SECURITIES NOTE

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 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, 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 is issued pursuant to the requirements of Listing Rule 4.14 of the Listing Rules and contains information about the Bonds being issued by Mediterranean Investments Holding p.l.c. Application has been made for the admission to listing and trading of the Bonds on the Official List of the Malta Stock Exchange.

Dated 1 July 2015

In respect of an issue of €20,000,000 5.5% Unsecured Bonds 2020
of a nominal value of €100 per Bond issued at par by

MIH

MEDITERRANEAN INVESTMENTS HOLDING P.L.C.
A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA
WITH COMPANY REGISTRATION NUMBER C-37513

FULLY UNDERWRITTEN BY THE ISSUER'S SHAREHOLDERS
AND
GUARANTEED BY CORINTHIA PALACE HOTEL COMPANY LIMITED

ISIN: MT0000371279

Prospective investors are to refer to the guarantee contained in Annex A of this Securities Note for a description of the scope, nature and term of the guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in the Summary Note, the Registration Document and this Securities Note for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the guarantee provided by Corinthia Palace Hotel Company Limited.

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.

APPROVED BY THE DIRECTORS

Joseph Fenech

Joseph Fenech on behalf of:
Alfred Pisani, Samuel D. Sidiqi, Joseph Pisani,
Faisal J.S. Alessa, Mario P. Galea and Khadija Oubala

Legal Counsel
GVTH ADVOCATES

Sponsor
RIZZO FARRUGIA YOUR INVESTMENT CONSULTANTS

Registrar & Manager
BOV Bank of Valletta

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IMPORTANT INFORMATION

THIS SECURITIES NOTE CONSTITUTES PART OF THE PROSPECTUS DATED 1 JULY 2015 AND CONTAINS INFORMATION ABOUT MEDITERRANEAN INVESTMENTS HOLDING P.L.C. IN ITS CAPACITY AS ISSUER, CORINTHIA PALACE HOTEL COMPANY LIMITED IN ITS CAPACITY AS GUARANTOR AND THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES, THE COMPANIES ACT 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 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 SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED BY THE ISSUER.

THE INFORMATION CONTAINED HEREIN IS BEING MADE AVAILABLE IN CONNECTION WITH AN ISSUE BY THE ISSUER OF €20,000,000 BONDS 2020 OF A NOMINAL VALUE OF €100 EACH. THE BONDS SHALL BE ISSUED AT PAR AND BEAR INTEREST AT THE RATE OF 5.5% PER ANNUM PAYABLE ANNUALLY IN ARREARS ON 31 JULY OF EACH YEAR UNTIL THE REDEMPTION DATE, WITH THE FIRST INTEREST PAYMENT FALLING DUE ON 1 AUGUST 2016 (SUCH FIRST INTEREST PAYMENT IS BEING MOVED BY A DAY SO AS TO FALL ON A BUSINESS DAY). THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 31 JULY 2020. THE BONDS ARE FULLY UNDERWRITTEN BY THE ISSUER'S SHAREHOLDERS (THE "UNDERWRITERS") SO THAT ANY AMOUNT OF THE BOND ISSUE NOT TAKEN UP BY INVESTORS WILL BE PURCHASED BY THE UNDERWRITERS. FURTHERMORE, THE BOND ISSUE IS GUARANTEED BY CORINTHIA PALACE HOTEL COMPANY LIMITED.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE 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 SECURITIES NOTE 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, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS OR ADVISORS.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR AND MAKES NO REPRESENTATIONS AS TO THE CONTENTS, ACCURACY OR COMPLETENESS OF THE PROSPECTUS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF 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. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY BONDS MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER OR THE GUARANTOR SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY 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 LEGAL ADVISORS, ACCOUNTANTS AND/OR OTHER FINANCIAL ADVISORS AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE BONDS AND THE PROSPECTUS.

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 SO APPLYING AND OF ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXATION IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE PUBLIC OFFERING 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 THE 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 (THE "PROSPECTUS DIRECTIVE") OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF THE PROSPECTUS DIRECTIVE, THE BONDS CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN THE PROSPECTUS 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 PROSPECTUS 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 THE PROSPECTUS HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, TO 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 COMPANIES ACT.

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

UNLESS OTHERWISE STATED, THE CONTENTS OF THE ISSUER'S OR GUARANTOR'S WEBSITES OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S OR GUARANTOR'S WEBSITES DO NOT FORM PART OF THE 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 ANY AND ALL RESPONSIBILITY FOR ANY DEALINGS MADE, REPRESENTATIONS GIVEN, PROCESSES ADOPTED, FUNDS COLLECTED OR APPLICATIONS ISSUED BY AUTHORISED INTERMEDIARIES IN THEIR EFFORT TO PLACE OR RE-SELL THE BONDS SUBSCRIBED BY THEM.

ALL THE ADVISORS TO THE ISSUER AND THE GUARANTOR NAMED IN THE REGISTRATION DOCUMENT FORMING PART OF THE PROSPECTUS UNDER THE HEADING "*ADVISORS TO THE ISSUER AND GUARANTOR*" IN SUB-SECTION 4.4 THEREOF HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTOR 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.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN 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.

1 DEFINITIONS

In this Securities Note the following words and expressions shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

"**Act**" or "**Companies Act**"	the Companies Act, 1995 (Chapter 386 of the laws of Malta);
"**Applicant/s**"	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 and purchase Bonds made by an Applicant/s by completing an Application Form/s and delivering same to the Registrar or any of the Authorised Intermediaries, as applicable, in accordance with the terms of this Securities Note;
"**Application Form/s**"	the forms of application for subscription of Bonds, specimens of which are contained in Annex C of this Securities Note;
"**Authorised Intermediaries**"	all the licensed stockbrokers and financial intermediaries listed in Annex B of this Securities Note;
"**Bond/s**"	the €20,000,000 unsecured bonds 2020 of a nominal value of €100 per bond issued at par and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 5.5% per annum. The Bonds are guaranteed by CPHCL;
"**Bondholder**"	a holder of 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;
"**Corinthia Finance**"	Corinthia Finance p.l.c., a company registered under the laws of Malta with company registration number C-25104 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
"**CPHCL**"	Corinthia Palace Hotel Company Limited, a company registered under the laws of Malta with company registration number C-257 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
"**CSD**"	the Central Securities Depository of the Malta Stock Exchange authorised in terms of Part IV of the Financial Markets Act (Chapter 345 of the laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
"**Cut-off Date**"	close of business of 25 June 2015 (trading session of 23 June 2015);
"**Directors**" or "**Board**"	the directors of the Issuer whose names are set out in sub-section 4.1 of the Registration Document forming part of the Prospectus;
"**Euro**" or "**€**"	the lawful currency of the Republic of Malta;
"**Exchange**", "**Malta Stock Exchange**" or "**MSE**"	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Chapter 345 of the laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta, and bearing company registration number C-42525;
"**Existing Corinthia Finance Bonds**"	collectively, (i) the 6.25% bonds 2016 – 2019 with ISIN code MT0000101239 due to mature on 23 September 2019 (subject to Corinthia Finance's option, exercisable at its discretion, to redeem all or any part of the bonds in the said bond issue on the dates falling between and including 24 September 2016 and 22 September 2019), issued by Corinthia Finance pursuant to a prospectus dated 28 August 2009, as merged with the issue of 6.25% bonds 2016 – 2019 (Second Issue) with ISIN code MT0000101247, issued by Corinthia Finance pursuant to a prospectus dated 12 February 2010, collectively amounting as at the date of the Prospectus to €39,927,600; and (ii) the 6% bonds 2019 – 2022 with ISIN code MT0000101254 due to mature on 29 March 2022 (subject to Corinthia Finance's option, exercisable at its discretion, to redeem all or any part of the bonds in the said bond issue on the dates falling between and including 30 March 2019 and 29 March 2022), amounting as at the date of the Prospectus to €7,500,000, issued by Corinthia Finance pursuant to a prospectus dated 27 February 2012, all of which are currently listed and traded on the Malta Stock Exchange;

"Existing IHI Bonds"	collectively, (i) the 6.25% bonds 2017 – 2020 with ISIN code MT0000111261 due to mature on 8 April 2020 (subject to IHI's option, exercisable at its discretion, to redeem all or any part of the bonds in the said bond issue on the dates falling between and including 9 April 2017 and 7 April 2020), amounting as at the date of the Prospectus to €24,831,700, issued by IHI pursuant to a prospectus dated 1 March 2010; (ii) the 5.8% bonds 2021 with ISIN code MT0000111279 due to mature on 21 December 2021, amounting as at the date of the Prospectus to €20,000,000, issued by IHI pursuant to a prospectus dated 16 November 2012; (iii) the 5.8% bonds 2023 with ISIN code MT0000111287 due to mature on 14 November 2023, amounting as at the date of the Prospectus to €10,000,000, issued by IHI pursuant to a prospectus dated 21 October 2013; and (iv) the 5.75% bonds 2025 with ISIN code MT0000111295 due to mature on 13 May 2025, amounting as at the date of the Prospectus to €45,000,000, issued by IHI pursuant to a prospectus dated 10 April 2015, all of which are currently listed and traded on the Malta Stock Exchange;
"Existing MIH Bonds"	collectively, (i) the 7.15% bonds 2015 – 2017 due to mature on 23 July 2017 (subject to MIH's option, exercisable at its discretion, to redeem all or any part of the bonds in the said bond issue on the dates falling between and including 23 July 2015 and 22 July 2017), amounting as at the date of the Prospectus to an aggregate amount of just under €40,000,000 distributed as follows: €28,519,400 in EUR denominated bonds (with ISIN code MT0000371238), £4,351,100 in GBP denominated bonds (with ISIN code MT0000371246) and $7,120,300 in USD denominated bonds (with ISIN code MT0000371253), issued by the Issuer pursuant to a prospectus dated 14 June 2010; and (ii) the 6% bonds 2021 with ISIN code MT0000371261 due to mature on 22 June 2021, amounting as at the date of the Prospectus to €12,000,000, issued by the Issuer pursuant to a prospectus dated 2 June 2014, all of which are currently listed and traded on the Malta Stock Exchange;
"Financial Analysis Summary"	the financial analysis summary dated 1 July 2015 compiled by the Sponsor in line with the applicable requirements of the Listing Authority policies and which is intended to summarise the key financial data set out in the Prospectus appertaining to the Issuer, a copy of which is set out in Annex D of the Registration Document forming part of the Prospectus;
"Guarantor"	CPHCL, in terms of the guarantee contained in Annex A of this Securities Note and as described in Element B.18 of the Summary Note;
"Group"	the Issuer (parent company), PCL and PWL (subsidiary companies), and MTJSC (associate company);
"Interest Payment Date"	31 July of each year between and including each of the years 2016 and the year 2020, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
"Intermediaries' Offer"	shall have the meaning set out in sub-section 6.4 of this Securities Note;
"Issue Date"	31 July 2015;
"Issue Period"	the period between 0830 hours on 3 July 2015 and 1200 hours on 17 July 2015 during which the Bonds are available for subscription;
"Issuer" or **"MIH"**	Mediterranean Investments Holding p.l.c., a company registered under the laws of Malta with company registration number C-37513 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
"Listing Authority"	the Malta Financial Services Authority, appointed as Listing Authority for the purposes of the Financial Markets Act (Chapter 345 of the laws of Malta) by virtue of Legal Notice 1 of 2003;
"Listing Rules"	the listing rules issued by the Listing Authority, as may be amended from time to time;
"LPTACC"	Libya Projects General Trading And Contracting Company, a company registered under the laws of Kuwait with company registration number 119633 and having its registered office at Office 16/Mezzanine, Block 12, Al Asfour International Company, Al Manqaf, Kuwait;
"Malta Stock Exchange Bye-Laws"	the Malta Stock Exchange p.l.c. bye-laws issued by the authority of the board of directors of Malta Stock Exchange p.l.c., as may be amended from time to time;
"Maturing Bonds"	the 7.5% bonds 2015 with ISIN code MT0000371220 due to mature on 4 August 2015, amounting as at the date of the Prospectus to €19,649,600, issued by the Issuer pursuant to a prospectus dated 15 July 2008;
"Maturing Bondholder"	a holder of Maturing Bonds as at the Cut-off Date;
"MFSA"	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act, 1988 (Chapter 330 of the laws of Malta);

