issue date of the Bonds is expected to be 16 June 2014.

7.16 Bonds held Jointly

In respect of a Bond held jointly by several persons, the joint holders shall nominate one of their number as their representative and his/her name will be entered in the register with such designation. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond so held. In the absence of such nomination and until such nomination is made, the person first named on the register in respect of such Bond shall, for all intents and purposes, be deemed to be the registered holder of the Bond so held.

7.17 Governing Law and Jurisdiction

The Bonds are governed by and shall be construed in accordance with Maltese law.

Any suit, action or proceeding against the Issuer with respect to a Bond shall exclusively be brought against it in the Maltese Courts.

7.18 Notices

Notices will be mailed to Bondholders at their registered addresses and shall be deemed to have been served at the expiration of 24 hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at his registered address and posted.

7.19 Plan of Distribution and Allotment

The Bonds are open for subscription to all categories of investors. In each case, subscription amounts shall be in integral multiples of €100, subject to a minimum subscription amount of €2,000.

It is expected that an allotment advice to Applicants will be dispatched within five Business Days of the announcement of the allocation policy. The registration advice and other documents and any monies returnable to Authorised Financial Intermediaries may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act, 1994 (and regulations made thereunder). Such monies will not bear interest while retained as aforesaid.

Dealing shall commence on the first business day following the admission to trading of the Bonds by the MSE, and subsequent to the above mentioned notification.

7.20 Private Placement Agreements

The Issuer has entered into Private Placement Agreements with the Sponsors for the subscription of €10,000,000 in value of Bonds.

In terms of each Private Placement Agreement entered into with the Sponsors, the Issuer bound itself to issue, and the Sponsors bound themselves to subscribe for €5,000,000 in value of Bonds each subject to:

(a) the Prospectus being approved by the Listing Authority;

(b) the Minimum Amount being subscribed; and

(c) the Bonds being admitted to trading on the Official List of the Malta Stock Exchange.

In terms of the Private Placement Agreement, the Sponsors subscribing for Bonds may do so for their own account or for the account of underlying customers, including retail customers, and shall in addition be entitled to either:

(i) distribute to the underlying customers any portion of the Bonds subscribed for upon commencement of trading; or

(ii) instruct the Issuer and the Registrar to allocate a portion of the Bonds subscribed by them directly to their underlying customers.

7.21 Allocation

Following the allocation of €10,000,000 of the Bonds pursuant to the Private Placement Agreements referred to in Section 7.20 above, the Issuer shall allocate the remaining Bonds on the basis of the following policy and order of priority:

(i) Up to an aggregate amount of €2,500,000 of the Bonds shall first be allocated to Existing Shareholders and IHG Group Employees applying for Bonds by submitting Application Form "B";

(ii) Following the allocations referred to in paragraph (i) hereof, any remaining Bonds shall be allocated to Applications submitted by the general public without priority or preference and in accordance with the allocation policy as determined by the Issuer and the Registrar by submitting Application Form "A".

8 TAXATION

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Bonds, including their acquisition, holding and disposal as well as any income/gains derived therefrom or made on their disposal. The following is a summary of the anticipated tax treatment applicable to investors in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

The information below is based on an interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer at the date of the Prospectus, in respect of a subject on which no official guidelines exist. Investors are reminded that tax law and practice and their interpretation as well as the levels of tax on the subject matter referred to in the preceding paragraph, may change from time to time.

This information is being given solely for the general information of investors. The precise implications for investors will depend, among other things, on their particular circumstances and on the classification of the Bonds from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

8.1 Maltese Taxation on Interest

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is otherwise instructed by a Bondholder or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act, (Cap. 123, laws of Malta), interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% of the gross amount of the interest, pursuant to article 33 of the Income Tax Act (Cap. 123, laws of Malta). Bondholders who do not fall within the definition of a "recipient" do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply.

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder need not declare the interest so received in his income tax return. No person shall be charged to further tax in respect of such income. However, where the Bondholder is a Maltese resident individual, he or she is still entitled to declare the gross interest in the tax return and the tax so deducted shall be available as a credit against that individual's tax liability or for a refund as the case may be.

In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his income tax return and be subject to tax on it at the standard rates applicable to that person at that time. Additionally in this latter case the Issuer will advise the Inland Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients unless the beneficiary is a non-resident of Malta. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c) of the Income Tax Act, Bondholders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

8.2 Maltese Taxation on Capital Gains on Transfer of the Bonds

On the assumption that the Bonds would not fall within the definition of "securities" in terms of article 5(1)(b) of the Income Tax Act, that is, "*shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return*", no tax on capital gains is chargeable in respect of transfer of the Bonds.

8.3 Duty on Documents and Transfers

In terms of article 50 of the Financial Markets Act (Cap. 345, laws of Malta), as the Bonds constitute financial instruments of a company quoted on a regulated market, as is the MSE, redemptions and transfers of the Bonds are exempt from Maltese duty on documents and transfers.

8.4 European Union Savings Directive

Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Malta Commissioner of Inland Revenue who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the EU Savings Directive 2003/48/EC.

INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF BONDS AS WELL AS INTEREST PAYMENTS MADE BY THE ISSUER. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE BONDS AND TO BONDHOLDERS. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO BONDHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.

9 EXPECTED TIMETABLE OF THE BOND ISSUE

Availability of Application Forms	12 May 2014
Private Placement Date	23 May 2014
Opening of Subscription Lists	26 May 2014
Closing of Subscription Lists	30 May 2014
Announcement of basis of acceptance	6 June 2014
Expected dispatch of allotment advices and refunds of unallocated monies	13 June 2014
Expected date of admission of the Bond to the listing and Commencement of interest	16 June 2014
Expected date of commencement of trading in the Bonds	17 June 2014

The Issuer reserves the right to close the issue of Bonds before 30 May 2014 in the event of over-subscription, in which case, the events set out in steps 5 to 8 above shall be brought forward, although the number of workings days between the respective events shall not also be altered.

10 TERMS AND CONDITIONS OF APPLICATION

10.1 The contract created by the acceptance of an Application shall be subject to the terms and conditions set out in this Securities Note and the Memorandum and Articles of Association of the Issuer. It is the responsibility of investors wishing to apply for the Bonds to inform themselves as to the legal requirements of so applying including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence or domicile.

10.2 If the Application Form is signed on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the person signing will be deemed to have bound his principal, or the relative corporation, corporate entity, or association of persons and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions on their behalf. Such intermediary may be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Registrar.

10.3 In the case of joint Applications, reference to the Applicant in these terms and conditions is a reference to each Applicant, and liability therefore is joint and several. In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed, *vis-à-vis* the Issuer, to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner.

10.4 The Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.

10.5 No person receiving a copy of the Prospectus or an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to such person nor should such person in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Application Form could lawfully be used without contravention of any registration or other legal requirements.

10.6 It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

10.7 Notices will be mailed to Bondholders at their registered addresses and shall be deemed to have been served at the expiration of twenty four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholders at his registered address and posted. Save where the context requires otherwise, terms defined in the Prospectus bear the same meaning when used in the Application Form and in any other document issued pursuant to the Prospectus.

10.8 The Bonds will be issued as EUR Bonds. The amount of the Bond Issue is €35,000,000. The Bonds have been assigned the following ISIN MT0000481227.

10.9 The subscription lists during the Issue Period will open at 08.30 hours on 26 May 2014 and will close as soon thereafter as may be determined by the Issuer but in any event no later than 12.00 hours on 30 May 2014. Any person, whether natural or legal, shall be eligible to submit an Application, and any one person, whether directly or indirectly, should not submit more than one Application Form. In the case of corporate Applicants or Applicants having separate legal personality, the Application Form must be signed by a person authorised to sign and bind such Applicant. It shall not be incumbent on the Issuer or the Registrar to verify whether the person or persons purporting to bind such an Applicant is or are in fact authorised.

10.10 Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents/legal guardian/s signing the Application Form until such time as the minor attains the age of 18 years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of 18 years. In the case of joint Applications, the joint holders shall nominate one of their number as their representative and his/her name will be entered in the register with such designation. The person whose name shall be inserted in the field entitled "*Applicant*" on the Application Form, or first named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders whose names appear in the field entitled "*Additional Applicants*" in the Application Form or joint holders in the register as the case may be. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.

10.11 Subject to all other terms and conditions set out in the Prospectus, the Issuer reserves the right to reject, in whole or in part, or to scale down any Application, including multiple or suspected multiple Applications and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application which in the opinion of the Issuer is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents. Only original Application Forms will be accepted and photocopies/facsimile copies will not be accepted.

10.12 If any Application is not accepted, or if any Application is accepted for fewer Bonds than those applied for, the Application monies or the balance of the amount paid on Application will be returned by the Issuer without interest by direct credit into the Bondholder's bank account as indicated by the Bondholder on the Application Form. The Issuer shall not be responsible for any loss or delay in transmission.

10.13 The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be subscribed for is €2,000.

10.14 The completed Application Forms are to be lodged with any of the sponsors or any of the Authorised Financial Intermediaries.

10.15 All Application Forms must be accompanied by the full price of the Bonds applied for in EUR. Payment may be made either in cash or by cheque payable to "The Registrar – 2014 IHGH Bonds". In the event that cheques accompanying Application Forms are not honoured on their first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application.

10.16 Within 5 Business Days from the closing of the subscription lists, the Issuer shall announce the results of the Issue and determine and announce the basis of acceptance of applications and the allocation policy to be adopted by means of an announcement in the media.

10.17 For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations 2003 as amended from time to time, all appointed Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the "Code of Conduct for Members of the Malta Stock Exchange" appended as Appendix IV to Chapter 3 of the Malta Stock Exchange Bye-Laws, irrespective of whether the said appointed Authorised Financial Intermediaries are Malta Stock Exchange Members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act (Cap. 440 of the laws of Malta) for the purposes and within the terms of the Malta Stock Exchange Data Protection Policy as published from time to time.

10.18 By completing and delivering an Application Form, the Applicant:

(a) agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;

(b) warrants that the information submitted by the Applicant in the Application Form is true and correct in all respects and in the case where an MSE account number is indicated in the Application Form, such MSE account number is the correct account of the Applicant. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on the Application Form and those held by the MSE in relation to the MSE account number indicated on the Application Form, the details held by the MSE shall be deemed to be the correct details of the Applicant;

(c) authorises the Issuer and the MSE to process the personal data that the Applicant provides in the Application Form, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act (Cap. 440 of the laws of Malta). The Applicant has the right to request access to and rectification of the personal data relating to him/her as processed by the Issuer and/or the MSE. Any such requests must be made in writing and sent to the Issuer at the address indicated in the Prospectus. The requests must further be signed by the Applicant to whom the personal data relates;

(d) confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than what is contained in the Prospectus and accordingly agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;

(e) agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her remittance, and any verification of identity as required by the Prevention of Money Laundering Act 1994 (and regulations made thereunder) and that such monies will not bear interest;

(f) agrees to provide the Registrar and/or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;

(g) warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her Application in any territory and that the Applicant has not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bond or his/her Application;

(h) warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;

(i) represents that the Applicant is not a U.S. person (as such term is defined in Regulation "S" under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;

(j) agrees that Curmi & Partners Ltd. and Rizzo, Farrugia & Co (Stockbrokers) Ltd will not, in their respective capacity of Lead Sponsor and Sponsor respectively, treat the Applicant as its respective customer by virtue of such Applicant making an Application for the Bonds, and that Curmi & Partners Ltd. and Rizzo, Farrugia & Co (Stockbrokers) Ltd respectively will owe the Applicant no duties or responsibilities concerning the price of the Bonds or their appropriateness and suitability for the Applicant;

(k) agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant's own risk and may be sent by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in the Application Form;

(l) renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds; and

(m) warrants that the information given for the purpose of completing such Appropriateness Test was not incorrect or misleading.

11 ADMISSION TO TRADING AND DEALING ARRANGEMENTS

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. The Conditions contained herein shall be read in conjunction with the Bye-Laws of the MSE applicable from time to time.