"**MTJSC**"	Medina Tower Joint Stock Company for Real Estate and Development, a joint stock investment company registered under the commercial laws of Libya [in accordance with Law No. 5 (1997) as amended by Law No. 7 (2004) and Law No. 9 (2010)] having its registered office at Tripoli Tower, Suite 107, Tower 2, Level 10, Tripoli, Libya, and bearing privatisation and investment board number 343;
"**NPHC**"	National Projects Holding Company (KSC), a company registered under the laws of Kuwait with company registration number 111731 and having its registered office at National Market Building, 4th Floor, Office 24, Abdullah Al Salem, Al Mirqab, Kuwait;
"**NREC**"	National Real Estate Company KSCP, a company registered under the laws of Kuwait with company registration number 19628 and having its registered office at P.O. Box 64585, Shuwaikh, B 70456, Kuwait;
"**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;
"**PCL**"	Palm City Ltd, a company registered under the laws of Malta with company registration number C-34113 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
"**PWL**"	Palm Waterfront Ltd, a company registered under the laws of Malta with company registration number C-57155 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
"**Prospectus**"	collectively the Summary Note, the Registration Document and this Securities Note, all dated 1 July 2015, 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**"	31 July 2020;
"**Redemption Value**"	the nominal value of each Bond (€100 per Bond);
"**Registrar & Manager**"	Bank of Valletta p.l.c.;
"**Registration Document**"	the registration document issued by the Issuer dated 1 July 2015, 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 securities note in its entirety issued by the Issuer dated 1 July 2015, forming part of the Prospectus;
"**Sponsor**"	Rizzo, Farrugia & Co. (Stockbrokers) Ltd., a private limited liability company registered under the laws of Malta having its registered office at Airways House, Third Floor, High Street, Sliema SLM 1549, Malta and bearing company registration number C-13102. Rizzo, Farrugia & Co. (Stockbrokers) Ltd. is an authorised financial intermediary licensed by the MFSA and a member of the MSE;
"**Summary Note**"	the summary note issued by the Issuer dated 1 July 2015, forming part of the Prospectus;
"**Terms and Conditions**"	the terms and conditions relating to the Bonds as contained in the Prospectus, particularly in section 8 of this Securities Note.

All references in the Prospectus to "Malta" are to the "Republic of Malta".

Unless it appears otherwise from the context:

a) words importing the singular shall include the plural and *vice-versa*;
b) words importing the masculine gender shall include the feminine gender and *vice-versa*;
c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative.

2. RISK FACTORS

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

THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL UPON MATURITY, UNLESS THE BONDS ARE PREVIOUSLY RE-PURCHASED OR CANCELLED. THE ISSUER SHALL REDEEM THE BONDS ON THE REDEMPTION DATE.

AN INVESTMENT IN THE BONDS 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. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. 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 BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER'S AND/OR GUARANTOR'S FINANCIAL RESULTS AND TRADING PROSPECTS AND THE ABILITY OF THE ISSUER AND/OR GUARANTOR TO FULFIL THEIR RESPECTIVE OBLIGATIONS UNDER THE SECURITIES ISSUED BY THE ISSUER FROM TIME TO TIME.

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

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

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 contains "forward-looking statements" which include, among others, statements concerning matters that are not historical facts and which may involve projections of future circumstances. These statements by their nature involve a number of risks, uncertainties and assumptions, a few of which are beyond the Issuer's and Guarantor's control, and important factors that could cause actual risks to differ materially from the expectations of the Issuer's and/or Guarantor's directors. Such forecasts and projections do not bind the Issuer and/or the Guarantor with respect to future results and no assurance can be given that future results or expectations covered by such forward-looking statements will be achieved.

2.2 General

Prospective investors in the Bonds must determine the suitability of that investment in the light of their own circumstances. In particular, each prospective investor should:

a) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in the Prospectus or any applicable supplement;

b) have sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency;

c) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and

d) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

2.3 Risks relating to the Bonds

An investment in the Bonds involves certain risks including, but not limited to, those described below:

- 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. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market in which the Bonds are traded, over which the Issuer has no control. Many other factors over which the Issuer has no control may affect the trading market for, and trading value of, the Bonds. These factors include the time remaining to the maturity of the Bonds, the outstanding amount of the Bonds and the level, direction and volatility of market interest rates, generally. 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.

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

- A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different.

- No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time.

- The Bonds shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantor, and shall at all times rank *pari passu*, without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, shall rank without priority and preference to all other present and future unsecured obligations of the Issuer and the Guarantor. The Bonds will, however, rank subordinate to the present and future secured creditors of the Issuer and the Guarantor. In view of the fact that the Bonds are being guaranteed by the Guarantor, Bondholders are entitled to request the Guarantor to pay both the interest due and the principal amount under said Bonds if the Issuer fails to meet any amount, when due. The strength of this undertaking on the part of the Guarantor is directly linked to the financial position and solvency of the Guarantor. Furthermore, subject to the negative pledge clause (sub-section 6.8 of this Securities Note), third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.

- In the event that the Issuer wishes to amend any of the Terms and Conditions of issue of the Bonds it shall call a meeting of Bondholders in accordance with the provisions of sub-section 6.19 of this Securities Note. These provisions permit defined majorities to bind all Bondholders, including Bondholders who do not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority.

- The Bonds are based on the requirements of the Listing Rules of the Listing Authority, the Companies Act and the Commission Regulation EC No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council in effect as at the date of the Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Prospectus.

3. PERSONS RESPONSIBLE

This Securities Note 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 Guarantor. Each and all of the directors of the Issuer whose names appear under the heading "*Directors of the Issuer*" in sub-section 4.1 of the Registration Document accept responsibility for the information contained in this Securities Note, save for the information specifically relating to the Guarantor, for which the directors of the Guarantor whose names appear in sub-section 4.3 of the Registration Document are responsible.

To the best of the knowledge and belief of the directors of the Issuer and the Guarantor, 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 and the Guarantor accept responsibility accordingly.

4. CONSENT FOR USE OF THE PROSPECTUS

Consent required in connection with a possible Intermediaries' Offer in terms of sub-section 6.4 of this Securities Note:

As explained in sub-section 6.4 of this Securities Note, in the event that not all of the Bonds are subscribed to by Maturing Bondholders and/or by holders of Existing MIH Bonds as at the Cut-off Date and/or by holders of Existing Corinthia Finance Bonds as at the Cut-off Date and/or by holders of Existing IHI Bonds as at the Cut-off Date, as the case may be, the remaining balance of Bonds shall be made available for subscription by Authorised Intermediaries through an Intermediaries' Offer.

For the purposes of any subscription for Bonds by Authorised Intermediaries pursuant to such an Intermediaries' Offer and any subsequent resale, placement or other offering of Bonds by Authorised Intermediaries participating in the Intermediaries' Offer 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 the Prospectus (and accepts responsibility for the information contained herein in accordance with the terms hereof) 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 in terms of the Intermediaries' Offer by Authorised Intermediaries participating in the Intermediaries' Offer;
b) to any resale, placement or other offering of Bonds subscribed for as aforesaid, taking place in Malta; and
c) to any resale, placement or other offering of Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus.

There are no other conditions attached to the consent given by the Issuer hereby which are relevant for the use of the Prospectus.

All information on the Terms and Conditions of the Bonds which is offered to any prospective investor by Authorised Intermediaries is to be provided by such Authorised Intermediaries to the prospective investor prior to such investor subscribing to any Bonds. Any interested investor has the right to request that Authorised Intermediaries provide the investor with all and any information on the Prospectus, including the Terms and Conditions of the Bonds.

Neither the Issuer nor the Sponsor has any responsibility for any of the actions of any Authorised 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, placement or other offering of Bonds.

Other than as set out above, neither the Issuer nor the Sponsor 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 the Sponsor and neither the Issuer nor the Sponsor has any responsibility or liability for the actions of any person making such offers.

Prospective investors should enquire whether an intermediary is considered to be an Authorised Intermediary in terms of the Prospectus. If the prospective investor is in doubt as to whether it can rely on the Prospectus and/or who is responsible for its contents, the investor should obtain legal advice in that regard.

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, such information and/or representation must not be relied upon as having been authorised by the Issuer or Sponsor. 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 Intermediary subsequent to the Intermediaries' Offer, said Authorised Intermediary shall be responsible to provide information to prospective 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 Intermediary will be made in accordance with any terms and other arrangements in place between such Authorised 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 relative Authorised Intermediary at the time of such resale, placement or other offering to provide the prospective investor with that information and neither the Issuer nor the Sponsor has any responsibility or liability for such information.

Any Authorised Intermediary using the Prospectus in connection with a resale, placement or other offering of Bonds subsequent to the Intermediaries' Offer 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 or 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 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.mihplc.com.

5. KEY INFORMATION

5.1 Reasons for the Issue and use of proceeds

The proceeds from the Bond Issue, which net of Issue expenses are expected to amount to approximately €19,500,000, will be used by the Issuer for the redemption of the outstanding amount of the Maturing Bonds, which, as at the date of the Prospectus, amounted to €19,649,600.

Any shortfall will be financed by the Issuer from its general cash flow.

5.2 Estimated expenses and proceeds of the Issue

The Issue will involve expenses, including professional fees and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous costs incurred in connection with this Bond Issue. Such expenses are estimated not to exceed €500,000 and shall be borne by the Issuer. No expenses will be specifically charged to any Bondholder who subscribes for the Bonds. The amount of the expenses will be deducted from the proceeds of the Issue, which, accordingly, will bring the estimated net proceeds from the Bond Issue to €19,500,000. There is no particular order of priority with respect to such expenses.

5.3 Issue statistics

"Amount":	€20,000,000;
"Application Forms 'A', 'B' and 'C' made available":	3 July 2015;
"Bond Issue Price":	at par (€100 per Bond);
"Closing date for Applications to be received from Maturing Bondholders and holders of Existing MIH Bonds, Existing Corinthia Finance Bonds and Existing IHI Bonds as at the Cut-off Date":	17 July 2015 at 1200 hours;
"Denomination":	€100 per Bond;
"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;

"Governing law and jurisdiction":	the Prospectus and the Bonds are governed by and shall be construed in accordance with Maltese law. The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Prospectus and/or the Bonds;
"Interest":	the Bonds shall bear interest from and including 31 July 2015 at the rate of 5.5% per annum payable annually in arrears on the Interest Payment Date;
"Interest Payment Date":	annually on 31 July between and including each of the years 2016 and 2020, as from 1 August 2016 (such first interest payment is being moved by a day so as to fall on a Business Day);
"Intermediaries' Offer":	in the event that following the subscription of Bonds by Maturing Bondholders and/or by holders of Existing MIH Bonds as at the Cut-off Date and/or by holders of Existing Corinthia Finance Bonds as at the Cut-off Date and/or by holders of Existing IHI Bonds as at the Cut-off Date, as the case may be, there remain Bonds which are unallocated, such Bonds shall form part of an Intermediaries' Offer as set out in sub-section 6.4 of this Securities Note. Furthermore, in the event that the aggregate of the subscription agreements received from Authorised Intermediaries in terms of the Intermediaries' Offer is in excess of the balance of Bonds which have not been allocated to Maturing Bondholders and/or to holders of Existing MIH Bonds as at the Cut-off Date and/or to holders of Existing Corinthia Finance Bonds as at the Cut-off Date and/or to holders of Existing IHI Bonds as at the Cut-off Date, as the case may be, the Issuer (acting through the Registrar) shall scale down each subscription agreement received from Authorised Intermediaries in accordance with the allocation policy to be issued in terms of sub-section 6.6 of this Securities Note;
"ISIN":	MT0000371279;
"Issue":	Bonds having a nominal value of €100 each, which will be issued at par and shall bear interest at the rate of 5.5% per annum;
"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;
"Minimum amount per subscription":	minimum of €2,000 and multiples of €100 thereafter;
"Plan of distribution":	the Bonds are open for subscription by: Maturing Bondholders; holders of Existing MIH Bonds as at the Cut-off Date; holders of Existing Corinthia Finance Bonds as at the Cut-off Date; holders of Existing IHI Bonds as at the Cut-off Date; and Authorised Intermediaries pursuant to the Intermediaries' Offer in respect of any balance of the Bonds not subscribed to by Maturing Bondholders and/or by holders of Existing MIH Bonds as at the Cut-off Date and/or by holders of Existing Corinthia Finance Bonds as at the Cut-off Date and/or by holders of Existing IHI Bonds as at the Cut-off Date, as the case may be, as aforesaid;
"Preferred allocations":	(i) Maturing Bondholders applying for Bonds may elect to settle all or part of the amount due on the Bonds applied for by the transfer to the Issuer of Maturing Bonds at par value, subject to a minimum holding of €2,000 in Bonds and rounded upwards to the nearest €100. Any Maturing Bondholders whose holding in Maturing Bonds is less than €2,000 shall be required to pay the difference together with the submission of their Application Form A ("**Cash Top-Up**"). Maturing Bondholders electing to subscribe for Bonds through the transfer to the Issuer of all or part of the Maturing Bonds held by them as at the Cut-off Date ("**Maturing Bond Transfer**") shall be allocated Bonds for the corresponding nominal value of Maturing Bonds transferred to the Issuer (including Cash Top-Up, where applicable). The transfer of Maturing Bonds to the Issuer in consideration for the subscription for Bonds shall cause the obligations of the Issuer with respect to such Maturing Bonds to be extinguished, and shall give rise to obligations on the part of the Issuer under the Bonds. Bonds applied for by Maturing Bondholders by way of Maturing Bond Transfer as described above shall be allocated prior to any other allocation of Bonds; (ii) the balance of the Bonds not subscribed for by Maturing Bondholders limitedly by means of a Maturing Bond Transfer, if any, shall be made available for subscription to Maturing Bondholders in respect of any number of additional Bonds applied for other than by Maturing Bond Transfer exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-Off Date;

(iii) the balance of the Bonds not subscribed for (a) by Maturing Bondholders limitedly by means of a Maturing Bond Transfer or (b) by Maturing Bondholders in respect of any number of additional Bonds applied for other than by Maturing Bond Transfer exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-Off Date, if any, shall be made available for subscription to holders of Existing MIH Bonds as at the Cut-off Date; and

(iv) the balance of the Bonds not subscribed for (a) by Maturing Bondholders limitedly by means of a Maturing Bond Transfer or (b) by Maturing Bondholders in respect of any number of additional Bonds applied for other than by Maturing Bond Transfer exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-Off Date or (c) by holders of Existing MIH Bonds as at the Cut-off Date, if any, shall be made available for subscription (A) to holders of Existing Corinthia Finance Bonds as at the Cut-off Date and (B) to holders of Existing IHI Bonds as at the Cut-off Date;

"Redemption Date":	31 July 2020;
"Redemption Value":	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 outstanding and unsecured debt of the Issuer and the Guarantor, present and future;
"Subscription":	multiples of one hundred Euro (€100);
"Underwriting":	the Bond Issue will be fully underwritten. In terms of an agreement dated 25 June 2015 entered into between the Issuer and its respective shareholders – specifically, CPHCL which owns 50% of the share capital of the Issuer and NREC and LPTACC which together own the remaining 50% [as to 40% held by NREC and 10% held by LPTACC, which latter entity is a fully-owned subsidiary of NPHC, and which, in turn, is 98% owned by NREC] – (collectively the "**Underwriters**"), the Underwriters agreed that, in the event that the Bond Issue is not fully subscribed at the close of the Intermediaries' Offer, they shall purchase, severally each up to its own portion, all such Bonds remaining outstanding at the close of the Intermediaries' Offer up to the full amount of the Bond Issue at the Bond Issue Price.

5.4 Interest of natural and legal persons involved in the Issue

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

5.5 Expected timetable of principal events

1	Application Forms mailed to Maturing Bondholders and holders of Existing MIH Bonds, Existing Corinthia Finance Bonds and Existing IHI Bonds as at the Cut-off Date	2 July 2015
2	Closing of the Issue Period for Maturing Bondholders and holders of Existing MIH Bonds, Existing Corinthia Finance Bonds and Existing IHI Bonds as at the Cut-off Date	17 July 2015 (by 1200 hours)
3	Intermediaries Offer*	21 July 2015
4	Announcement of basis of acceptance	24 July 2015
5	Dispatch of allotment advices and refunds (if any)	31 July 2015
6	Issue date of the Bonds and commencement of interest	31 July 2015
7	Expected date of admission of the Bonds to listing	7 August 2015
8	Expected date of commencement of trading in the Bonds	10 August 2015

** In the event that the total amount of Applications received from Maturing Bondholders and/or holders of Existing MIH Bonds as at the Cut-off Date and/or holders of Existing Corinthia Finance Bonds as at the Cut-off Date and/or holders of Existing IHI Bonds as at the Cut-off Date, as the case may be, exceeds €20,000,000, the Intermediaries' Offer will not take place.*

6. INFORMATION CONCERNING THE BONDS

Each Bond shall be issued on the terms and conditions set out in this Securities Note and, by subscribing to or otherwise acquiring the Bonds, the Bondholders are deemed to have knowledge of all the terms and conditions of the Bonds hereafter described and to accept and be bound by the said terms and conditions.

6.1 General

6.1.1 Each Bond forms part of a duly authorised issue of 5.5% unsecured bonds 2020 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €20 million (except as otherwise provided under sub-section 6.18 "*Further Issues*" below). The Issue Date of the Bonds is 31 July 2015.

6.1.2 The currency of the Bonds is Euro (€).

6.1.3 The Bonds shall bear interest at the rate of 5.5% per annum payable annually in arrears on 31 July of each year, the first interest payment falling on 1 August 2016 (such first interest payment is being moved by a day so as to fall on a Business Day). 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.

6.1.4 Subject to admission to listing of the Bonds to the Official List, the Bonds are expected to be assigned ISIN: MT0000371279.

6.1.5 The Bonds are expected to be listed on the Official List on 7 August 2015 and dealing is expected to commence on 10 August 2015. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

6.1.6 All outstanding Bonds not previously purchased or cancelled shall be redeemed by the Issuer at par (together with interest accrued to the date fixed for redemption) on the Redemption Date.

6.1.7 Should any Application not be accepted, or be accepted for fewer Bonds than those applied for, the monies or the balance of the amount paid but not allocated will be returned by the Registrar without interest by direct credit into the Applicant's bank account as indicated by the Applicant in the Application Form within five (5) Business Days from the date of final allocation. Neither the Issuer nor the Registrar will be responsible for any charges, loss or delays in transmission of the refunds. In this regard, any monies returnable to Applicants may be retained pending clearance of the remittance or surrender of the Maturing Bonds, as the case may be, and any verification of identity as required by the Prevention of Money Laundering Act, 1994 (Chapter 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

6.1.8 There are no special rights attached to the Bonds other than the right of the Bondholders to payment of capital and interest (as detailed below) and in accordance with the ranking specified in sub-section 6.7 of this Securities Note.

6.1.9 Applications for subscriptions to the Bonds may be made through the Registrar or any of the Authorised Intermediaries during the Issue Period. If the Application Form(s) and proof of payment of cleared funds do not reach the Registrar and/or Authorised Intermediaries by the close of the Issue Period, the Application will be deemed to have been declined. The minimum subscription amount of Bonds that can be subscribed for by Applicants is €2,000, and in multiples of €100 thereafter.

6.1.10 The Issuer will determine and announce the allocation policy for the Bonds within five (5) Business Days of the closing of the Issue Period. The results of the offer, including the allocation policy, will be announced through a company announcement. It is expected that allotment letters will be dispatched to Bondholders within five (5) Business Days of the date of the announcement of the allocation policy.

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

6.1.12 The Bond Issue will be fully underwritten by the Issuer's shareholders. In terms of an agreement dated 25 June 2015 entered into between the Issuer and its respective shareholders – specifically, CPHCL which owns 50% of the share capital of the Issuer and NREC and LPTACC which together own the remaining 50% [as to 40% held by NREC and 10% held by LPTACC, which latter entity is a fully-owned subsidiary of NPHC, and which, in turn, is 98% owned by NREC] – (collectively the "Underwriters"), the Underwriters agreed that, in the event that the Bond Issue is not fully subscribed at the close of the Intermediaries' Offer, they shall purchase, severally each up to its own portion, all such Bonds remaining outstanding at the close of the Intermediaries' Offer up to the full amount of the Bond Issue at the Bond Issue Price.