12 THIRD PARTY INFORMATION AND EXPERTS' STATEMENTS

Save for the valuation reports prepared in relation to the sites referred to in Section 16 of the Registration Document "*Property Valuation Reports*" and referred to in Section 13 below "*Documents on Display*" and the financial analysis summary set out as Annex I of this Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert.

The financial analysis summary has been included and the valuation reports have been put on display, in the form and context in which they appear with the authorisation of Curmi & Partners Ltd. and iAS - Innovative Architectural Structures Limited, which have given and have not withdrawn their respective consent to the inclusion or display of such reports. Curmi & Partners Ltd. and iAS - Innovative Architectural Structures Limited do not have any material interest in the Issuer.

The Issuer confirms that the information sourced from third parties or referred to and contained in this Prospectus, has been accurately reproduced in the Prospectus and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

13 DOCUMENTS ON DISPLAY

For the duration period of the Prospectus the following documents shall be available for inspection at the registered office of the Company:

(a) Memorandum and Articles of Association of the Company;

(b) the Historical Consolidated Financial Information of the Issuer for each of the financial years ended 31 October 2011, 2012 and 2013;

(c) the Historical Financial Information of:

  (i) each to the Subsidiaries (other than Bay Point Collection) for each of the financial years ended 31 October 2011, 2012 and 2013;

  (ii) Bay Point Collection for financial year ended 31 October 2013;

(d) the letter of confirmation drawn up by Deloitte Audit Limited dated 25 April 2014; and

(e) independent expert's property valuation reports prepared at the Issuer's request in respect of the sites referred to in Section 16 of the Registration Document "*Property Valuation Reports*" prepared by Arch. Peter Zammit of iAS – Innovative Architectural Structures Limited dated 15 April 2014.

Island Hotels Group Holdings p.l.c.

Financial Analysis Summary

CURMI
& PARTNERS

06 May 2014

The Directors
Island Hotels Group Holdings p.l.c.
Radisson Blu Resort
Louis V. Farrugia Str,
St George's Bay,
St Julians. STJ 3391.
Malta

Dear Sirs

Island Hotels Group Holdings p.l.c. – Financial Analysis Summary

In accordance with your instructions, and in line with the requirements of the Listing Authority Policies, we have compiled the Financial Analysis Summary ("the Analysis") set out on the following pages. A copy of this report is also attached to this letter.

The purpose of the financial analysis is that of summarising key financial data appertaining to Island Hotels Group Holdings p.l.c. ("the Issuer"). The data is derived from various sources, as disclosed, or is based on our own computations as follows:

(i) Historical financial data for the three years ended 31 October 2011, 31 October 2012 and 31 October 2013 have been extracted from the Issuer's audited statutory financial statements for the three years in question.

(ii) The forecast data for the financial year ending 31 October 2014 and the projected data for the year ending 31 October 2015 have been extracted from the Issuer's financial projections as prepared by the directors of the Issuer.

(iii) Our commentary on the results of the Issuer and on its financial position is based on the explanations set out by the Issuer in the Prospectus.

(iv) The ratios quoted in the following pages have been computed by us applying the definitions set out in Part 6 of the Analysis.

(v) The principal relevant market players listed in Part 5 of the Financial Analysis Summary have been identified by ourselves. The relevant financial data in respect of such companies has been sourced from publicly available information, mainly the companies' financial statements.

The Analysis in the following pages is meant to assist potential investors by summarising the more important financial data set out in the Prospectus. The Analysis does not contain all data that is relevant to potential investors and is meant to complement, and not replace, the contents of the full Prospectus. Nor does the Analysis constitute an endorsement by our firm of the proposed Bond Issue and should not be interpreted as a recommendation to invest in the Bonds. We shall not accept any liability for any loss or damage arising out of the use of the analysis and no representation or warranty is provided in respect of the reliability of the information contained in the Prospectus. As with all investments, potential investors are encouraged to seek professional advice before investing in the Bonds.

Yours sincerely

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1. OVERVIEW OF THE GROUP

1.1 History and Development

Island Hotels Group Holdings p.l.c. ("Issuer" or "Company"), is a public limited liability company that was established in 2008 for the purpose of acquiring the businesses of the subsidiaries and the affiliates that today form part of the Island Hotels Group ("IHG" or "the Group"). The Issuer is the holding company of the Group. It acts as an investment vehicle, investing in a number of subsidiaries and affiliates through which Group operations are performed.

The business of IHG mainly relates to the ownership, management and operation of five-star hotels in Malta, the operation of a vacation ownership marketing business, the operation of a retail and event catering business, and the development and operation of Costa Coffee outlets in Malta and certain parts of Spain. IHG also owns a plot of land measuring 83,000m^2, located next to the Golden Bay, Mellieha, with permits to develop this land into a luxury tourist complex.

Established in 1987 with a single 200-bed hotel and employing twenty personnel, the Group developed over the last 27 years to become a leading player in the leisure, and hospitality and catering industry in Malta, managing a bed stock in excess of 1,450 beds across 2 hotel properties and employing just under 1,000 personnel (including part time equivalents) in its core hotel and catering operations.

Key historical developments include the following:

1987	Commencement of operations with the 200-bed hotel, Bugibba Holiday Complex, through the formation of a partnership between T.M.C. Limited and Vassallo Builders Group
1992	Island Caterers Ltd. ("Island Caterers") was set up to provide event catering services, quickly becoming established as a premier caterer and events planner in Malta.
1994	The Group opened its first fully-owned hotel, the 207-room four-star Coastline Hotel ("Coastline") in Salina Bay on a site acquired two years earlier.
1997	The Radisson Blu Resort, St Julians ("Bay Point"), opened its doors in May 1997 as a deluxe, five-star hotel located in Malta's premier leisure and entertainment area of St Julian's.

2005	The Radisson Blu Resort & Spa, Golden Sands ("Golden Sands") commenced operations when it hosted the Commonwealth Heads of Government Meeting. The 330-room hotel developed as a luxury five-star hotel and vacation ownership resort in collaboration with Mayfair Overseas Holdings Limited ("Mayfair"), a company specialising in upscale vacation ownership. This resort operates under a franchise agreement with the Rezidor Hotel Group.
2008	The Group sold the Bugibba Holiday Complex.
2009	Offer of a total of 17,200,600 ordinary shares to the general public and listing of the shares of the Issuer on the Malta Stock Exchange. Issue of a total of 140,000 6.5% Island Hotels Group Holdings plc € bonds 2017-2019
2009	The Issuer was the sole tenderer for the development of land and property situated at Hal-Ferh, in response to a tender issued by the Government of Malta. In December 2009, the transaction was completed pursuant to which the Issuer acquired the perpetual emphyteusis over a tract of land adjacent to Golden Sands.
2011	In June 2011 Island Caterers acquired 50% of the share capital of Buttigieg Holdings Limited ("Buttigieg Holdings"), a company operating mainly in the retail and contract catering sector under the brand of Papillon Caterers.
2012	Buttigieg Holdings, entered into a franchise agreement with Costa International Limited granting exclusive development and operating rights for the Costa Coffee brand in Malta. The Coffee Company Malta Ltd, opened its first Costa Coffee outlet at Malta's International Airport. During this year, Island Caterers also acquired 50% of Montekristo Estates Limited, the operator of Montekristo Estates.
2013	The Malta Environment and Planning Authority ("MEPA") approved the application that had been submitted for the project of Oasis at Golden Sands. The site will be developed through the Issuer's affiliate, The Heavenly Collection Limited.
2014	Following an international tender, the Group was awarded the right to develop the Costa Coffee brand in the East Coast of Spain, the Balearic Islands and the Canary Islands. The group sold its 100% equity holding in Coastline Hotel Limited to Claret Holdings Limited, a language school operator.

1.2 Shareholding

The authorised share capital of the Company is €40,000,000 divided into 40,000,000 ordinary shares of a nominal value of €1 each share. The issued share capital of the Company is €36,583,660 divided into 36,583,660 ordinary shares of €1 each share. The Issuer's ordinary shares were first admitted to the Official List of the MSE on the 7th October 2009, and trading commenced on the 8th October 2009.

More than 8% of the Issuer's authorised share capital remains unissued. However, in terms of the Issuer's Memorandum and Articles of Association, the Issuer may not issue shares which would dilute a substantial interest without the approval of the shareholders in a general meeting.

The following are the major shareholders:

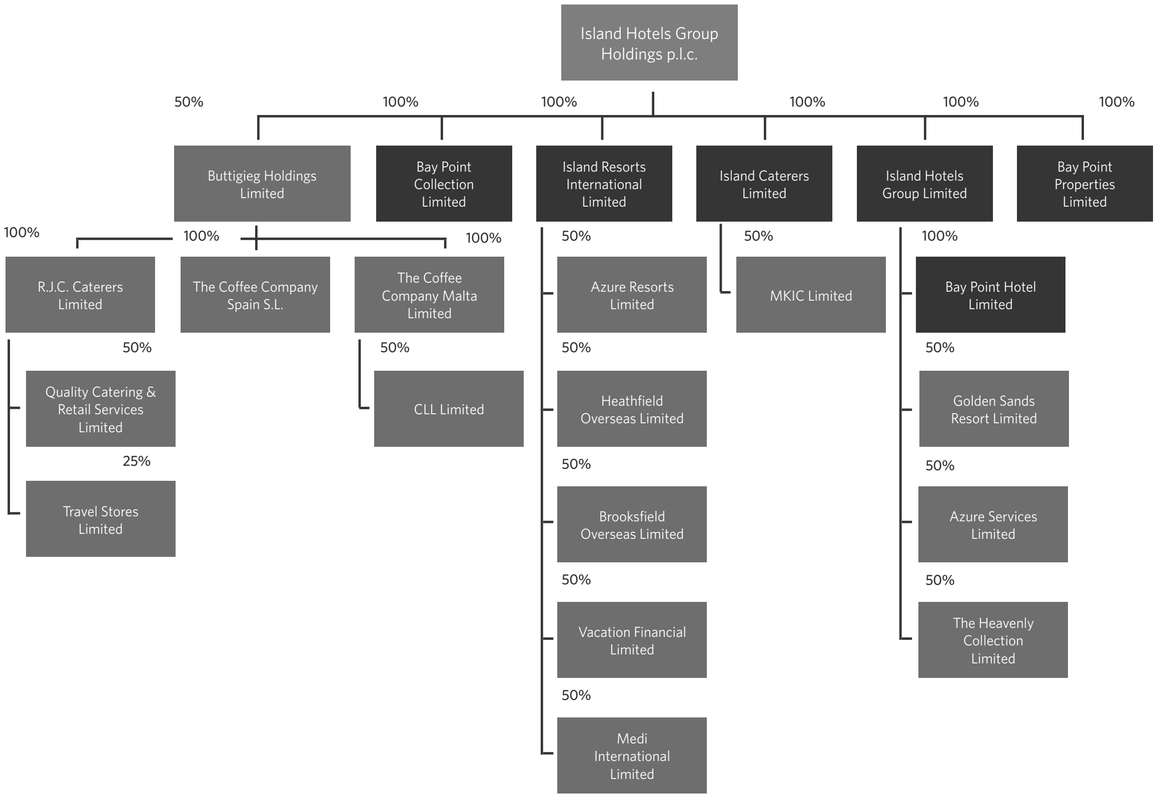
Shareholder	Number of shares	%
T.M.C. Limited (C6720)	17,634,600	48.20
Double You Limited (C25234)	4,408,650	12.05
T Limited (C25235)	4,408,650	12.05

The above shareholders are controlled by members of the Zahra family as follows:

T.M.C. Limited	Winston V & Doris Zahra 60%; Double You Limited 20%; T Limited 20%
Double You Limited	Winston J Zahra 100%
T Limited	Trevor E Zahra 100%

1.3 Organisational Structure

The organisational structure of the Group is illustrated in the diagram below. As the holding company of the Group, the Issuer is ultimately dependent upon the operations and performance of its subsidiaries, affiliates and their respective operations.



1.4 Key Activities

IHG's activities may be grouped into two broad categories: hospitality (including vacation ownership) and catering.