6.2 Applications by Maturing Bondholders by surrendering their Maturing Bond

6.2.1 The consideration payable by Maturing Bondholders applying for Bonds may be settled, after submitting the appropriate pre-printed Application Form A, by the transfer to the Issuer of all or part of the Maturing Bonds held by such Applicant as at the Cut-off Date, subject to a minimum application of €2,000 and rounded upwards to the nearest €100, which transfer shall be effected at the par value of the Maturing Bonds. Any Maturing Bondholders whose holding in Maturing Bonds is less than €2,000 shall be required to pay the difference together with the submission of their Application Form A.

Maturing Bondholders electing to subscribe for Bonds through Maturing Bond Transfer shall be allocated Bonds for the corresponding nominal value of Maturing Bonds transferred to the Issuer (including Cash Top-Up, where applicable). The transfer of Maturing Bonds to the Issuer in consideration for the subscription for Bonds shall cause the obligations of the Issuer with respect to such Maturing Bonds to be extinguished, and shall give rise to obligations on the part of the Issuer under the Bonds.

Bonds applied for by Maturing Bondholders by way of Maturing Bond Transfer shall be allocated prior to any other allocation of Bonds.

6.2.2 Maturing Bondholders shall have a guarantee in the allocation of Bonds solely with respect to that number of Bonds for which payment is being made by means of a Maturing Bond Transfer, subject to a Cash Top-Up as and if applicable.

In the event that Maturing Bondholders apply for additional Bonds other than by Maturing Bond Transfer, no guarantee of allocation shall arise with respect to the excess Bonds applied for but such excess Bonds shall, prior to applications by holders of Existing MIH Bonds as at the Cut-off Date and/or by holders of Existing Corinthia Finance Bonds as at the Cut-off Date and/or by holders of Existing IHI Bonds as at the Cut-off Date, as the case may be, as set out in sub-section 6.3 below, be subject to such allocation policy as shall be determined by the Issuer.

A Maturing Bond Transfer shall be without prejudice to the rights of Maturing Bondholders to receive interest on the Maturing Bonds up to and including 3 August 2015.

The Issuer has not reserved any maximum amount of Bonds being issued for subscription by Maturing Bondholders electing to subscribe for Bonds through Maturing Bond Transfer, subject to the outstanding amount of the Maturing Bonds, which, as at the date of the Prospectus, amounted to €19,649,600, plus Cash Top-Ups but in any case not exceeding €20,000,000.

Holders of Maturing Bonds on the Cut-off Date who do not elect to avail themselves of the possibility to exchange their investment in terms of the procedure outlined herein shall receive all capital and accrued interest to date on 4 August 2015.

All Applications for the subscription of Bonds by Maturing Bondholders by means of Maturing Bond Transfer must be submitted on pre-printed Application Forms A to the Registrar or any Authorised Intermediary by 1200 hours of 17 July 2015.

6.2.3 Payment by Applicants of the Cash Top-Up referred to in sub-section 5.3 of this Securities Note shall be made in Euro and in cleared funds at the Bond Issue Price, in either cash or by cheque payable to "**The Registrar – MIH Bond Issue 2015**".

6.2.4 By submitting a signed pre-printed Application Form A indicating that the Maturing Bond Transfer is being selected as consideration for the Bonds being applied for, the Applicant is thereby confirming:

i. that all or part (as the case may be) of the Maturing Bonds held by the Applicant on the Cut-off Date are being transferred to the Issuer, together with the payment due in respect of any Cash Top-Up, as and if applicable;

ii. that the pre-printed Application Form A constitutes the Applicant's irrevocable mandate to the Issuer to:

   a. cause the transfer of the said Maturing Bonds in the Issuer's name in consideration of the issue of Bonds; and
   b. engage, at the Issuer's cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in the said Maturing Bonds in the Issuer and fully and effectively vest title in the appropriate number of Bonds in the Applicant;

iii. that in respect of the exercise of the option set out in sub-section 6.2.3 above, the Applicant's remittance representing the Cash Top-Up will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application, and furthermore the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the

Applicant makes payment in cleared funds and such consideration is accepted by the Issuer, acting through the Registrar (which acceptance shall be made in the Issuer's absolute discretion and may be on the basis that the Applicant indemnifies the Issuer against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation).

6.2.5 Where the Applicant is the holder of Maturing Bonds which as at the Cut-off Date are held subject to usufruct, the signatures of both the bare owner and the usufructuary will be required in the Application Form A.

6.3 Applications by other preferred applicants

6.3.1 The balance of the Bonds not subscribed for by Maturing Bondholders limitedly by means of a Maturing Bond Transfer as contemplated in sub-section 6.2 above, if any, shall be made available for subscription, *pari passu* without priority or preference between them, to Maturing Bondholders in respect of any number of additional Bonds applied for other than by Maturing Bond Transfer exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-Off Date.

All Applications for the subscription of Bonds by Maturing Bondholders in respect of any number of additional Bonds applied for other than by Maturing Bond Transfer must be submitted on pre-printed Application Forms A to the Registrar or any Authorised Intermediary by 1200 hours of 17 July 2015.

6.3.2 The balance of the Bonds not subscribed for (a) by Maturing Bondholders limitedly by means of a Maturing Bond Transfer as contemplated in sub-section 6.2 above or (b) by Maturing Bondholders in respect of any number of additional Bonds applied for other than by Maturing Bond Transfer exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-Off Date as contemplated in sub-section 6.3.1 above, if any, shall be made available for subscription, *pari passu* without priority or preference between them, to holders of Existing MIH Bonds as at the Cut-off Date.

All Applications for the subscription of Bonds by holders of Existing MIH Bonds as at the Cut-off Date must be submitted on pre-printed Application Forms B to the Registrar or any Authorised Intermediary by 1200 hours of 17 July 2015.

6.3.3 The balance of the Bonds not subscribed for (a) by Maturing Bondholders limitedly by means of a Maturing Bond Transfer as contemplated in sub-section 6.2 above or (b) by Maturing Bondholders in respect of any number of additional Bonds applied for other than by Maturing Bond Transfer exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-Off Date as contemplated in sub-section 6.3.1 above or (c) by holders of Existing MIH Bonds as at the Cut-off Date as contemplated in sub-section 6.3.2 above, if any, shall be made available for subscription, *pari passu* without priority or preference between them, to holders of Existing Corinthia Finance Bonds as at the Cut-off Date and/or holders of Existing IHI Bonds as at the Cut-off Date, as the case may be.

All Applications for the subscription of Bonds by holders of Existing Corinthia Finance Bonds as at the Cut-off Date and/or by holders of Existing IHI Bonds as at the Cut-off Date, as the case may be, must be submitted on pre-printed Application Forms C to the Registrar or any Authorised Intermediary by 1200 hours of 17 July 2015.

6.4 Intermediaries' Offer

Any balance of the Bonds not subscribed to by Maturing Bondholders and/or by holders of Existing MIH Bonds as at the Cut-off Date and/or by holders of Existing Corinthia Finance Bonds as at the Cut-off Date and/or by holders of Existing IHI Bonds as at the Cut-off Date, as the case may be, shall be offered for subscription to Authorised Intermediaries. Any Application received during the Intermediaries' Offer shall be subject to the same terms and conditions as those applicable to applications by Maturing Bondholders and/or by holders of Existing MIH Bonds as at the Cut-off Date and/or by holders of Existing Corinthia Finance Bonds as at the Cut-off Date and/or by holders of Existing IHI Bonds as at the Cut-off Date.

In this regard, the Issuer may enter into conditional subscription agreements with a number of Authorised Intermediaries for the subscription of Bonds, whereby it will bind itself to allocate Bonds to such investors during the Intermediaries' Offer, if any, provided that following the subscription of Bonds by Maturing Bondholders and/or by holders of Existing MIH Bonds as at the Cut-off Date and/or by holders of Existing Corinthia Finance Bonds as at the Cut-off Date and/or by holders of Existing IHI Bonds as at the Cut-off Date, as the case may be, there remain Bonds which are unallocated.

In terms of each subscription agreement entered into with an Authorised Intermediary, the Issuer will be conditionally bound to issue, and each Authorised Intermediary will bind itself to subscribe for, a number of Bonds subject to being admitted to trading on the Official List. The subscription agreements will become binding on each of the Issuer and the respective Authorised Intermediaries upon delivery, provided that these intermediaries would have paid to the Issuer all subscription proceeds in cleared funds on delivery of the subscription agreement.

Authorised Intermediaries 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 distribute any portion of the Bonds subscribed for upon commencement of trading.

6.5 Plan of distribution and allotment

Applications for subscription to the Bonds may be made through the Registrar or any of the Authorised Intermediaries. The Bonds are open for subscription by: Maturing Bondholders up to the amount of Maturing Bonds held and subject to any Cash Top-Up as and if applicable; Maturing Bondholders in respect of any number of additional Bonds applied for other than by Maturing Bond Transfer exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-Off Date; holders of Existing MIH Bonds as at the Cut-off Date; holders of Existing Corinthia Finance Bonds as at the Cut-off Date; holders of Existing IHI Bonds as at the Cut-off Date; and Authorised Intermediaries through an Intermediaries' Offer in respect of any balance of the Bonds not subscribed to by Maturing Bondholders and/or by holders of Existing MIH Bonds as at the Cut-off Date and/or by holders of Existing Corinthia Finance Bonds as at the Cut-off Date and/or by holders of Existing IHI Bonds as at the Cut-off Date, as the case may be, as aforesaid.

It is expected that an allotment advice will be dispatched to Applicants within five (5) Business Days of the announcement of the allocation policy. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance or surrender of the Maturing Bonds, as the case may be, and any verification of identity as required by the Prevention of Money Laundering Act, 1994 (Chapter 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

Dealings in the Bonds shall not commence prior to admission to trading of the Bonds by the MSE or prior to the said notification.

6.6 Allocation Policy

The Issuer shall allocate the Bonds on the basis of the following policy and order of priority:

i. first to Maturing Bondholders up to the extent of their holdings of Maturing Bonds on the Cut-off Date to be utilised for the purposes of the payment of consideration of Bonds, rounded upwards to the nearest €100 and subject to the minimum holding of €2,000;

ii. the balance of the Bonds not subscribed for by Maturing Bondholders limitedly by means of a Maturing Bond Transfer, if any, shall be made available for subscription to Maturing Bondholders in respect of any additional Bonds applied for other than by Maturing Bond Transfer exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-Off Date, *pari passu* without priority or preference between them and in accordance with the allocation policy as determined by the Issuer;

iii. the balance of the Bonds not subscribed for (a) by Maturing Bondholders limitedly by means of a Maturing Bond Transfer or (b) by Maturing Bondholders in respect of any number of additional Bonds applied for other than by Maturing Bond Transfer exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-Off Date, if any, shall be made available for subscription to holders of Existing MIH Bonds as at the Cut-off Date, *pari passu* without priority or preference between them and in accordance with the allocation policy as determined by the Issuer;

iv. the balance of the Bonds not subscribed for (a) by Maturing Bondholders limitedly by means of a Maturing Bond Transfer or (b) by Maturing Bondholders in respect of any number of additional Bonds applied for other than by Maturing Bond Transfer exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-Off Date or (c) by holders of Existing MIH Bonds as at the Cut-off Date, if any, shall be made available for subscription to holders of Existing Corinthia Finance Bonds as at the Cut-off Date and to holders of Existing IHI Bonds as at the Cut-off Date, *pari passu* without priority or preference between them and in accordance with the allocation policy as determined by the Issuer; and

v. in the event that following the allocations made pursuant to paragraphs (i) to (iv) above there shall still remain unallocated Bonds, the Issuer shall offer such remaining Bonds to Authorised Intermediaries through an Intermediaries' Offer as detailed in sub-section 6.4 above. Applications received from Authorised Intermediaries through an Intermediaries' Offer, if any, shall be allocated without priority or preference and in accordance with the allocation policy as determined by the Issuer.