1.4.1 Hospitality and Vacation Ownership

The activities of the Group in the hospitality sector consist of the ownership, management and operation of five-star hotels in Malta, and the operation of a vacation ownership business.

Five-star hotels

The main focus in the five-star hotel sector is to reposition the Radisson Blu Resort, St Julian's to be aligned with the top performers within its segment. In this respect, the Group is planning a total investment of €16 million into this property.

Plans for the hotel involve the construction of a stand-alone conference centre adjacent to the hotel, and the construction of two additional floors increasing the number of guest rooms to 290. This project is scheduled to start in November 2014 and is intended to be completed within eight months for the refurbished property to re-open in summer 2015. Construction will take place throughout the winter period, with the objective of minimising the negative impact of closing the property.

IHG's other principal five-star asset is the Radisson Blu Resort & Spa, Golden Sands, which is a high end luxury property. The Group will continue to invest in the upkeep of this asset in order to ensure it retains its current position. Management believes that the business model used at Golden Sands, with a mix of vacation ownership and traditional hotel business has worked well over the first eight years of operation. It is expected that this model will continue to be used in the foreseeable future.

In 2013, the Group obtained development permits for the 83,000m^2 adjacent to the Golden Sands Resort. Plans are for the construction of 176 units and 12 pavilions covering approximately 20% of the site's footprint with over 80% of the site being dedicated to landscaping.

Vacation Ownership

The vacation ownership sector continues to be a pivotal part of the Group's income stream and will continue to be developed within the five-star properties of the Group. As the travel agent and tour operating arm for Radisson Blu Golden Sands Resort & Spa, Azure Limited is expected to retain focus on its main target market, the U.K. Azure will expand the sales and marketing operation to other jurisdictions, particularly in the European continent, only if it is clear that opportunities arise in those jurisdictions.

The group is also selling vacation ownership units at the Radisson Blu Resort St Julians under a newly incorporated company, The Bay Point Collection. Plans are to convert a total of 45 rooms to be allocated under the vacation ownership concept which are expected to add to the returns of this property over the coming years.

1.4.2 Catering

Event Catering Business

The Group, through Island Caterers, operates a successful event catering business and has over the years been implementing a strategy of offering innovative food products and events at high quality unique venues. Since inception, clients have included many international blue chip companies, local corporates, and heads of state. Island Caterers caters at a variety of events including weddings, receptions, and conference and incentive events. It has pioneered the use of local historical sites such as the Mediterranean Conference Centre, Villa Bologna and the Saluting Battery in Valletta, and also manages the venues located within the Group's hotels. Going forward, management expects to remain a leading operator in this segment.

The Group will also continue to build on the work done to develop the Montekristo Estates, a complex near the villages of Luqa and Siggiewi, into the most sought after event and exhibition centres on the island. This is being done through its 50% joint venture with Montekristo Estates Limited.

Retail Catering Business

IHG has been targeting growth in the catering sector also by expanding into contract and retail catering. The acquisition of 50% of the share capital of Buttigieg Holdings in 2011 reflected this Group objective. Buttigieg Holdings is the main shareholder of R.J.C. Caterers Limited, which operates the Papillon catering and retail outlets including a concession at the Malta International Airport, Luqa and Mater Dei Hospital at Tal-Qroqq.

As part of the Group's vision of securing an internationally recognised retail catering brand, Buttigieg Holdings signed a 10-year agreement with Costa Coffee International Limited for the development of Costa Coffee retail outlets in Malta. Since this agreement was signed, the Group has opened 5 retail outlets and has plans to open a further 5outlets by 2015.

In line with its strategy of expansion overseas, earlier this year the Group signed an agreement with Costa International Limited for the development and roll out of the Costa Coffee outlets in the East Coast of Spain, the Balearic Islands and the Canary Islands. IHG plans to open 3 outlets in Spain before the end of the year, and another seven in 2015. Furthermore the Group plans to reach 58 outlets in these regions by 2019. The full development agreement allows for up to 75 outlets to be opened in the region. However, currently Costa Spain projections envisage the opening of 58 outlets over a 5-year period. Similarly to the business model adopted in Malta, the Group will be leasing premises for the outlets and is not expecting to acquire any properties for this business, allowing for greater operational and financial flexibility.

1.5 Directors

The board of directors of the Company consists of seven directors who are entrusted with setting the overall direction and strategy of the Company.

As at the date of this Financial Analysis Summary, the Board of Directors of the Issuer is constituted as follows:

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

The Group currently employs just under 1,000 employees (including part-time equivalents).

2. MAJOR ASSETS OF THE GROUP

2.1 Bay Point

The major asset of Bay Point Hotel Limited is the Bay Point in St Julian's, which it fully owns. This is a five-star hotel offering accommodation and services to a wide range of guests, including leisure, conference and incentive travel groups. Facilities include a business club, conference facilities, and a ballroom. Whilst Bay Point has a good standing in the corporate hospitality trade, there have been ongoing efforts over recent years to expand conference amenities.

Bay Point *Financial highlights (€000) - 31st October*	**2011** Actual	**2012** Actual	**2013** Actual	**2014** Forecast	**2015** Projection
Revenue	9,402	9,157	10,026	10,859	5,861
EBITDA	1,801	1,782	2,162	2,264	1,598

Source: Management; Due Diligence Report

The operating performance of Bay Point during the period 2011-2013 was relatively consistent, generating Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA") of €1.8 million or above, in each of the years under review. Revenues decreased in 2012, even though EBITDA was basically unchanged for that year. A decrease in Food and Beverage ("F&B") sales was mainly attributable to the lower margin component of the F&B business. Additionally, there was a proportionate decrease in staff costs, enabling Bay Point to preserve margins. During 2013, all business areas achieved growth, with results significantly enhanced by the additional contribution of vacation ownership sales. EBITDA increased by more than 20% to €2.2 million.

Bay Point will undergo a complete refurbishment commencing in late 2014. This will result in the addition of another 2 floors, containing 45 new rooms. Of the new rooms, 28 will be allocated to vacation ownership, expanding the total vacation ownership complement to 45 rooms. Additionally, the refurbishment will significantly enhance conference facilities. In turn, this is expected to attract more interest from the international events and conferences segment, which generates better margins. Due to the refurbishment works, the hotel will be closed for 8 months between 1st November 2014 and 30th June 2015. The MEPA application for the additional two floors at Bay Point is in process and management expects full approval within the coming months.

Revenues and EBITDA are expected to rise to €10.9 million and €2.3 million respectively during 2014, primarily driven by an increasing contribution of vacation ownership. The hotel is expected to reopen by summer 2015, thus capturing flows during the busiest time of the year for the industry. Additionally, management expects that most excess staff during the closure period will contribute to the refurbishment process, with these wages being capitalised.

Bay Point *KPIs*	**2011** Actual	**2012** Actual	**2013** Actual	**2014** Forecast	**2015** Projection
Benchmark Performance					
Occupancy level	71%	72%	72%		
Average Achieved Room Rate (AARR) (€)	101	105	111		
Revenue per available room (RevPAR) (€)	118	123	130		
Bay Point Performance					
Available rooms	252	252	252	245	290
Occupancy	**71%**	**69%**	**69%**	**72%**	**74%**
AARR - Hotel (€)	84.9	86.4	90.4	90.7	132.0
AARR - Vacation ownership (€)	n/a	n/a	n/a	43.9	43.9
AARR - Fly Buys (€)	n/a	n/a	n/a	n/a	55.0
Overall AARR (€)	**84.9**	**86.4**	**90.4**	**89.6**	**117.5**
Non-accomm Revenue per occupied room (RevPOR) (€)	60.1	57.9	60.5	59.1	56.7
Total REVPOR (€)	145.0	144.2	150.9	148.8	174.2
RevPAR (including Vacation ownership sales) (€)	**103**	**100**	**109**	**121**	**164**

Source: Management; Due Diligence Report

Bay Point's occupancy and room rate levels achieved over the review period are below its competitive set - the five-star sector in the Sliema/St Julian's area. Whilst occupancy was only slightly below peers during the last three years, the underperformance of the hotel in terms of the average room rate is more evident. Management expects the refurbishment of this asset to increase achievable rates significantly, and to raise it closer to the upper quartile for the five-star sector in its region. It is expected that the enhancement to the physical premises will provide a further boost to the already well-established reputation in terms of customer services and F&B quality. The investment will also establish conference facilities, and this is expected to improve the business mix offered at Bay Point. On this basis, both the Average Achieved Room Rate ("AARR") and Revenue per Available Room ("RevPAR") are expected to increase following the refurbishment.

2.2 Golden Sands

The Radisson Blu Resort & Spa, Golden Sands, is owned and operated by Golden Sands Resort Ltd. It is a deluxe, five-star property in Golden Bay, Ghajn Tuffieha. The resort contains 329 rooms and suites, with facilities including extensive leisure and conference amenities. Golden Sands also incorporates upscale vacation ownership accommodation.

A proportion of all occupied rooms are allocated on the basis of the vacation club model. This mix of rooms would normally be 80% timeshare guests and 20% attending a promotional tour. The vacation ownership business, including both sales and maintenance fees, accounted for 67% of total revenues in 2013.

Golden Sands *Financial highlights (€000) - 31st October*	**2011** Actual	**2012** Actual	**2013** Actual	**2014** Forecast	**2015** Projection
Revenue	23,591	25,301	27,079	27,226	28,034
EBITDA	5,199	5,440	7,177	7,413	7,698

Source: Management; Due Diligence Report

Golden Sands achieved growth in both revenues and EBITDA throughout the period 2011-2013. During 2012, in addition to growth in vacation ownership sales, a shift towards increased conference business boosted also F&B revenue due to the higher average spending of guests. A particularly strong year in terms of vacation ownership sales drove growth in 2013, with revenue rising to €27.1 million. Margins also improved, boosted by cost cutting efforts. Revenue is expected to reach €27.2 million in 2014, with vacation ownership sales projected to decrease slightly in 2014. The expected lower vacation ownership costs for 2014 reflect the full year impact of initiatives implemented in 2013.

In the overview of Golden Sands' performance a distinction is made between the "pure" hotel accommodation business and the vacation ownership business, where relevant. The occupancy benchmark is compared to the overall hotel occupancy, with the AARR comparison only taking into account the hotel component since vacation ownership usage is not comparable using this measure. Due to the lack of five-star hotels in the same area of Golden Sands, the asset's results are compared to the benchmark of all five-star hotels in Malta.

Golden Sands *KPIs*	2011 Actual	2012 Actual	2013 Actual	2014 Forecast	2015 Projection
Benchmark Performance					
Occupancy level	68%	68%	69%		
Average Achieved Room Rate (AARR) (€)	100	104	110		
Revenue per available room (RevPAR) (€)	113	117	124		
Golden Sands Performance					
Available rooms	330	329	329	329	329
Overall occupancy	**68%**	**66%**	**68%**	**68%**	**68%**
AARR- Hotel (€)	100.9	109.4	110.4	111.7	114.5
AARR - Vacation ownership (€)	79.6	80.0	74.2	78.9	83.8
AARR - Fly Buys (€)	95.1	112.9	64.9	67.1	68.8
Overall AARR (€)	**82.3**	**84.7**	**84.9**	**88.1**	**91.8**
Non-accomm Revenue per occupied room (RevPOR) (€)	60.6	65.6	63.8	70.4	72.2
Total REVPOR (€)	142.9	150.3	148.7	158.5	164.0
RevPAR (excluding Vacation ownership sales) (€)	**97**	**100**	**101**	**107**	**111**
RevPAR (including Vacation ownership sales) (€)	**196**	**210**	**226**	**227**	**233**

Source: Management; Due Diligence Report

During recent years, overall occupancy has generally kept up with industry average. The hotel AARR increased and was generally slightly above the average of the five-star market. The overall RevPAR, including the contribution from vacation ownership, was considerably higher than industry average. Vacation ownership sales are expected to decrease slightly in 2014 and increase annually at 2.5% thereafter, whilst occupancy levels are projected to remain flat going forward.