Accordingly, in the event that a Maturing Bondholder applies for additional Bonds other than by Maturing Bond Transfer, no guarantee shall be given with respect to the excess Bonds applied for but such excess Bonds shall, prior to applications by holders of Existing MIH Bonds as at the Cut-off Date and/or by holders of Existing Corinthia Finance Bonds as at the Cut-off Date and/or by holders of Existing IHI Bonds as at the Cut-off Date, as the case may be, as aforesaid, be subject to such allocation policy as shall be determined by the Issuer.

6.7 Status and ranking of the Bonds

The Bonds shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall be guaranteed in respect of both the interest and the principal amount due under said Bonds by the Guarantor, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other outstanding and unsecured debt of the Issuer and Guarantor, present and future. As at the date of this Securities Note, the Issuer does not have any subordinated indebtedness.

The following sets out a summary of the Group's indebtedness which as at 31 December 2014 amounted to €105.7 million (€117 million at 31 December 2013), and includes bank loans, corporate bonds and other borrowings from related companies. The bank borrowings listed below are secured by privileges and hypothecs, and therefore the indebtedness being created by the Bonds, together with the other issued bonds, ranks after all these bank borrowings. In addition, the Bonds would also rank after any future debts which may be secured by a cause of preference such as a privilege and/or a hypothec.

Further details on bank borrowings, including, *inter alia*, respective term, security and repayment schedule, are found in the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2014, which have been published on the Issuer's website (www.mihplc.com) and are available at its registered office during office hours.

MIH Group Borrowings & Bonds	**31 Dec'14 Actual €'000**	**31 Dec'13 Actual €'000**	**31 Dec'12 Actual €'000**
Bank Borrowings	33,475	40,944	48,961
Bonds	69,565	72,885	73,108
Shareholders' Loan	2,655	3,200	3,200
Total borrowings and bonds	**105,695**	**117,029**	**125,269**

6.8 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 shares in and 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 temporary bank loans or overdrafts in the ordinary course of business; (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 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 105.5% of the aggregate principal amount of the Bonds still outstanding;

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

6.9 Rights attaching to the Bonds

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

i. the payment of interest;
ii. the payment of capital;
iii. ranking with respect to other indebtedness of the Issuer in accordance with the provisions of sub-section 6.7 hereof;
iv. attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
v. enjoy all such other rights attached to the Bonds emanating from the Prospectus.

6.10 Interest

6.10.1 The Bonds shall bear interest from and including 31 July 2015 at the rate of 5.5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 1 August 2016 (such first interest payment is being moved by a day so as to fall on a Business Day). 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. In terms of article 2156 of the Civil Code (Chapter 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 (5) years.

6.10.2 When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a three hundred and sixty (360) day year consisting of twelve (12) months of thirty (30) days each, and in the case of an incomplete month, the number of days elapsed.

6.10.3 A Maturing Bond Transfer (as defined in section 6.2.1 above) shall be without prejudice to the rights of the holders of Maturing Bonds to receive interest on the Maturing Bonds up to and including 3 August 2015.

6.11 Yield

For Bonds issued at the Bond Issue Price, 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 5.5%.

6.12 Registration, form, denomination and title

6.12.1 Certificates will not be delivered to Bondholders in respect of the Bonds in virtue of the fact 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 by 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 MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of bondholders held at the CSD for the purpose of inspecting information held on their respective account.

6.12.2 The CSD will issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing his/her/its entitlement to Bonds held in the register kept by the CSD.

6.12.3 The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 provided that on subscription the Bonds will be issued for a minimum of €2,000 per individual Bondholder. Authorised Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client.

6.12.4 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*" in sub-section 6.17 of this Securities Note.

6.13 Pricing

The Bonds are being issued at par, that is, at €100 per Bond.

6.14 Payments

6.14.1 Payment of the principal amount of the Bonds 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 (7) days of the Redemption Date. The Issuer shall not be responsible for any charges, 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 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.

6.14.2 Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business fifteen (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, which is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven (7) days of the Interest Payment Date. The Issuer shall not be responsible for any charges, loss or delay in transmission.

6.14.3 All payments with respect to the Bonds are subject in all cases to any pledge (duly constituted) and to any applicable fiscal or other laws and regulations prevailing in Malta. In particular, but without limitation, all payments of principal and interest by or on behalf of 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, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein having power to tax.

6.14.4 No commissions or expenses shall be charged by the Issuer to the Bondholders in respect of payments made in accordance with this sub-section 6.14. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.

6.15 Redemption and purchase

6.15.1 Unless previously purchased and cancelled, the Issuer hereby irrevocably covenants in favour of each Bondholder that the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 31 July 2020. In such a case the Issuer shall be discharged of any and all payment obligations under the Bonds upon payment made net of any withholding or other taxes due or which may be due under Maltese law and which is payable by the Bondholders.

6.15.2 Subject to the provisions of this sub-section 6.15, 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.

6.15.3 All Bonds so redeemed or purchased will be cancelled forthwith and may not be re-issued or re-sold.

6.16 Events of Default

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

i. the Issuer and/or the Guarantor, as the case may be, shall fail to pay any interest on any Bond when due and such failure shall continue for thirty (30) days after written notice thereof shall have been given to the Issuer and/or the Guarantor, as the case may be, by any Bondholder; or

ii. 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 sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or

iii. 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

iv. 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

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

vi. 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 made for the payment of money in excess of five million Euro (€5,000,000) or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; or

vii. any default occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness (as defined in sub-section 6.8 above) of the Issuer in excess of five million Euro (€5,000,000) or its equivalent at any time.

6.17 Transferability of the Bonds

6.17.1 The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole (in multiples of €100) in accordance with the rules and regulations of the MSE applicable from time to time.

6.17.2 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.

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

6.17.4 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 Bondholder.

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

6.18 Further Issues

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further debentures, debenture stock, bonds, loan notes, or any other debt securities, either having the same terms and conditions as any outstanding debt securities of any series (including the Bonds) and so that such further issue shall be consolidated and form a single series with the outstanding debt securities of the relevant series (including the Bonds), or upon such terms as the Issuer may determine at the time of their issue.

6.19 Meetings of Bondholders

6.19.1 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.

6.19.2 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 thirty (30) days preceding the date scheduled for the meeting, not less than fourteen (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 sub-section 6.19 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.

6.19.3 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, may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.

6.19.4 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 (2) 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 thirty (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 Bondholders present at that meeting. The Issuer shall within two (2) 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 (7) days, and not later than fifteen (15) days, following the original meeting. At an adjourned meeting the number of Bondholders present at the commencement of the meeting, 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.

6.19.5 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.

6.19.6 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 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.

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

6.19.8 The proposal placed before a meeting of Bondholders shall only be considered approved if at least sixty-five per cent (65%) 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.

6.19.9 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.

6.20 Authorisations and approvals

The Directors authorised the Bond Issue and the publication of the Prospectus pursuant to a board of directors' resolution passed on 21 June 2015. The guarantee being given by the Guarantor in respect of the Bonds has been authorised by a resolution of the board of directors of CPHCL dated 24 June 2015.

6.21 Admission to trading

6.21.1 The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 1 July 2015.

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

6.21.3 The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 7 August 2015 and trading is expected to commence on 10 August 2015. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

6.22 Representations and warranties

6.22.1 The Issuer represents and warrants to Bondholders, that shall be entitled to rely on such representations and warranties, that:

i. it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business as it is now being conducted and to hold its property and other assets under legal title; and

ii. it has the power to execute, deliver and perform its obligations under the Prospectus and that all necessary corporate, shareholder and other actions have been duly taken to authorise the execution, delivery and performance of the same, and further that no limitation on its power to borrow or guarantee shall be exceeded as a result of the Terms and Conditions or the Prospectus.

6.22.2 The Prospectus contains all relevant material information with respect to the Issuer and the Guarantor and all information contained in the Prospectus is in every material respect true and accurate and not misleading, and there are no other facts in relation to the Issuer and/or the Guarantor, their respective businesses and financial position, the omission of which would, in the context of issue of the Bonds, make any statement in the Prospectus misleading or inaccurate in any material respect.

6.23 Bonds held jointly

In respect of any Bonds held jointly by several persons (including husband and wife), the joint holders shall nominate one (1) 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 the 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. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.

6.24 Bonds held subject to usufruct

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-a-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, and shall not be entitled to the repayment of principal on the Bond (which shall be due to the bare owner).

6.25 Governing law and jurisdiction

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

6.25.2 Any legal action, suit or proceedings against the Issuer arising out of or in connection with the Bonds and/or the Prospectus shall be brought exclusively before the Maltese courts.

6.26 Notices

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 Bondholder at his/her/its registered address and posted.

7. TAXATION

7.1 General

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 the Bonds and to Bondholders 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.

7.2 Malta tax 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 (Chapter 123 of the 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 said Income Tax Act. 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 if paid net of tax. No person shall be charged to further tax in respect of such income and the tax deducted shall not be available as a credit against the recipient's tax liability or available as a refund.

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 Malta Commissioner of 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.

7.3 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.

7.4 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.

7.5 Duty on documents and transfers

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

8. TERMS AND CONDITIONS OF THE BOND ISSUE

8.1 The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List. In the event that the Bonds are not admitted to the Official List, no Maturing Bond Transfers (see section 6.2.1 above) shall take effect, and any Application monies received by the Issuer will be returned without interest by direct credit into the Applicant's bank account indicated by the Applicant on the relative Application Form.

8.2 In view of the fact that the proceeds of the Bond Issue are intended to be applied to the redemption of the outstanding amount of the Maturing Bonds, the Issuer has not established an aggregate minimum subscription level for the Bond Issue. 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.

8.3 The contract created by the Issuer's acceptance of an Application filed by a prospective bondholder shall be subject to all the terms and conditions set out in this Securities Note and the Memorandum and Articles of Association of the Issuer.