2.3 Coastline

In February 2014 the Group announced that it entered into a promise of sale agreement for the sale of the Coastline Hotel for €14 million to a language school operator. The sale agreement was signed on the 2nd May 2014. This divestment is in line with the strategy to focus on the five-star segment within the local hotel industry.

This four-star, 207-room hotel was the first fully-owned hotel in the Group's portfolio. The group leisure sector was the core market for the Coastline. In recent years, Coastline's results were negatively impacted by the economic situation in the UK and by rises in staff costs reflecting diseconomies of scale. On the basis of these trends, occupancy decreased and the hotel reported an erosion of EBITDA and operating profit.

Coastline *Financial highlights (€000) - 31st October*	2011 Actual	2012 Actual	2013 Actual	2014 Forecast
Revenue	4,024	3,661	3,734	1,289
EBITDA	762	644	572	(350)

Source: Management; Due Diligence Report

The projections reflect the disposal of the Coastline by end April 2014. Whilst the Group is expected to retain a food and beverage service agreement with Coastline post-disposal, management has assumed that such agreement would be at break-even and has not factored in the revenue and costs from such operation beyond March 2014. Management commented that the sale of this asset is in line with the Group's current strategy to focus its hospitality efforts on the higher end segment of the market. The proceeds of the sale will be used to contribute to the continued development of the group in this area as well as the other core activities of the group including vacation ownership, high-end event catering and the development of the Costa Coffee brand locally and internationally.

Coastline *KPIs*	**2011** Actual	**2012** Actual	**2013** Actual	**2014** Forecast
Benchmark Performance				
Occupancy level	75%	72%	72%	
Average Achieved Room Rate (ARR) (€)	38	41	43	
Revenue per available room (RevPAR) (€)	53	48	55	
Coastline Performance				
Available rooms	207	207	207	
Occupancy	**63%**	**54%**	**54%**	
AARR (€)	**47.0**	**50.9**	**48.1**	
Non-accomm REVPOR (€)	37.5	39.0	43.8	
Total REVPOR (€)	84.5	89.9	91.9	
RevPAR (€)	**53.3**	**48.3**	**49.4**	

Source: Management; Due Diligence Report

2.4 Island Caterers

Island Caterers is a leading caterer and events planner. Since inception in 1992, it has serviced more than 10,000 events, ranging from large-scale international conferences to small corporate functions and family gatherings. The company also acts as an event planner, operating as a one-stop solution to event planning and hosting in addition to the catering.

Island Caterers' leading market position is reflected in its role as an exclusive caterer at several prominent venues. These include Razzett l-Abjad, Fondazjoni Wirt Artna, the Mediterranean Conference Centre, Montekristo Estates, Ta' Frenc in Gozo, in addition to the Golden Sands, Bay Point, and Coastline.

This business has been relatively stable in terms of revenue during the review period, driven by the weddings sector. During 2013, revenue amounted to €4.2 million. However, cost savings by corporate clients is leading to pressures on revenues from the business sectors. Price competition has become more intense and staff costs have risen. These trends have put margins under pressure.

Revenue in 2014 is expected to be in line with last year, with a slight shift in the sales mix towards more weddings and Destination Management Company ("DMC") business offsetting a decrease in other revenue streams. With operating costs expected to rise more gradually than revenues, margins are generally expected to recover going forward.

Island Caterers *Financial Highlights (€000) - 31st October*	**2011** Actual	**2012** Actual	**2013** Actual	**2014** Forecast	**2015** Projection
Revenue	4,246	4,012	4,162	4,176	4,304
EBITDA	289	156	149	367	386

Source: Management; Due Diligence Report

2.4.1 Montekristo Estates Limited

Island Caterers Ltd owns 50% of Montekristo Estates Limited. This company handles the operation at Montekristo Estates in Luqa. These premises include vineyards, a winery, and a number of indoor and outdoor venues covering an area of over 300,000m^2. Services include wedding receptions, private and corporate events including Conference and Incentive Travel ("CIT") and DMC events, and a pizzeria.

The venue was taken over in mid-2012 and in its initial years of operation it has sustained losses as a result of a low level of activity. However, management is of the view that the Montekristo Estates have significant upside potential. This is a relatively new site and significant improvements have been implemented. It is expected to establish itself as a new venue for fairs and exhibitions. Management expects the asset to gain momentum and sales for 2014 are budgeted at €2.3 million resulting in a break-even EBITDA position.

2.5 Buttigieg Holdings Ltd

In June 2011 IHG announced the acquisition of 50% of the share capital of Buttigieg Holdings Limited, a company operating mainly in the retail and contract catering sector. The objective is to increase revenue levels by exploiting market opportunities more effectively, both locally and overseas, and to take advantage of synergies from combined resources. This combination is also enabling the Group to access new market segments, mainly the retail catering and the contract catering markets. Apart from increasing revenues and profitability, Buttigieg Holdings provided a central production unit, further streamlining the food production process.

Management is expecting that the Issuer will exercise its option to acquire the remaining 50% of Buttigieg Holdings Limited in May 2014, thereby obtaining full ownership of the Buttigieg Holdings group. The acquisition is expected to amount to €2.5 million including taxes and related costs and the Group's share of the overdraft, to be funded from operating cash flows. This investment reflects IHG's commitment towards the development of the retail catering segment through the expansion of the Costa business.

Buttigieg Holdings' major operations include:

- Coffee Company Malta Ltd: a wholly owned subsidiary that operates the Costa Coffee franchise in Malta. The Group is in the process of setting up a new company in Spain to operate the franchise in certain parts of the country
- Mater Dei Hospital: catering contract
- A central processing unit ("CPU") selling pre-packed foods and confectionery within the group (mainly supplying the Mater Dei and Costa outlets). With respect to the Mater Dei Hospital catering operation, the contract was renewed in 2013 and will expire in 2017. Following termination of the contract, management projects that the released capacity in the Group's CPU will be used in order to increase third party sales. This is expected to effectively replace the lost revenue from expiry of the hospital contract. However, the projections do factor in a reduction in profitability from the projected shift in business following the expiry of the Mater Dei contract unless the contract is renewed

Projections for 2014 include 50% of Buttigieg Holdings' results (excluding Costa Spain) for the first 6 months, and 100% of the results for the second 6 months of the year.

Buttigieg Group (including Costa Malta) *Financial Highlights (€000) - 31st October*	2011 Actual (4m)	2012 Actual	2013 Actual	2014 Forecast	2015 Projection
Revenue - Costa		599	2,108	2,750	3,825
Revenue - other	2,063	5,624	4,335	3,547	3,635
Revenue	**2,063**	**6,223**	**6,442**	**6,297**	**7,460**
EBITDA	**251**	**243**	**328**	**742**	**934**

Source: Management; Due Diligence Report

2.6 Costa Coffee

Costa Coffee was founded by Italian brothers Sergio and Bruno Costa in London in 1971 and is today considered one of the top five coffee shop chains globally. In 1995, the business was acquired by Whitbread, an English company and has since grown to over 2,000 stores in 25 countries.

In 2012, Buttigieg Holdings entered into a franchise agreement with Costa International Limited granting exclusive development and operating rights for the Costa Coffee brand in Malta. The Coffee Company Malta Ltd, a subsidiary of Buttigieg Holdings opened the first outlet located at the check-in lounge of Malta's International Airport.

The Group operated 4 outlets in 2013 including three at the airport and one at The Point shopping complex in Sliema which opened during the summer of 2013. A fifth outlet was opened in December 2013 to replace Papillion Balzan. Total revenue generated by the local Costa Coffee business amounted to €2.1 million during the year ended 31st October 2013.

Management's projections relating to Costa Malta assume the introduction of 2 outlets per year increasing from the current 5 outlets to 10 by the end of 2016. Average revenues are expected to increase at 2% per annum from current levels. Margins are projected to improve. In fact, economies of scale from the larger number of outlets is expected to increase the Group's purchasing power, and payroll costs as a proportion of sales are projected to decrease.

Following an international tender issued by Costa International Limited, the development of the Costa Coffee brand in Eastern Spain, the Balearic Islands and the Canary Islands ("Costa Spain"), was entrusted to The Coffee Company Malta Ltd. The agreement allows the company to open and develop 75 Costa Coffee shops in Spain over the next five years.

The Group has set up a detailed business plan for the Costa Spain venture. Management is confident of achieving its objectives, even with projections that are more conservative than the original business plan. Progressive growth in Costa Spain is expected to be driven by the increase in the number of stores opened each year, commencing with 3 stores towards the end of calendar year 2014 and 7 stores in 2015. Average revenues and margins are expected to be in line with those of the Maltese Costa Coffee business.

Costa Spain *Projections*	2014	2015
Number of outlets	3	7
Revenue (€000)	375	3,315
EBITDA (€000)	59	526

Source: Management; Due Diligence Report

2.7 Valuations of Land and Buildings

Land and buildings of the Group mainly comprise the three hotel properties of Bay Point, Coastline and 50% of the Golden Sands resort, as can be seen in the table below. In 2009 the group acquired land in Hal-Ferh for the purposes of development. The land is not being depreciated since the asset is in the course of construction and all related interest costs arising from specific borrowings undertaken to finance the asset are being capitalised. The group's share amounts to 50% of the asset. Other land and buildings also include 50% of assets held by Buttigieg Holdings Limited.

The Issuer commissioned a firm of architects, iAS – Innovative Architectural Structures Limited, to issue a property valuation report in relation to major properties. The following are the valuations as at 15th April 2014:

Property Valuations as at 15th April 2014	*€'000*
Radisson Blu Resort St.Julians	49,000
Radisson Blu Golden Sands Resort and Spa, Golden Bay	115,000
The Oasis Resort, Golden Bay	30,000

Source: Property valuation report

All properties are held on a leasehold basis. The lease contract for Bay Point Hotel expires in 2067. Both of these properties are held under temporary emphyteusis. The property of the Golden Sands Resort & Spa is held under a temporary utile dominium title which expires in 2114.

The Oasis is on a perpetual emphyteusis and the CPU, which is held by Buttigieg Holdings, is freehold.

3. PROPOSED BOND ISSUE AND SALE OF COASTLINE

The Issuer will be issuing an aggregate bond of €35 million (“Bond” or “Bond Issue”), with a nominal value of €100 each, and which will be issued at par. The proceeds from the Bond, net of commissions and expenses are expected to amount to around €34.4 million. The Bond will be redeemed on the 15th May 2024, and interest payment dates will be the 15th May of each year.

The Bond will constitute a general, direct, unconditional, unsecured and unsubordinated obligation of the Issuer and will rank pari passu, without any priority or preference, with all other present and future unsecured and unsubordinated obligations of the Issuer.

The sponsors (Curmi & Partners Ltd. and Rizzo, Farrugia & Co (Stockbrokers) Ltd.) have already agreed to subscribe to €10 million of the Bond Issue through private placement agreements. Should applications for at least another €20 million of the remaining balance of the Bond Issue not be received, for a total of €30 million subscription (“Minimum Amount”), no allotment shall be made. The applications shall be deemed not to have been accepted by the Issuer and all money received from applicants will be refunded accordingly.

The forecasts and projections in this report, assume that the bonds will bear interest at the rate of 6.0% payable annually, for the purpose of its impact on the financial results of the Issuer.

The Group has also entered into a promise of sale agreement for the sale of the Coastline Hotel for €14 million. Through this asset disposal and the Bond Issue, the Group’s objective is to refinance its debt obligations and undertake investments that are expected to enhance profitability and cash flow generation in the years ahead.

The proceeds from the Bond Issue are expected to amount to €34.4 million, which will be used by the Group for the following purposes:

(i) Approximately €20 million of the proceeds will be used as follows:

   a. Refurbishment of the Radisson Blu St Julians including the construction of a conference centre and two additional floors, with expected total project costs amounting to €16 million. Annual projected cash outlays are projected as follows: 2014 €3 million; 2015 €7 million; 2016 €6 million

   b. Roll-out of Costa Coffee franchise in Spain. The projections assume €4 million over a four year period to cover initial capital expenditure for the expansion of Costa Coffee business in Spain.