8.4 Any person, whether natural or legal, shall be eligible to submit an Application and any one (1) person, whether directly or indirectly, should not submit more than one (1) Application Form. If an 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 duly 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 representative 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 Issuer and the Registrar, but it shall not be the duty or responsibility of the Registrar or Issuer to ascertain that such representative is duly authorised to appear on the Application Form.

8.5 In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each of the joint Applicants, and liability therefor is joint and several.

8.6 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 eighteen (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 eighteen (18) years.

8.7 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.

8.8 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.

8.9 It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself/itself 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.

8.10 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. In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each Applicant, and liability therefor is joint and several.

8.11 Save where the context requires otherwise, terms defined in the Prospectus bear the same meaning when used in these Terms and Conditions, in the Application Forms, in any of the Annexes and in any other document issued pursuant to the Prospectus.

8.12 The Issuer has not sought assessment of the Bonds by any independent credit rating agency.

8.13 Subject to all other terms and conditions set out in the Prospectus, the Issuer reserves the right to revoke the Issue at any time before the closing of the Issue Period. The circumstances in which such revocation might occur are expected to be exceptional, for example where a significant change in market conditions occurs.

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

8.15 For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations, 2008, as amended from time to time, all appointed Authorised 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 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 (Chapter 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.

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

i. 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;

ii. 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;

iii. authorises the Registrar and the Directors to include his/her/its name or, in the case of joint Applications the first named Applicant, in the register of debentures of the Issuer in respect of the Bonds allocated to such Applicant and further 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 (Chapter 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/it 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;

iv. 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;

v. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her/its remittance or surrender of the Maturing Bonds, as the case may be, and any verification of identity as required by the Prevention of Money Laundering Act (Chapter 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;

vi. 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;

vii. 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/its 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/its Application;

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

ix. 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) and that he/she/it is not 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, unless indicated otherwise on the Application Form in accordance with the instructions on the Application Form;

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

xi. agrees that all documents in connection with the issue of the Bonds and any returned monies, including refunds of all unapplied Application monies, will be sent at the Applicant's own risk and may be sent, in the case of documents, 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 and in the case of monies by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form;

xii. 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;

xiii. irrevocably offers to purchase the number of Bonds specified in his/her/its Application Form (or any smaller number for which the Application is accepted) at the Bond Issue Price subject to the Prospectus, the terms and conditions thereof and the Memorandum and Articles of Association of the Issuer;

xiv. warrants that his/her/its remittance will be honoured on first presentation and agrees that if such remittance is not so honoured he/she/it will not be entitled to receive a registration advice, or to be registered in the register of debentures or to enjoy or receive any rights in respect of such Bonds unless and until payment in cleared funds for such Bonds is received and accepted by the Issuer and/or the Registrar (which acceptance shall be made in the absolute discretion of the Issuer and/or the Registrar and may be on the basis that the Issuer and/or the Registrar is indemnified against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of such remittance to be honoured on first presentation) and that, at any time prior to unconditional acceptance by the Issuer and/or the Registrar of such late payment in respect of such Bonds, the Issuer and/or the Registrar may (without prejudice to other rights) treat the agreement to allocate such Bonds as void and may allocate such Bonds to some other person, in which case the Applicant will not be entitled to any refund or payment in respect of such Bonds (other than return of such late payment);

xv. agrees that all Applications, acceptances of applications and contracts resulting therefrom will be governed by, and construed in accordance with, Maltese law and that he/she/is submits to the exclusive jurisdiction of the Maltese Courts and agrees that nothing shall limit the right of the Issuer to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of applications and contracts in any other manner permitted by law in any court of competent jurisdiction;

xvi. warrants that if he/she signs the Application Form on behalf of another party or on behalf of a corporation or corporate entity or association of persons, he/she has due authority to do so and such person, corporation, corporate entity or association of persons will also be bound accordingly, and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions;

xvii. warrants that he/she is not under the age of eighteen (18) years or if he/she is lodging an Application in the name and for the benefit of a minor, warrants that he/she is the parents or legal guardian/s of the minor;

xviii. confirms that, in the case of a joint Application entered into in joint names, the first named Applicant shall be deemed the holder of the Bonds; and

xix. agrees that, in all cases, any refund of unallocated Application monies will be sent to the Applicant by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form. No interest shall be due on refunds. The Issuer shall not be responsible for any changes, loss or delay in transmission.

9. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or certified copies thereof, where applicable, are available for inspection at the registered office of the Issuer at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta during the term of the Bond Issue during office hours:

i. the Memorandum and Articles of Association of the Issuer;
ii. the Memorandum and Articles of Association of CPHCL;
iii. the audited consolidated financial statements of the Issuer for the years ended 31 December 2012, 2013 and 2014;
iv. the audited financial statements of PCL for the years ended 31 December 2012, 2013 and 2014;
v. the audited financial statements of PWL for the period ended 31 December 2014;
vi. the audited consolidated financial statements of CPHCL for the years ended 31 December 2012, 2013 and 2014;
vii. the letter of confirmation drawn up by Grant Thornton dated 24 June 2015.

The documents listed in (i) and (iii) above are also available for inspection in electronic form on the Issuer's website www.mihplc.com

ANNEX A – GUARANTEE - CORINTHIA PALACE HOTEL COMPANY LIMITED (“CPHCL”)

CORINTHIA GROUP

To All Bondholders:

Reference is made to the issue of €20,000,000 5.5% unsecured bonds due 2020 (the “**Bonds**”) by Mediterranean Investments Holding p.l.c. (the “**Issuer”**) pursuant to and subject to the terms and conditions contained in a Prospectus to be dated 1 July 2015 (the “**Prospectus**”).

Now, therefore, by virtue of this Guarantee CPHCL hereby stands surety with the Issuer and irrevocably and unconditionally undertakes to effect the due and punctual performance of all the payment obligations undertaken by the Issuer under the Bonds if the Issuer fails to do so and, without prejudice to the generality of the foregoing, undertakes to pay on an on-going basis, interest which may become due and payable during the term of the Bonds and the principal amount of the Bonds on the Redemption Date should the Issuer default in paying the Bondholders under the Bonds.

All words and expressions used in this Guarantee in their capitalised form shall, unless the context otherwise requires, have the same meaning assigned to them in the Prospectus.

Signed and executed on this the 24 June 2015, after approval of the board of directors of CPHCL.

NATURE, SCOPE AND TERMS OF THE GUARANTEE

1. Nature of the Guarantee

The offering of Bonds that will be made by the Issuer pursuant to the Prospectus will be made with the benefit of this corporate guarantee.

2. Scope of the Guarantee

The Guarantee is unconditional and shall cover all payments that may be due to Bondholders pursuant to the Prospectus.

3. Information about the Guarantor

All relevant information about CPHCL as required in terms of applicable law may be found in the Registration Document forming part of the Prospectus.

4. Terms of the Guarantee

4.1 Guarantee

For the purposes of the Guarantee, CPHCL irrevocably and unconditionally undertakes to each Bondholder that if for any reason the Issuer fails to pay any sum payable by it to such Bondholder pursuant to the terms of the Bonds detailed in the Securities Note as and when the same shall become due, CPHCL will pay to such Bondholder on demand the amount payable by the Issuer to such Bondholder. Such payment shall be made in the currency in force in Malta at the time the payment falls due.

4.2 Continuing obligations

The obligations under this Guarantee being given by CPHCL are continuing obligations and will remain in full force and effect until no sum remains payable to any Bondholder pursuant to the issue of the Bonds.

CORINTHIA PALACE HOTEL COMPANY LIMITED
22 Europa Centre • Floriana FRN 1400 • Malta
tel (356) 21233141 • fax (356) 21234219 • e-mail: group@corinthia.com • web site: www.corinthiacorporate.com
Corinthia Palace Hotel Company Ltd. - Reg No. C 257

4.3 *Repayment to the Issuer*

If any payment received by a Bondholder is, on subsequent liquidation or insolvency of the Issuer, avoided under any laws relating to liquidation or insolvency, such payment will not be considered as having discharged or diminished the liability of CPHCL, and this Guarantee will continue to apply as if such payment had at all times remained owing by the Issuer.

4.4 *Indemnity*

As a separate and alternative stipulation, CPHCL unconditionally and irrevocably agrees that any sum expressed to be payable by the Issuer pursuant to the terms of the Bonds but which is for any reason (whether or not now known or becoming known to the Issuer, CPHCL or any Bondholder) not recoverable from CPHCL, will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Bondholder on demand. This indemnity constitutes a separate and independent obligation from the other obligations in this Guarantee, gives rise to a separate and independent obligation from the other obligations in this Guarantee and gives rise to a separate and independent cause of action.

4.5 *Status of Guarantee*

The obligation of CPHCL under this Guarantee constitutes a general, direct, unconditional and unsecured obligation of CPHCL and ranks equally with all other existing and future unsecured obligations of CPHCL, if any, except for any debts for the time being preferred by law.

4.6 *Power to execute*

CPHCL hereby warrants and represents to each Bondholder that it has all corporate power, and has taken all necessary corporate or other steps, to enable it to execute, deliver and perform this Guarantee, and that this Guarantee constitutes the legal, valid and binding obligations of CPHCL.

4.7 *Deposit and production of the Guarantee*

The instrument creating this Guarantee shall be deposited with and held by the Issuer at its registered address. Until such time as all obligations of CPHCL hereunder have been discharged in full, every Bondholder shall have the right to obtain a copy thereof.

4.8 *Subrogation*

Until all amounts which may be payable under the terms of the Bonds have been irrevocably paid in full, CPHCL shall not by virtue of this Guarantee be subrogated to any rights of any Bondholder or claim in competition with the Bondholders against the Issuer.

4.9 *Governing law and jurisdiction*

This Guarantee is governed by and shall be construed in accordance with Maltese law, and any disputes which may arise out of or in connection with this Guarantee are to be settled exclusively by the Courts of Malta.

Alfred Pisani	**Joseph Pisani**
Chairman	Director

ANNEX B – LIST OF AUTHORISED INTERMEDIARIES

NAME	ADDRESS	TELEPHONE
APS Bank Ltd Birkirkara BKR 4012	APS Centre, Tower Road,	2560 3000
Bank of Valletta p.l.c.	BOV Centre, Cannon Road, St Venera SVR 9030	2275 1732
Calamatta Cuschieri & Co Ltd	Fifth Floor, Valletta Buildings, South Street, Valletta VLT 1103	2568 8688
Charts Investment Management Service Ltd	Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913	2122 4106
Crystal Finance Investments Ltd	10, First Floor, City Gate, Valletta VLT 1010	2122 6190
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	2134 7331
Financial Planning Services Ltd	4, Marina Court No. 1, G. Calì Street, Ta' Xbiex XBX 1421	2134 4244
FINCO Treasury Management Ltd	Level 5, The Mall Complex, The Mall, Floriana FRN 1470	2122 0002
GlobalCapital Financial Management Ltd	Testaferrata Street, Ta'Xbiex XBX 1403	2134 2342
Growth Investments Ltd	Customer Service Centre, Pjazza Papa Giovanni XXIII, Floriana FRN 1420	2590 9357
Hogg Capital Investments Ltd	Ferris Building, Level 4, 1, St Luke's Road, Gwardamangia, Pieta PTA 1020	2132 2872
HSBC Bank Malta p.l.c.	116, Archbishop Street, Valletta VLT 1444	2380 2381
Jesmond Mizzi Financial Advisors Ltd	1/2 St. Joseph High Street, Hamrun HMR 1019	2326 5686
Lombard Bank Malta p.l.c.	67, Republic Street, Valletta VLT 1117	2558 1806
Mediterranean Bank p.l.c.	10, St Barbara Bastion, Valletta VLT 1961	2557 4400
Mercieca Financial Investment Services Ltd	Mercieca, John F. Kennedy Square, Victoria, Gozo VCT 2580	2155 3892
MFSP Financial Management Ltd	220, Immaculate Conception Street, Msida MSD 1838	21332 200
Michael Grech Financial Investment Services Ltd	The Brokerage, Level 0 A, St Marta Street, Victoria, Gozo VCT 2550	2155 4492
MZ Investment Services Ltd	55, MZ House, St Rita Street, Rabat RBT 1523	2145 3739
Rizzo, Farrugia & Co. (Stockbrokers) Ltd	Airways House, Third Floor, High Street, Sliema SLM 1549	2258 3000

ANNEX C – SPECIMEN APPLICATION FORMS

Mediterranean Investments Holding p.l.c.

Mediterranean Investments Holding p.l.c
€20,000,000 5.5% Unsecured Bonds 2020
Guaranteed by Corinthia Palace Hotel Company Limited
APPLICATION FORM "A"

Please read the notes overleaf before completing this Application Form. **Mark 'X' if applicable.**

A APPLICANT *(See notes 2 to 4)*

TEL. NO.	MOBILE NO.

This Application Form is not transferable and entitles you to a preferential treatment as holder of Mediterranean Investments Holding p.l.c. 7.5% Bonds 2015 (the "**Maturing Bonds**") and is to be submitted as a method of payment where the Applicant selects to apply for the Mediterranean Investments Holding p.l.c. 5.5% Unsecured Bonds 2020 guaranteed by Corinthia Palace Hotel Co. Ltd. (the "**Bonds**") so as to transfer to the Issuer all or part of the holding in Maturing Bonds held by the Applicant as at the Cut-Off Date, the nominal value of which is set out in Box 1 of Panel B hereunder. By submitting this signed Application Form, the Applicant is thereby confirming that:

a. all or part (as the case may be) of the Maturing Bonds held by the Applicant as at the Cut-Off Date are being transferred to the Issuer as a form of payment at their nominal value, thereby releasing the Issuer from all and any obligations with respect to such Maturing Bonds; and
b. this Application Form constitutes the Applicant's irrevocable mandate to the Issuer to cause the transfer of the Maturing Bonds in the Issuer's name in consideration of the issue of the Bonds

B

BOX 1 - Nominal Value of the Maturing Bonds.

AMOUNT IN FIGURES **Box 1**
€

BOX 2 - I/We wish to purchase and acquire the amount set out in Box 2 in Bonds at the Bond Issue Price (at par) pursuant to the Prospectus dated 1 July 2015 (minimum €2,000 and in multiples of €100 thereafter).

AMOUNT IN WORDS

AMOUNT IN FIGURES **Box 2**
€

BOX 3 - Amount of Bonds applied for less the nominal holding in Maturing Bonds payable in full upon application under the Terms and Conditions set out in the Prospectus.

AMOUNT IN FIGURES **Box 3**
Difference payable on Application
Box 2 - Box 1
€

C RESIDENT - WITHHOLDING TAX DECLARATION *(See note 7)*

(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).

D NON-RESIDENT - DECLARATION FOR TAX PURPOSES *(See note 8)*

(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.

E INTEREST, REFUND & REDEMPTION MANDATE *(See note 9)*

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)
(Bare owner/s and usufructuary/ies to sign in the case of holdings of Maturing Bonds that are subject to usufruct)

AUTHORISED INTERMEDIARY'S STAMP	*AUTHORISED INTERMEDIARY'S CODE*	*APPLICATION NUMBER*

ANNEX C – SPECIMEN APPLICATION FORMS

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 1 July 2015 regulating the Bond Issue

1. This Application is governed by the Terms and Conditions of Application contained in Section 8 of the Securities Note dated 1 July 2015 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. This Application Form is to be completed in BLOCK LETTERS.

3. Applicants who are Non-Residents in Malta for tax purposes must complete Panel D overleaf.

4. The MSE account number pertaining to the Applicant has been pre-printed in Panel A and reflects the MSE account number on the Issuer's Register at the CSD as at 25th June 2015 (trading session of the 23rd June 2015). **APPLICANTS ARE TO NOTE THAT ANY BONDS ALLOTTED TO THEM WILL BE RECORED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THE APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF.**

5. In the case where a holder of Maturing Bonds is a body corporate, Application Forms must be signed by duly authorised representative/s indicating the capacity in which they are signing.

6. The amount set out in Box 2 of Panel B overleaf must be in multiples of €100. The Issuer will be giving preference to Applications made by holders of Maturing Bonds up to their full amount held as at the Cut-Off Date, subject to a minimum application of €2,000.

   Where the Applicant wishes to acquire a number of Bonds having an aggregate value which exceeds the nominal value of the number of Maturing Bonds set out in Box 1 of Panel B, the Applicant may do so by including such higher amount in Box 2 in Panel B. In such case, the Applicant must ensure that the relative Application Form is accompanied by payment of the difference between the full price of the amount of Bonds applied for and the nominal value of Maturing Bonds being transferred. Payment of the amount representing such difference, which is to be inserted in Box 3 of Panel B overleaf, **must be made in Euro in cleared funds to "The Registrar - MIH Bond Issue 2015".** In the event that the cheque accompanying an Application Form is not honoured on the first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application.

7. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as residents in Malta. In such a case, the Applicant may elect to have Final Witholding 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 will then be obliged to declare interest so received in the tax return. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a Prescribed Fund will have final withholding tax (currently 10%) deducted from interest payments.

   In terms of Section 7.2 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 15%) of the gross amount of interest, pursuant to Article 33 of the Income Tax Act (Cap. 123 of the Laws of Malta).

8. European Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the"**Directive**") requires all payors 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 address is in an EU Member State or in another country to which the Directive applies (called a "specified territory") then the interest paid will be reported.

   The contents of Notes 7 and 8 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisors in case of doubt.

9. Should any Application not be accepted, or be accepted for fewer Bonds than those applied for, the monies of 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 E. Interest or redemption proceeds will be credited to the account designated in Panel E or as otherwise amended by the Bondholder/s during the term of the Bond.

10. Completed Application Forms are to be delivered to any of the Authorised Intermediaries listed in Annex B of the Securities Note during normal office hours by not later than 12:00 on 17th July 2015. 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 closing date indicated above. 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 12:00 on 17th July 2015 will be rejected.

11. By completing and delivering an Application Form you (as the Applicant/s) acknowledge that:
    a. the Issuer may process the personal data that you may provide in the Application Form in accordance with the Data Protection Act 2001(Cap. 440 of the Laws of Malta);
    b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
    c. 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 Bonds on offer will be repayable in full upon redemption. An investor should consult an independent financial advisor, licensed under the Investments Services Act (Cap. 370 of the Laws of Malta), for advice.

ANNEX C – SPECIMEN APPLICATION FORMS

Mediterranean Investments Holding p.l.c.

Mediterranean Investments Holding p.l.c
€20,000,000 5.5% Unsecured Bonds 2020
Guaranteed by Corinthia Palace Hotel Company Limited
APPLICATION FORM "B"

Please read the notes overleaf before completing this Application Form. **Mark 'X' if applicable.**

A APPLICANT *(see notes 2 to 4)*

E-MAIL ADDRESS	TEL. NO.	MOBILE NO.

This Application Form is not transferable and entitles you to subscribe for Mediterranean Investments Holding p.l.c. 5.5% Unsecured Bonds 2020 guaranteed by Corinthia Palace Hotel Co. Ltd. as holder of either the Mediterranean Investments Holding p.l.c. 7.15% bonds 2015-2017 or the Mediterranean Investments Holding p.l.c. 6% bonds 2021 (collectively the "Existing MIH Bonds").

B I/WE APPLY TO PURCHASE AND ACQUIRE *(see notes 6 and 7)*

AMOUNT IN FIGURES	AMOUNT IN WORDS
€	

Mediterranean Investments Holding p.l.c. 5.5% Unsecured Bonds 2020 guaranteed by Corinthia Palace Hotel Co. Ltd (minimum €2,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 1 July 2015, (the "Prospectus"), payable in full upon application under the Terms and Conditions as defined in the said Prospectus.

C RESIDENT - WITHHOLDING TAX DECLARATION *(See note 8)* (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).

D NON-RESIDENT - DECLARATION FOR TAX PURPOSES *(See note 9* (to be completed ONLY if the Applicant is a Non-Resident)

TAX COUNTRY	TOWN OF BIRTH
T.I.N. (Tax Identification Number)	COUNTRY OF BIRTH
PASSPORT/NATIONAL I.D. CARD NUMBER	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.

E INTEREST, REFUND & REDEMPTION MANDATE *(See note 10)* Completion of this Panel is **MANDATORY**

BANK	IBAN

F 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)
(Bare owner/s and usufructuary/ies to sign in the case of holdings of Maturing Bonds that are subject to usufruct)

AUTHORISED INTERMEDIARY'S STAMP	*AUTHORISED INTERMEDIARY'S CODE*	*APPLICATION NUMBER*

ANNEX C – SPECIMEN APPLICATION FORMS

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 1 July 2015 regulating the Bond Issue.

1. This Application is governed by the Terms and Conditions of Application contained in Section 8 of the Securities Note dated 1 July 2015 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the same meaning as that assigned to them in the Porspectus.

2. This Application Form is to be completed in BLOCK LETTERS.

3. Applicants who are Non-Resident in Malta for tax purposes, must complete Panel D Overleaf.

4. The MSE account number pertaining to the Applicant has been preprinted in Panel A and reflects the MSE account number on the Issuer's Register at the CSD as at 25th June 2015 (trading session of the 23rd June 2015). **APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT NUMBER QUOTED ON THE APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF.**

5. In the case of a body corporate, Application Form must be signed by duly authorised representative/s indicating the capacity in which they are signing.

6. Applications must be for a minimum of €2,000 and thereafter in multiples of €100.

7. Payment in Euro **must be made in cleared funds to 'The Registrar - MIH Bond Issue 2015'**. In the event that the cheque accompanying an Application Form is not honoured on the first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application.

8. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as residents in Malta. In such a case, the Applicant may elect to have Final Witholding 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 will then be obliged to declare interest so received in the tax return. Interest received by Non-Resident Applicants is not taxable in Malta and Non-Residents will receive interest gross. Authorised entities applying in the name of a Prescribed Fund will have final withholding tax (currently 10%) deducted from interest payments.