(ii) The remaining balance of the net proceeds from the Bond Issue will be used for general corporate funding purposes, including the early repayment of some bank loans and in particular the reduction in the Group’s overdraft balance

4. PERFORMANCE AND FINANCIAL POSITION OF THE GROUP

This document makes reference to the financial statements of the Issuer for the financial years ended 31st October 2011, 31st October 2012, and 31st October 2013. The financial statements referred to have been audited by Deloitte Audit Limited. This section also includes reference to projected financial statements for 2014 and 2015. These forecasts and projections are based on certain assumptions. Events and circumstances may differ from expectations, and therefore actual results may vary considerably from the projections.

4.1 Statements of Profit or Loss and Other Comprehensive Income

Island Hotels Group Holdings p.l.c. *Statements of comprehensive income (€000) - 31st October*	**2011** Actual	**2012** Actual	**2013** Actual	**2014** Forecast	**2015** Projection
Revenue	30,254	33,086	35,280	34,872	36,129
Staff costs	(11,861)	(13,190)	(13,490)	(12,815)	(12,025)
Food and beverage costs	(3,462)	(4,169)	(4,289)	(4,486)	(5,538)
Other operating costs	(9,427)	(10,300)	(10,968)	(10,570)	(11,201)
EBITDA	**5,504**	**5,427**	**6,532**	**7,000**	**7,365**
Depreciation and Amortisation	(3,212)	(3,331)	(3,207)	(3,352)	(3,290)
Operating Profit	**2,292**	**2,097**	**3,326**	**3,648**	**4,076**
Share of losses of associates	-	(1)	(25)	-	-
Investment income	151	18	61	20	136
Finance costs	(3,041)	(2,948)	(2,916)	(2,564)	(3,494)
(Loss) / Profit before tax	**(598)**	**(834)**	**445**	**1,104**	**718**
Income tax credit / (expense)	355	(155)	110	(293)	(150)
(Loss) / Profit for year from continuing operations	**(242)**	**(989)**	**555**	**812**	**568**
Discontinued operations					
Loss for the year from discontinued operation	-	-	-	(421)	-
(Loss) / profit for the year	**(242)**	**(989)**	**555**	**391**	**568**
(Loss) / profit for the year	(242)	(989)	555	391	568
Other comprehensive income					
Exchange differences on translating foreign operations	135	1,279	(820)	-	-
Total comprehensive income/(expense) for year	**(107)**	**290**	**(266)**	**391**	**568**
Total comprehensive income/(expense) for year attributable to the owners of the holding co.	**(107)**	**290**	**(266)**	**391**	**568**

Source: Island Hotels Group Holdings p.l.c. annual reports; Management; Due Diligence Report
Some items may not sum to total due to rounding variances

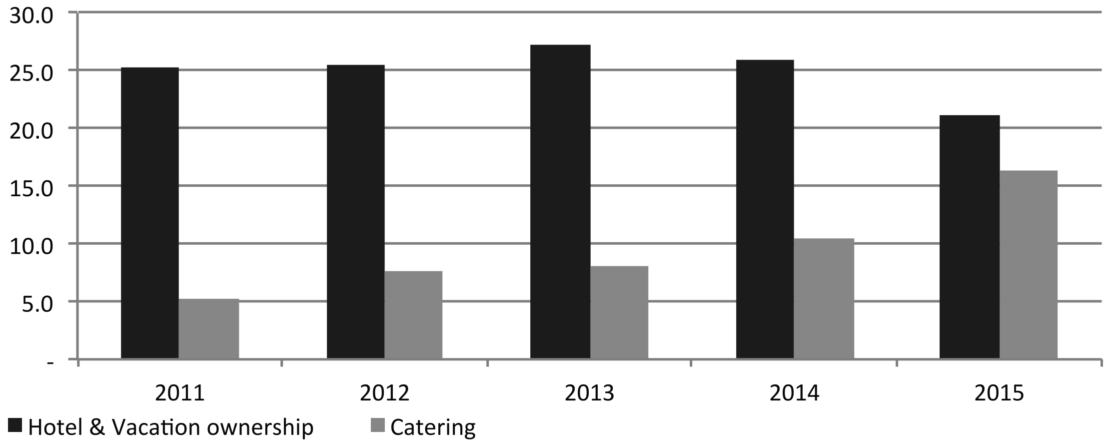
During 2011, Group revenue totalled €30.3 million. The Group's performance was generally in line with national benchmarks, in a year in which the industry could have been impacted by turmoil in the Eastern Mediterranean and North Africa. Catering revenues were boosted by the acquisition of a 50% holding in Buttigieg Holdings. On the other hand, income from the vacation ownership business was under pressure, particularly due to the subdued economic situation in the UK.

A substantial rise in food and beverage costs, reflecting the growth in the catering business from the acquisition of Buttigieg Holdings, contributed to the slight decreases in EBITDA and operating profit to €5.5 million and €2.3 million respectively in 2011. The pre-tax loss in 2011 amounted to €0.6 million, with finance costs totalling €3 million.

Group revenues increased by 9% to €33.1 million in 2012. Results from the hotel business reflected a relatively stable performance compared to the previous year, with hotel and vacation ownership revenues totalling €25.5 million. There was particularly strong growth in non-hotel catering revenues, driven by the first full year of the Group's share of Buttigieg Holdings revenues. The increased revenues from this business contributed significantly to the overall growth of the Group.

During 2012, increases in various operating costs had a negative impact on the generation of operating profit and EBITDA. There was a considerably high increase in costs related to the vacation ownership business, reflecting a considerable marketing effort in this area to counter the difficult economic climate. Whilst the catering businesses drove growth at the revenue level, acquisition-related costs and proportionately high labour expenses negatively impacted margins. Overall EBITDA decreased slightly to €5.4 million in 2012, with group operating profit decreasing by 9% to €2.1 million. There was a loss before tax of €0.8 million.

Island Hotels Group Holdings p.l.c. - Revenue Breakdown (€000)



Source: Island Hotels Group Holdings annual reports

Last year was positive for the Group, with growth in both revenues and EBITDA. Revenues increased by 7% to €35.3 million. There was a particularly strong increase in vacation ownership sales, contributing to growth at Bay Point and to a further improved performance of Golden Sands. On the other hand, stable revenue and cost inflation had a negative impact on the contribution from the core hotel accommodation and catering businesses. The growth in EBITDA to €6.5 million was in fact driven by the vacation ownership sector. The Group undertook a cost cutting exercise in this business, with a major focus on restructuring commission fees and staff costs. Last year's overall improved performance was reflected in the bottom line, with the Group achieving a turnaround in profit before tax compared to the previous two years, with profit amounting to €0.6 million.

The disposal of the Coastline Hotel and the closure of Bay Point for eight months will result in decreases in revenues for 2014 and 2015 in the hotel segment, with substantial growth achieved thereafter. Total revenue is expected to amount to €34.9 million in 2014. The loss from discontinued operations of Coastline, accumulated between November 2013 and April 2014, is expected to amount to €0.4 million.

On the other hand, it is relevant to note that the profitability of the hotel business in terms of EBITDA generation is expected to continue improving even during the closure period of Bay Point, which will occur during the slower winter period. This is primarily due to decreased labour costs. The expected growth in the catering sector will be driven by the increase the number of Costa Coffee outlets in Malta from 5 to 10 by 2016, whilst Costa Spain is expected to open 58 outlets over a 5-year period. Overall Group EBITDA and operating profit for 2014 are expected to reach €7 million and €3.7 million respectively. Profit before tax is expected to amount to €1.1 million.

4.2 Statements of Cash Flows

Island Hotels Group Holdings p.l.c. *Statements of cash flows (€000) - 31st October*	**2011** Actual	**2012** Actual	**2013** Actual	**2014** Forecast	**2015** Projection
Net cash flows from operating activities	2,649	3,839	4,235	(2,585)	725
Net cash flows from investing activities	(5,891)	(1,473)	(5,088)	6,127	(10,398)
Net cash flows from financing activities	1,165	(2,968)	737	19,249	(3,369)
Net movement in cash and cash equivalents	**(2,077)**	**(602)**	**(116)**	**22,791**	**(13,042)**
Cash and cash equivalents at beginning of year	(7,521)	(9,677)	(10,267)	(10,403)	12,388
Effect of foreign exchange rate changes	(80)	12	(20)	-	-
Cash and cash equivalents at end of year	**(9,677)**	**(10,267)**	**(10,403)**	**12,388**	**(654)**

Source: Island Hotels Group Holdings p.l.c. annual reports; Management; Due Diligence Report
Some items may not sum to total due to rounding variances

Net cash flows generated from operating activities amounted to €2.7 million in 2011. There was a considerable impact from working capital movements, with an increase in trade and other payables contributing to an inflow of more than €2 million. Investing and financing activities primarily reflect flows relating to loans with jointly controlled entities. Additionally, repayment of bank loans amounted to €3.4 million.

During 2012, the Group generated an amount of €3.8 million in net cash flows from operating activities. As in the previous year, cash inflows related to working capital movements generated more than €2 million. Investment outflows excluding the movement in loans were almost unchanged on the previous year, with capital expenditure amounting to €1.4 million.

In 2013 net cash flows generated from operating activities amounted to €4.2 million. The increase in EBITDA compensated for the lower cash inflows from working capital movements, down €1.3 million. Investment outflows increased to more than €5 million, reflecting the substantial capital expenditures implemented during 2013. These include refurbishment works at Bay Point totalling €1.6 million, and expenses related to the land at Hal-Ferh amounting to €1.3million.

Net cash outflows from operating activities are expected to amount to €2.6 million during 2014. This outflow is driven by working capital movements, and mainly reflects the repayment of operating creditors amounting to €6 million. After recovering to €0.7 million in 2015, operating cash flows are expected to rise substantially when the Group's operations will fully benefit from the refurbished Bay Point and from the expansion of the Costa Coffee business.

Overall investment outflows are expected to reach €10.4 million in 2015, reflecting the sizeable expenditures. The total capital investment between 2014 and 2016 is expected to consist of €16 million on the Bay Point refurbishment and €4 million expansion of Costa Coffee in Spain. On the other hand, the disposal of the Coastline for €14 million is expected to result in a net investment inflow of €6.1 million for the current year. The Group is expected to transfer a further €1 million towards the sinking fund in the period 2014-2015.

The net cash flows from financing activities are projected to amount to an inflow of €19.2 million in 2014. This reflects the net impact from the €35 million Bond Issue and the repayment of €15.8 million in bank debt. The refinancing of the Group's obligations is expected to proceed in 2015, with repayment of bank loans amounting to around €3.4 million.

It is expected that in 2014 and 2015 no dividends will be distributed due to the closure for refurbishment of Bay Point. Thereafter, projections assume dividend distributions at 30% of post-tax profits of the previous year, in line with the Group's policy of a 30%-50% pay-out.

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4.3 Statements of Financial Position

Island Hotels Group Holdings p.l.c.	2011	2012	2013	2014	2015
Statements of financial position (€000) - 31st October	Actual	Actual	Actual	Forecast	Projection
ASSETS					
Non-current assets					
Goodwill	32,683	33,950	33,147	30,470	30,470
Other intangible assets	597	749	726	2,930	2,565
Property, plant and equipment	87,038	85,025	86,010	74,635	81,771
Other financial assets	2	0.2	0.2	500	1,000
Loans and receivables	8,146	8,169	8,970	8,947	8,947
Deferred tax assets	-	-	-	-	-
	128,466	**127,893**	**128,854**	**117,482**	**124,754**
Current assets					
Inventories	1,139	1,212	1,225	1,404	1,403
Trade and other receivables	8,094	8,674	10,179	10,646	10,638
Current taxation	32	26	218	-	-
Cash and cash equivalents	904	1,014	665	12,388	-
	10,168	**10,925**	**12,287**	**24,438**	**12,040**
Total assets	**138,634**	**138,817**	**141,141**	**141,920**	**136,794**
EQUITY AND LIABILITIES					
Equity attributable to the owners of the holding company					
Share capital	36,340	36,340	36,584	36,584	36,584
Currency translation reserve	(204)	906	85	85	85
Retained earnings / (Accumulated losses)	43	(777)	(466)	(75)	493
Total equity	**36,179**	**36,469**	**36,203**	**36,594**	**37,162**
Non-current liabilities					
Bank loans	23,472	26,823	25,222	11,980	7,741
Other financial liabilities	23,913	23,555	25,725	60,091	59,705
Trade and other payables	1,358	4,211	4,738	3,296	1,795
Deferred tax liabilities	11,850	11,918	11,815	8,632	8,606
	60,593	**66,506**	**67,500**	**83,999**	**77,848**
Current liabilities					
Trade and other payables	18,328	17,602	19,200	16,502	15,402
Bank overdrafts and loans	21,348	15,472	15,772	3,369	4,890
Current taxation	58	3	45	(61)	(24)
Other financial liabilities	2,127	2,765	2,420	1,517	1,517
	41,862	**35,842**	**37,437**	**21,327**	**21,784**
Total liabilities	**102,455**	**102,349**	**104,938**	**105,327**	**99,632**
Total equity and liabilities	**138,634**	**138,817**	**141,141**	**141,920**	**136,794**

Source: Island Hotels Group Holdings p.l.c. annual reports; Management; Due Diligence Report
Some items may not sum to total due to rounding variances

The Group's total assets as at 31st October 2011 amounted to €138.6 million, with Property, plant and equipment totalling €87 million. Of these assets, leasehold land and buildings on balance sheet were just above €70 million. During this year, the Group acquired 50% of Buttigieg Holdings to expand capacity in retail and contract catering. Trade and other receivables amounted to €8.1 million.

In 2011, share capital increased by just over €1 million. The Company issued 1,070,960 ordinary shares of €1 each fully paid up by way of the capitalisation of amounts due by the company to the shareholders of the Buttigieg Holdings. This reflected the acquisition of the 50% equity interest in Buttigieg Holdings. Loans and receivables increased by €4.5 million, with total liabilities increasing by €5.9 million to over €100 million. These flows mainly related to balances due to and from the joint venture with Mayfair Overseas Holdings Limited which cannot be netted off under IFRS rules.

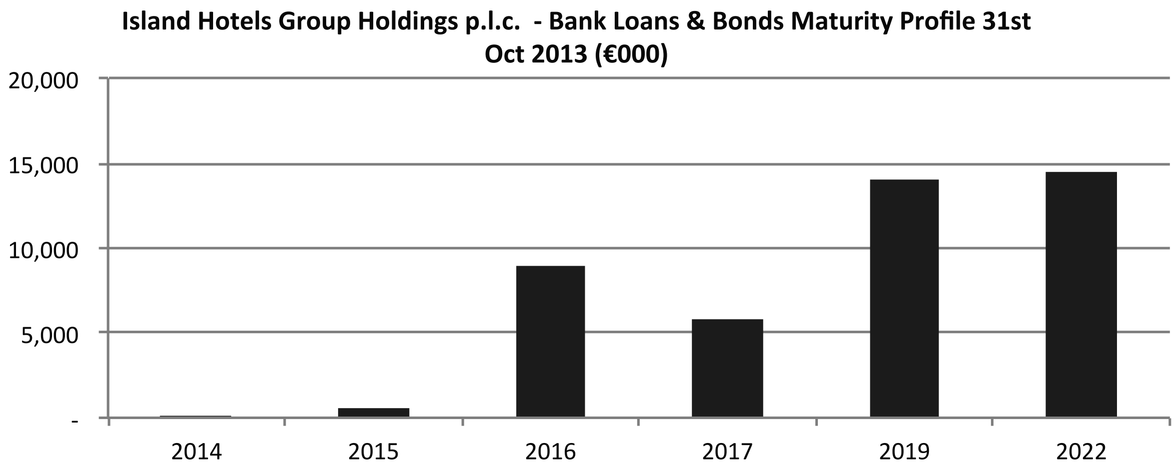
In 2012, the Group's assets were basically unchanged over the previous year. On the funding side, there was an extension of the debt maturity profile. Non-current liabilities increased by €5.9 million to €66.5 million, with current liabilities decreasing by approximately the same amount. The Group converted a bank overdraft into a bank loan repayable in equal instalments by 2017, and renegotiated repayment terms of certain bank loans advanced to subsidiaries and jointly controlled entities. Whilst accumulated losses amounted to €0.8 million, total equity was basically unchanged on the previous year at €36.5 million, due to the compensating impact of the currency translation reserve.

The Group's asset base grew to €141.1 million during the year ending 31st October 2013. Non-current assets rose by €1 million, mainly from an increase in furniture, fittings and equipment. Current assets increased by €1.4 million to €12.3 million, primarily driven by growth in trade and other receivables, including amounts due from related companies. On the funding side, the overdraft facility amounted to €11.2 million as at 31st October 2013. Equity share capital increased slightly to €36.6 million during the year. By virtue of a directors' resolution in July 2013, the Company issued 243,500 ordinary shares of €1 each fully paid up by way of the capitalisation of amounts due by the Issuer to the previous shareholders of Buttigieg Holdings. This additional allotment was a result of Buttigieg Holdings securing the extension of one of its concessions, and was based on the original framework agreement.

Total non-current assets are expected to decrease to €117.5 million by year end 31st October 2014, compared to the previous year. This reduction in capital employed will reflect the disposal of the Coastline Hotel. As the Group invests in the Bay Point refurbishment and in the expansion of the Costa Coffee business in the coming years, the balance sheet is expected to increase again to around €151 million by 2016. Other financial assets, amounting to €0.5 million in 2014, includes the amounts transferred to the sinking fund reserves. The Group is depositing such amounts with a trustee for the benefit of the holders of the outstanding 6.5%

Island Hotels Group Holdings plc € 2017-2019 securities. This is in line with the Combined Securities note dated 28th August 2009 for the building of a sinking fund. By redemption date, the value of the sinking fund is expected to amount to 50% of the value of this bond, €7 million. Outstanding debt securities will increase to €49 million during 2014, reflecting the Bond Issue. On the other hand, outstanding bank loans and overdrafts are expected to decrease to €15.4 million, following the repayment of a portion of these facilities. Shareholders' equity, is expected to amount to €36.6 million in 2014, and is projected to increase in line with improved profitability going forward.

4.4 Borrowings and Securities in Issue



Source: Island Hotels Group Holdings p.l.c.; Management; Due Diligence Report; Curmi & Partners

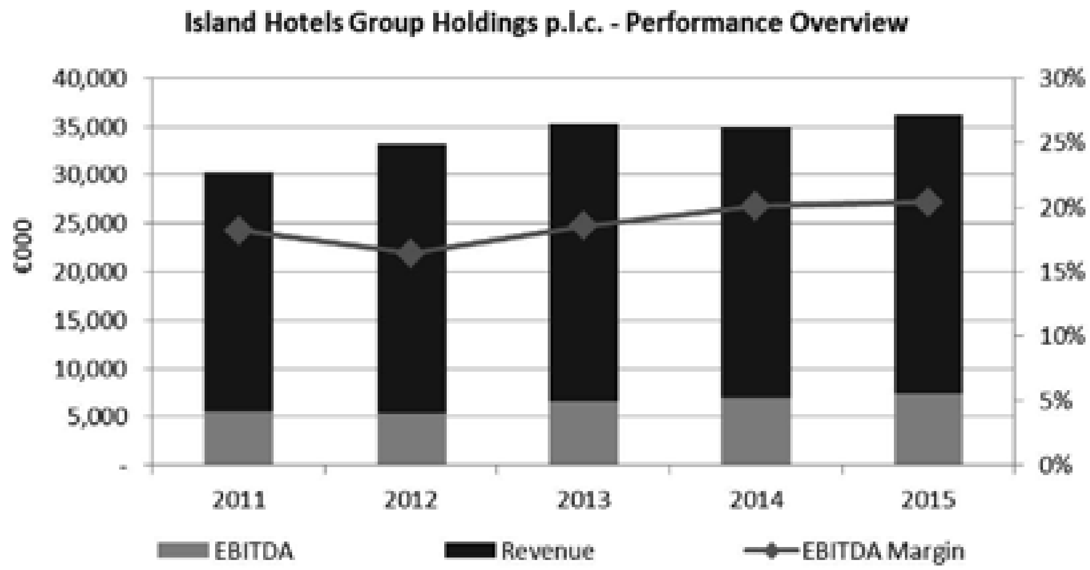
Debt securities in issue		
Security ISIN	*Secutity Name*	*Amount €*
MT0000481219	6.5% Island Hotels Group Holdings plc € 2017-2019	14,000,000

Other listed securities - Equity		*Number of*
Security ISIN	*Secutity Name*	*shares*
MT0000480104	Island Hotels Group Holdings p.l.c. Ord €1.00	36,583,660
	P/E ratio (25th April 2014)	56

Source: Island Hotels Group Holdings p.l.c. annual reports; Malta Stock Exchange; Curmi & Partners

Source: Malta Stock Exchange; Curmi & Partners

4.5 Evaluation of Performance and Financial Position



Source: Island Hotels Group Limited annual reports; Management; Due Diligence Report; Curmi & Partners

The Group was successful in achieving top-line growth during the period 2011-2013, with revenues rising every year. However, the challenging operating conditions and elevated expenditure levels are reflected in pressure on operating and EBITDA margins. This was particularly the case in 2012. There was an evident improvement during the year ending 31st October 2013.

In terms of guest nights and revenues generated, both 2011 and 2012 could be considered relatively stable years. However, margins were impacted by cost pressures that include rises in fuel costs and the absorption of increases in Value Added Tax ("VAT"). Additionally, whilst the catering business expanded on the back of the acquisition of Buttigieg Holdings in 2011, the considerable rise in related food and beverage expenses had a negative effect on operating profitability. In the vacation ownership sector, marketing costs were higher than expected.

Island Hotels Group Holdings p.l.c.	**2011**	**2012**	**2013**	**2014**	**2015**
Profitability Ratios - 31st October	Actual	Actual	Actual	Forecast	Projection
Operating Profit margin *(Operating Profit / Revenue)*	7.6%	6.3%	9.4%	10.5%	11.3%
EBITDA margin *(EBITDA / Revenue)*	18.2%	16.4%	18.5%	20.1%	20.4%
Interest coverage *(EBITDA / Net Finance Costs)*	1.9x	1.9x	2.3x	2.8x	2.2x
Return on assets *(Operating Profit / Average Total Assets)*	1.7%	1.5%	2.4%	2.6%	2.9%
Return on capital employed *(Operating Profit / Average Capital Employed)*	2.0%	1.8%	2.9%	3.2%	3.6%
Net Profit margin *(Profit for the year / Revenue)*	-0.8%	-3.0%	1.6%	1.1%	1.6%
Return on equity *(Profit attributable to owners / Average equity attributable to owners)*	-0.7%	-2.7%	1.5%	1.1%	1.5%

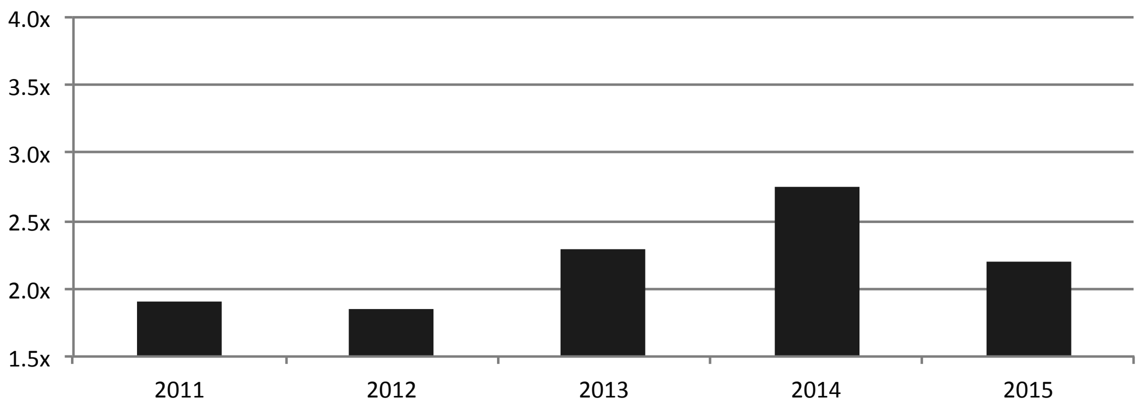
Source: Island Hotels Group Holdings p.l.c. annual reports; Management; Curmi & Partners

The improved performance during 2013 was driven by continued growth in revenues, in particular an additional contribution from timeshare sales, coupled with slower increases, or reductions, in costs compared to recent years. These trends resulted in an increase in the EBITDA margin to 19%, with the operating margin increasing to 9%.

Return on Capital Employed ("ROCE") and Return on Assets ("ROA"), hereby estimated on the basis of operating profit, also improved in 2013. Interest coverage, expressed in terms of EBITDA, was just below 2x during 2011 and 2012, rising to 2.3x in 2013. As reflected in the net profit margins and Return on Equity ("ROE"), the Group earned a profit before tax in 2013, following two years of losses.

The investments being undertaken and the refinancing of the balance sheet are expected to further improve margins and profitability in the years ahead. In 2014 and 2015, whilst revenue is expected to decrease due to the disposal of the Coastline and the closure of Bay Point, operating margins are expected to improve. This primarily reflects the fact that Bay Point will close during the low season and non-productive labour costs will be capitalised as part of the refurbishment project cost. The net profit margin and interest coverage are also expected to increase in 2014, before deteriorating slightly in 2015 due to increased financial costs. However, even during this period interest cover is expected to decrease only slightly to 2.2x. Ratios are expected to improve steadily thereafter following completion of the works.

Island Hotels Group Holdings p.l.c. - Interest Coverage Ratio



Source: Island Hotels Group Limited annual reports; Management; Curmi & Partners

Liquidity ratios for the Group are below 1x, with current liabilities exceeding current assets. This would be considered typical for the industry, with cash inflows from sales mainly received in advance, compared to delayed outflows related to suppliers and expenses. Going forward, management expects a decrease in negative working capital balances. This will be driven by a significant reduction in net trade creditors and is expected to result in projected cash outflows from working capital movements.

Island Hotels Group Holdings p.l.c. *Statements of Financial Position Ratios - 31st October*	2011 Actual	2012 Actual	2013 Actual	2014 Forecast	2015 Projection
Current Ratio *(Current Assets / Current Liabilities)*	0.2x	0.3x	0.3x	1.1x	0.6x
Quick Ratio *(Current Assets less Inventories / Current Liabilities)*	0.2x	0.3x	0.3x	1.1x	0.5x
Gearing Ratio[(a)] *(Net Borrowings / {Total Equity + Net Borrowings})*	63.6%	63.3%	63.8%	61.3%	63.6%
Gearing Ratio[(b)] *(Net Borrowings / Total Equity)*	1.7x	1.7x	1.8x	1.6x	1.7x
Net Leverage Ratio *(Net Borrowings / Ebitda)*	11.5x	11.6x	9.8x	8.3x	8.8x
Free Cash Flow to Debt *(Free cash flow / Borrowings)*	5.3%	3.8%	3.5%	-4.8%	-6.0%

Source: Island Hotels Group Holdings p.l.c. annual reports; Management; Curmi & Partners

The Group's level of net borrowings to total capital, or gearing ratio, has remained stable at around 64%. This is considered relatively high even within the context of the hotel industry, in which elevated capital expenditure requirements typically result in higher debt levels. As at end year 2014, this ratio is expected to decrease to 61%. Following a slight increase in 2015, IHG's gearing is expected to reduce progressively, declining to around 50% by 2019. Access to bank financing is expected to remain an important part of the Group's funding strategy.

Net leverage in terms of the level of net borrowings to EBITDA, is also relatively high, particularly in 2011 and 2012. The substantial increase in EBITDA during 2013 improved this ratio, and further improvements are projected going forward as IHG is expected to benefit from its investment plans.

Free cash flow, hereby estimated by adjusting EBITDA for capital expenditures, changes in working capital and taxes paid, was positive throughout the period 2011-2013. There were no major capital outlays in this period, whilst working capital flows were also positive. The major capital expenditures in 2014 and 2015 are expected to result in negative free cash flows.

On the other hand, IHG expects these investments to enhance cash flow generation and profitability over the long term by improving its market positioning and product offering, particularly in higher margin areas.

It is also relevant to note that, with respect to the Oasis project, the strategy of the Group is to undertake this project with a solid equity base and is currently seeking an international equity investment in order to move ahead with the project. The proceeds obtained through the sale of Coastline and the new financing raised through the bond issue are not intended to be used for the development of the Oasis. This project will be financed separately and development will commence only when there is appropriate equity capital in place.

5. COMPARABLES

The table below compares a selection of ratios of the Issuer to those of other issuers operating in the local hotel and entertainment industry. It is relevant to note that there could be variances in the mix of operations undertaken by these groups. Additionally, other differences could include characteristics of the specific debt instrument.

However, the below comparison of basic credit metrics could be considered a useful indication of the relative financial performance and debt servicing capability of the Issuer.

On this basis, IHG's gearing ratio would be considered weak compared to its peers. However, management is committed to improving the financial position of the Group in the years ahead, and the Group's current investments and strategic focus are expected to contribute towards the achievement of this objective. The interest cover ratio is relatively healthy.

Issuer / Group	*Gearing*	*Interest Coverage*	*Net Debt / EBITDA*
Island Hotels Group Holdings p.l.c *	64%	2.3x	9.8x
AX Holdings Limited	35%	2.9x	6.3x
International Hotel Investments p.l.c.	37%	1.5x	11.9x
Tumas Group Company Limited	59%	3.3x	4.6x

** It is relevant to consider that the Group maintains a prudent policy in terms of the reflecting property revaluations.*
A less conservative policy, with the balance sheet fully reflecting revalued amounts (particularly of the land at Hal-Ferh) could result in a lower gearing ratio.
Source: Island Hotels Group Holdings p.l.c FY 2013; AX Holdings Limited FY 2013;
Tumas Group Company Limited FY 2012; International Hotel Investments p.l.c.FY 2012; Curmi & Partners

The table below illustrates ratios for international hotel groups. It is relevant to consider that most major international operators tend to operate with a relatively large focus on the management, rather than the ownership, of hotel properties, or are shifting towards more of an "asset-light" business model. This is likely to be reflected in improved financial ratios.

Issuer	*Gearing*	*Interest Coverage*	*Net Debt / EBITDA*
NH Hoteles	44%	2.1x	6.1x
Melia Hotels International	58%	2.2x	4.8x
Starwood Hotels & Resorts Worldwide	33%	12.6x	0.7x
Accor	47%	9.4x	4.4x
InterContinental Hotels Group	107%	9.7x	1.5x

Source: Q4 2013 and FY 2013 Group financial statements; Bloomberg; Curmi & Partners

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6. GLOSSARY

Non-current assets	Non-current assets are long-term investments, the full value of which will not be realised within the accounting year.
Current assets	Current assets are all assets that are realisable within one year from the statement of financial position date. Such amounts include trade receivables, inventory, cash and bank balances.
Current liabilities	Current liabilities are liabilities payable within a period of one year from the statement of financial position date, and include trade payables and short-term borrowings.
Non-current liabilities	Long-term financial obligations or borrowings that are not due within the present accounting year. Non-current liabilities include long-term borrowings, bonds and long-term lease obligations.
Total Equity	Total equity includes share capital, reserves, retained earnings and minority interests. It relates to the capital and reserves that are attributable to owners of the company.
Cash flow from operating activities	Cash flow from operating activities illustrates the cash-generating abilities of a company's core activities, and includes cash inflows and outflows that are related to operating activities.
Cash flow from investing activities	Cash flows from investing activities reflect the change in cash position resulting from investments and divestments.
Cash flow from financing activities	Cash flows from financing activities shows the cash inflows and outflows related to financing transactions with providers of funding, owners and the creditors.
Free Cash Flow	A measure of the ability to generate the cash flow necessary to maintain operations. It is the balance after all cash flows for operating activities, fixed asset net investments, working-capital expenditures. The definition of free cash flow may vary; for this purpose it was based on Ebitda adjusting for net investments, working capital and tax.
EBITDA	Earnings before interest, tax, depreciation and amortisation (EBITDA) is a measure of operating profitability. It excludes

	depreciation and amortisation, and is viewed as measure of a company's core profitability and cash generating ability.
Operating and Financial Ratios	
AARR	Average Achieved Room Rate (AARR) is the average price of each room sold during a particular period of time. It is calculated by dividing accommodation revenue by the number of rooms sold.
RevPAR	Revenue per available room (RevPAR). It is calculated by dividing the hotel's total revenue by the number of rooms available and the number of days in the period under consideration.
RevPOR	Revenue per occupied room (RevPOR) is calculated by dividing total revenue generated (including accommodation, F&B) by the number of occupied rooms.
Current ratio	The current ratio measures the ability to pay short term debts over the next 12 months. It compares a company's current assets to its current liabilities.
Quick ratio	Similarly to current ratio the quick ratio measures a company's ability to meet its short-term obligations with its most liquid assets. It excludes inventories from current assets.
Gearing or leverage ratio	The gearing or leverage ratio indicates the relative proportion of borrowings and equity used to finance a company's assets. It is estimated by dividing total borrowings by total borrowings plus total equity, or as the ratio of total borrowings to total equity.
Interest Coverage ratio	Interest coverage ratio is generally calculated by dividing a company's EBITDA, or EBIT (operating profit) of one period by the company's interest expense of the same period. It measures the ability of the borrower to service the finance costs related to borrowings.
Net Debt to EBITDA	This ratio compares financial borrowings and EBITDA as a metric for estimating debt sustainability, financial health and liquidity position of an entity. It compares the financial obligations to the actual cash profits.

Gross Profit Margin	Gross profit margin is the ratio of gross profit to revenue. It is the percentage by which gross profits exceed cost of sales, and is a measure of profitability at the most fundamental level.
Operating Profit Margin	Operating margin is a measure of profitability that measures the proportion of revenue that is left over after paying for all costs of production incurred in ordinary operations.
EBITDA Margin	Similarly to operating margin, EBITDA margin is a measure of profitability that measures the proportion of revenue that is left over after paying for all costs of production incurred in ordinary operations.
Net Profit Margin	Net profit margin is the ratio of profit for the period to revenues, and is a measure of how much of revenues is converted into bottom line profits.
Return on Assets (ROA)	Return on assets is the ratio of profit for the period or operating profit to average total assets for the period. It measures efficiency in using its assets to generate income.
Return on Capital Employed (ROCE)	Similarly to ROA, this ratio measures efficiency in generating income but takes into consideration the sources of financing. Profit for the period or operating profit is divided by the capital employed (fixed assets plus working capital or total assets less current liabilities)
Return on Equity	Measures the profitability in terms of how much profit is generated in relation to owners' investment.

Annex II - Application Form A

ISLAND HOTELS
GROUP HOLDINGS PLC

Island Hotels Group Holdings p.l.c.
€35,000,000
6% BONDS 2024
APPLICATION FORM 'A'

Please read the notes overleaf before completing this Application Form. Mark 'x' if applicable.

APPLICANT *(see notes 2 to 7)*

A ☐ Non-Resident ☐ Minor (under 18) ☐ Body Corporate/ Body of Persons ☐ CIS-Prescribed Fund

B TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME / REGISTERED NAME		
ADDRESS			
			POSTCODE
MSE A/C NO. (if applicable)	I.D. CARD / PASSPORT / COMPANY REG. NO.	TEL. NO.	MOBILE NO.

C **ADDITIONAL (JOINT) APPLICANTS** *(see note 3)* *(please use additional Application Forms if space is not sufficient)*

TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.

D **MINOR'S PARENTS / LEGAL GUARDIAN/S** *(see note 4)* *(to be completed ONLY if the Applicant is a minor)*

TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.

E **I/WE APPLY TO PURCHASE AND ACQUIRE** *(see notes 8 & 9)*:

AMOUNT IN FIGURES €	AMOUNT IN WORDS

Island Hotels Group Holdings p.l.c. 6% Bonds 2024 (minimum €2,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 6 May 2014 (the 'Prospectus'), payable in full upon application under the Terms and Conditions as defined in the said Prospectus.

F **RESIDENT - WITHHOLDING TAX DECLARATION** *(see note 10)* *(to be completed ONLY if the Applicant is a Resident of Malta)*

☐ I/We elect to have Final Withholding Tax deducted from my/our interest.

☐ I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).

G **NON-RESIDENT - DECLARATION FOR TAX PURPOSES** *(see note 12)* *(to be completed ONLY if the Applicant is a Non-Resident)*

TAX COUNTRY	CITY OF BIRTH	
T.I.N. (Tax Identification Number)	COUNTRY OF BIRTH	
PASSPORT/NATIONAL I.D. CARD NUMBER	COUNTRY OF ISSUE	ISSUE DATE

☐ I/We am/are **NOT** resident in Malta but I/we am/are resident in the European Union

☐ I/We am/are **NOT** resident in Malta and I/we am/are **NOT** resident in the European Union

H **INTEREST,REFUND AND REDEMPTION MANDATE** *(see note 11)* *Completion of this panel is **MANDATORY***

BANK	IBAN

I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions as contained therein which I/we fully accept.

Signature/s of Applicant/s
(Parent/s or legal guardian/s are/is to sign if Applicant is a minor)
(All parties are to sign in the case of a joint Application)

Date

AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 6 May 2014

1. This Application is governed by the Terms and Conditions of Application contained in Section 10 of the Securities Note dated 6 May 2014 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.

2. The Application Form is to be completed in BLOCK LETTERS.

3. Applicants are to insert full personal details in Panel B. In the case of an Application by more than one person (including husband and wife) full details of all individuals, including I.D. card numbers, must be given in Panels B and C **but the person whose name appears in Panel B shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 7 below).**

4. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. The relative box in Panel A must also be marked appropriately. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.

5. Applicants who are Non-Residents In Malta for tax purposes, must indicate their passport number in Panel B and complete Panel G. The relative box in Panel A must also be marked appropriately.

6. In the case of a body corporate, the name of the entity exactly as registered, and the registration number are to be inserted in Panel B. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.

7. **APPLICANTS WHO ALREADY HOLD SECURITIES ON THE MSE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL B. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED IN THE MSE ACCOUNT NUMBER QUOTED ON THE APPLICATION FORM. IF DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MSE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF, A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE WILL HAVE TO BE EFFECTED.**

8. Applications must be for a minimum of €2,000 and thereafter in multiples of €100.

9. Payment must be made in Euro, in cleared funds to 'The Registrar - 2014 IHGH Bonds'.

10. Only Applicants who hold an official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have Final Withholding Tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of Final Withholding Tax), but he/she will be obliged to declare interest so received on his/her tax return. Authorised entities applying in the name of a Prescribed Fund (having indicated their status in the appropriate box in Panel A) will have Final Withholding Tax, currently 10%, deducted from interest payments.

    In terms of Section 8.1 of the Securities Note, unless the Issuer is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of Article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta), interest shall be paid to such person net of Final Withholding Tax, currently at the rate of 15% of the gross amount of interest, pursuant to Article 33 of the Income Tax Act.

11. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies or the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in Panel H. Interest and redemption proceeds will be credited to the account indicated in Panel H or as otherwise amended by the Bondholder/s during the term of the Bond.

12. European Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments requires all payers established in the EU which pay interest to an individual resident in another EU Member State, to report the interest payment to the tax authorities of the Member State in which the payor is established. If the Applicant's permanent residential address is in an EU Member State or in another country to which the said Directive applies (called a "specified territory") then the interest paid will be reported.

13. Subscription lists will open at 08:30 hours on 26 May 2014 and will close as soon thereafter as may be determined by the Issuer, but not later than 12.00 hours on 30 May 2014. The Issuer reserves the right to close the Bond Issue before 30 May 2014, in the event of over-subscription. The Issuer reserves the right to refuse any Application which appears to be in breach of the terms and conditions of the Bonds as contained in the Prospectus. Any Applications received by the Registrar after the subscription lists close will be rejected. Completed Application Forms are to be delivered to any of the Authorised Financial Intermediaries listed in Annex III of the Securities Note, during normal office hours. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists.

14. By completing and delivering an Application Form you (as the Applicant(s)):
    a. acknowledge that the Issuer may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 440 of the laws of Malta);
    b. acknowledge that the Issuer may process such personal data for all purposes necessary for and related to the 6% Bonds 2024 applied for; and
    c. acknowledge that you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. The request must be signed by yourself as the Applicant to whom the personal data relates.

The value of Investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the 6% Bonds 2024 on offer will be repayable in full upon redemption. An investor should consult an independent financial advisor, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.

Annex II - Application Form B

ISLAND HOTELS
GROUP HOLDINGS PLC

Island Hotels Group Holdings p.l.c.
€35,000,000
6% BONDS 2024
APPLICATION FORM 'B'

Please read the notes overleaf before completing this Application Form. Mark 'x' if applicable.

APPLICANT *(see notes 2 to 7)*

A ☐ Existing Shareholder ☐ IHGH Group Employee ☐ Non-Resident

B

TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME / REGISTERED NAME		
ADDRESS			
			POSTCODE
MSE A/C NO. (if applicable)	I.D. CARD / PASSPORT / COMPANY REG. NO.	TEL. NO.	MOBILE NO.

C **ADDITIONAL (JOINT) APPLICANTS** *(see note 3)* *(please use additional Application Forms if space is not sufficient)*

TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.

D **MINOR'S PARENTS / LEGAL GUARDIAN/S** *(see note 4)* *(to be completed **ONLY** if the Applicant is a minor)*

TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.

E **I/WE APPLY TO PURCHASE AND ACQUIRE** *(see notes 8 & 9)*:

AMOUNT IN FIGURES	AMOUNT IN WORDS
€	

Island Hotels Group Holdings p.l.c. 6% Bonds 2024 (minimum €2,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 6 May 2014 (the 'Prospectus'), payable in full upon application under the Terms and Conditions as defined in the said Prospectus.

F **RESIDENT - WITHHOLDING TAX DECLARATION** *(see note 10)* *(to be completed ONLY if the Applicant is a Resident of Malta)*

☐ I/We elect to have Final Withholding Tax deducted from my/our interest.

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H **INTEREST,REFUND AND REDEMPTION MANDATE** *(see note 11)* *Completion of this panel is **MANDATORY***

BANK	IBAN

I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions as contained therein which I/we fully accept.

Signature/s of Applicant/s

Date

(Parent/s or legal guardian/s are/is to sign if Applicant is a minor)
(All parties are to sign in the case of a joint Application)

AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER

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11. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies or the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in Panel H. Interest and redemption proceeds will be credited to the account indicated in Panel H or as otherwise amended by the Bondholder/s during the term of the Bond.

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13. Subscription lists will open at 08:30 hours on 26 May 2014 and will close as soon thereafter as may be determined by the Issuer, but not later than 12.00 hours on 30 May 2014. The Issuer reserves the right to close the Bond Issue before 30 May 2014, in the event of over-subscription. The Issuer reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of the Bonds as contained in the Prospectus. Any Applications received by the Registrar after the subscription lists close will be rejected. Completed Application Forms are to be delivered to any of the Authorised Financial Intermediaries listed in Annex III of the Securities Note, during normal office hours. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists.

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    b. acknowledge that the Issuer may process such personal data for all purposes necessary for and related to the 6% Bonds 2024 applied for; and
    c. acknowledge that you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. The request must be signed by yourself as the Applicant to whom the personal data relates.

The value of Investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the 6% Bonds 2024 on offer will be repayable in full upon redemption. An investor should consult an independent financial advisor, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.

Annex III - Authorised Financial Intermediaries

Members of the Malta Stock Exchange	Tel	Fax	Web
Bank of Valletta p.l.c. BOV Centre, Cannon Road, St Venera, SVR 9030	**2275 1732**	**2275 1733**	**www.bov.com**
Calamatta Cuschieri & Co Ltd Fifth Floor, Valletta Buildings, South Street, Valletta, VLT 1103	**2568 8688**	**2568 8256**	**www.cc.com.mt**
Charts Investment Management Service Ltd Valletta Waterfront, Vault 17, Pinto Wharf, Floriana, FRN 1913	**2122 4106**	**2124 1101**	**www.charts.com.mt**
Curmi & Partners Ltd Finance House, Princess Elizabeth Street, Ta' Xbiex, XBX 1102	**2342 6000**	**2134 7333**	**www.curmiandpartners.com**
Financial Planning Services Ltd 4, Marina Court No. 1, G. Calì Street, Ta' Xbiex, XBX 1421	**2134 4244**	**2134 1202**	**www.bonellofinancial.com**
FINCO Treasury Management Ltd Level 5, The Mall Complex,The Mall, Floriana, FRN 1470	**2122 0002**	**2124 3280**	**www.fincotrust.com**
GlobalCapital Financial Management Ltd Testaferrata Street, Ta'Xbiex, XBX 1403	**2134 2342**	**2133 3100**	**www.globalcapital.com.mt**
Hogg Capital Investments Ltd Regent House, Suite 33, Bizazza Street, Sliema, SLM 1641	**2132 2872**	**2134 2760**	**www.hoggcapital.com**
Jesmond Mizzi Financial Advisors Ltd	**2122 4410**	**2212 3810**	**www.jesmondmizzi.com**
67/3, South Street, Valletta, VLT 1105			
Lombard Bank Malta p.l.c. 67, Republic Street, Valletta, VLT 1117	**2558 1114**	**2558 1815**	**www.lombardmalta.com**
Rizzo, Farrugia & Co (Stockbrokers) Ltd Airways House, Third Floor, High Street, Sliema, SLM 1549	**2258 3000**	**2258 3001**	**www.rizzofarrugia.com.mt**

Investment Services Providers			
APS Bank Ltd Investment Services Unit, APS Centre Level 2, Tower Street, B'Kara, BKR 4012	**2560 3192**	**2560 3001**	**www.apsbank.com.mt**
Crystal Finance Investments Ltd 10, First Floor, City Gate, Valletta, VLT101	**2122 6190**	**2122 6188**	**www.crystal.com.mt**
Fexserv Investment Services Ltd Alpine House, Naxxar Road, San Gwann, SGN 9032	**2576 2001**	**2137 8869**	**-**
Growth Investments Ltd Customer Service Centre, Pjazza Giovanni XXIII Floriana, FRN 1420	**2590 9356**	**2122 6429**	**www.growthinvestmentsonline.com**
HSBC Bank Malta p.l.c. 116, Archbishop Street, Valletta, VLT 1444	**2380 2381**	**23806046**	**www.hsbc.com.mt**
Maltese Cross Financial Services Ltd 242, Fleur-de-lys Road, B'Kara BKR 9060	**2144 7600**	**-**	**www.maltesecrossfinancial.eu**
Joseph Scicluna Investment Services Ltd Bella Vista Court, Level 3, Gorg Borg Olivier Street, Victoria, Gozo, CT 2517	**2156 5707**	**2156 5706**	**-**
Mercieca Financial Investment Services Ltd Mercieca', John F. Kennedy Square, Victoria Gozo VCT 2580	**2155 3892**	**-**	**-**
Michael Grech Financial Investment Services Ltd The Brokerage, Level OA, St Marta Street, Victoria, Gozo, VCT 2550	**2155 4492**	**2155 9199**	**www.michaelgrechfinancial.com**
MZ Investment Services Ltd 55, MZ House, St Rita Street Rabat, RBT 1523	**2145 3739**	**2145 3407**	**www.mzinvestments.com**
MFSP Financial Management Ltd 220, Immaculate Conception Street Msida MSD1838	**21332200**	**21322190**	**www.mfsp.com.mt**

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Island Hotels Group Holdings p.l.c.,
Radisson Blu Resort St. Julians,
Louis V. Farrugia Street,
St.George's Bay, St. Julians, STJ 3391

www.islandhotels.com