   In terms of Section 7.2 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, interest shall be paid to such person net of final withholding tax (currently 15%) of the gross amount of interest, pursuant to Article 33 of the Income Tax Act.

9. European Council Directive 203/48/EC on the Taxation of Savings Income in the form of interest payments required all payors 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 Directive applies (called a "specific territory") then the interest paid will be reported.

   The contents of 7 and 8 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisors in case of doubt.

10. Should any Application not be accepted, or be accepted for fewer Bonds than those applied for, the monies of 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 E. Interests or redemption proceeds will be credited to the account designated in Panel E or as otherwise amended by the Bondholder/s during the term of the Bond.

11. Completed Application Forms are to be delivered to any of the Authorised Intermediaries listed in Annex B of the Prospectus during normal office hours by not later than 12:00 on 17th July 2015. 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 closing date indicated above. The Issuer reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of the Bond as contained in the Prospectus. Any Applications received by the Registrar after 12:00 on 17th July 2015 will not be accepted.

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    a. the Issuer may process the personal data that you may provide in the Application Form in accordance with the Data Protection Act 2001(Cap. 440 of the Laws of Malta);
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Mediterranean Investments Holding p.l.c
€20,000,000 5.5% Unsecured Bonds 2020
Guaranteed by Corinthia Palace Hotel Company Limited
APPLICATION FORM "C"

Please read the notes overleaf before completing this Application Form. **Mark 'X' if applicable.**

A APPLICANT (see notes 2 to 4)

E-MAIL ADDRESS	TEL. NO.	MOBILE NO.

This Application Form is not transferable and entitles you to subscribe for Mediterranean Investments Holding p.l.c. 5.5% Unsecured Bonds 2020 guaranteed by Corinthia Palace Hotel Co. Ltd. as holder of either Existing Corinthia Finance Bonds or Existing IHI Bonds.

B **I/WE APPLY TO PURCHASE AND ACQUIRE** ***(see notes 6 and 7)***

AMOUNT IN FIGURES	AMOUNT IN WORDS
€	

Mediterranean Investments Holding p.l.c. 5.5% Unsecured Bonds 2020 guaranteed by Corinthia Palace Hotel Co. Ltd. (minimum €2,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 1 July 2015, (the "Prospectus"), payable in full upon application under the Terms and Conditions as defined in the said Prospectus.

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TAX COUNTRY	TOWN OF BIRTH	
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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)
(Bare owner/s and usufructuary/ies to sign in the case of holdings of Maturing Bonds that are subject to usufruct)

Date

AUTHORISED INTERMEDIARY'S STAMP	*AUTHORISED INTERMEDIARY'S CODE*	*APPLICATION NUMBER*

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RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

Mediterranean Investments Holding p.l.c.

FINANCIAL ANALYSIS SUMMARY

1 JULY 2015

RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

Rizzo, Farrugia & Co. (Stockbrokers) Ltd.
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T. + 356 2258 3000 F. +356 2258 3001
E. info@rizzofarrugia.com W. www.rizzofarrugia.com

The Board of Directors
Mediterranean Investments Holding p.l.c.
22, Europa Centre,
John Lopez Street,
Floriana FRN 1400

1 July 2015

Dear Sirs,

Mediterranean Investments Holding plc – Financial Analysis Summary (the "Analysis")

In accordance with your instructions and in line with the requirements of the Listing Authority Policies, we have compiled the Financial Analysis Summary set out on the following pages and which is being forwarded to you together with this letter.

The purpose of the Analysis is that of summarising key financial data appertaining to Mediterranean Investments Holding plc (the "**Issuer**") and Corinthia Palace Hotel Company Limited (the "**Guarantor**"). The data is derived from various sources or is based on our own computations as follows:

(a) Historical financial data for the four years ended 31 December 2011 to 2014 has been extracted from both the Issuer and Guarantor's audited statutory financial statements for the four years in question, as and when appropriate.

(b) The forecast data for the financial years ending 31 December 2015 and 2016 has been provided by management of the Issuer and Guarantor.

(c) Our commentary on the results of the Issuer and Guarantor and on their respective financial positions is based on the explanations provided by the Issuer and Guarantor.

(d) The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions as set out and defined within the Analysis.

(e) Relevant financial data in respect of competitors as analysed in Section 15 has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies.

The Analysis is meant to assist potential investors by summarising the more important financial data of the Issuer and the Guarantor. 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. The Analysis does not constitute an endorsement by our firm of the securities of the Issuer and the Guarantor and should not be interpreted as a recommendation to invest. 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.

Yours sincerely,

Vincent E. Rizzo
Director

Members of the Malta Stock Exchange. Licensed by the Malta Financial Services Authority.
Company Reg. No. C13102 Vat Reg. No. MT10603011

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LIST OF ABBREVIATIONS

AUR	Average unit rate
ARI	Average rate index
AUCC	Arab Union Contracting Company (Libya)
BOT	Build, Operate and Transfer agreement dated 2 October 2007 and entered between Corinthia and PCL
bpd	Barrels per day
CPHCL	Corinthia Palace Hotel Company Limited
CPI	Consumer Price Index
DSCR	Debt service cover ratio
EBITDA	Earnings before interest, tax, depreciation and amortisation
EDREICO	Economic Development for Real Estate Investment Company (Libya)
F&B	Food and beverages
FV	Fair value
FYxxxx	The financial year ended 31 December xxxx
GDP	Gross Domestic Product
IHI	International Hotel Investments plc
KPI	Key performance indicator
LFICO	Libyan Foreign Investment Company, a Libyan sovereign wealth fund
LPTACC	Libya Projects and General Trading and Contracting Co.
MFSA	Malta Financial Services Authority
MGS	Malta Government Stocks
NCI	Non-Controlling Interest
NGO	Non-Government Organisation
NREC	National Real Estate Company
MTJSC	Medina Tower Joint Stock Company for Real Estate Investment and Development; a company incorporated in Libya on 20 May 2010.
PCL	Palm City Ltd
PPE	Property, plant and equipment
PWL	Palm Waterfront Ltd
Rev PAU	Revenue per available unit
UN	United Nations
YTM	Yield to maturity

PART 1 – THE ISSUER

All words and expressions used in this Analysis in their capitalised form shall, unless the context otherwise requires or otherwise defined herein, have the same meaning assigned to them in the Prospectus.

1. KEY ACTIVITIES AND PRINCIPAL MARKETS

The principal activities of Mediterranean Investments Holding p.l.c. ("MIH", "Issuer", "Company" or the "Group") relate to the acquisition and development of immoveable property outside Malta, particularly in North Africa. The types of properties of interest to the Issuer include, without limitation, residential gated villages, build-operate-transfer projects, office and commercial buildings, retail outlets, shopping malls, housing, conference centres and other governmental projects.

Currently, MIH operates the Palm City Residences in Janzour, Libya through a build-operate- transfer agreement entered into between Palm City Ltd (PCL) and Corinthia Palace Hotel Company Limited (CPHCL). It also owns 25% of the share capital of Medina Tower Joint Stock Company (MTJSC), a company incorporated to construct the Medina Tower, a proposed 200,000 square metre mixed used development in the heart of Tripoli. Palm Waterfront Ltd (PWL) is a wholly owned subsidiary of MIH (99.9%) and is responsible for the development of the Palm Waterfront project. The Medina Tower and the Palm Waterfront are also both situated in Libya and have been currently put on hold in view of the prevailing situation in the country.

2. DIRECTORS AND KEY EMPLOYEES

2.1 THE BOARD OF DIRECTORS

The Board of MIH consists of seven directors who are entrusted with the overall direction and management of the Company. The Board's mandate is to identify and execute new investment opportunities and obtain related funding. The Board is currently composed of the following Directors:

Alfred Pisani	Executive Director and Chairman
Samuel D. Sidiqi	Non-Executive Director and Deputy Chairman
Joseph Fenech	Executive Director
Joseph Pisani	Non-Executive Director
Faisal J. S. Alessa	Non-Executive Director
Khadija Oubala	Non-Executive Director
Mario P. Galea	Independent Non-Executive Director

The company secretary of the Issuer is Stephen Bajada.

2.2 KEY EMPLOYEES

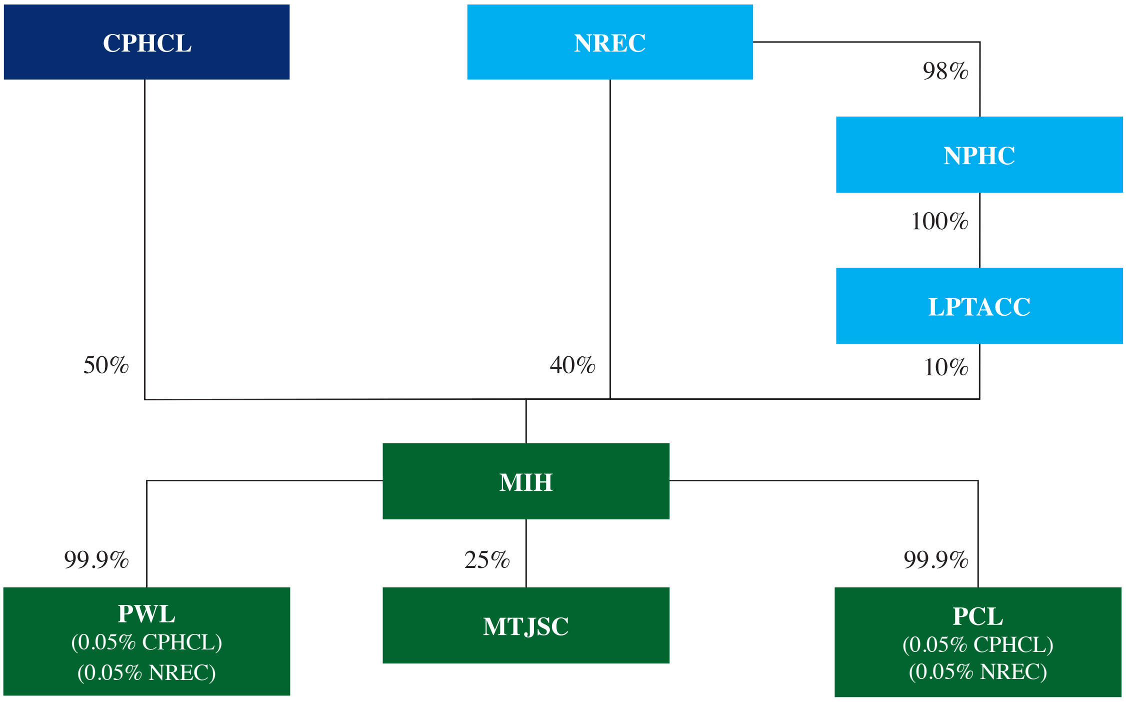
The Issuer employs one executive – Karl Mallia – as its chief financial officer. The Issuer is reliant on resources made available by CPHCL pursuant to a management and support services agreement (MSS Agreement) which is described further in section 4.5 of this document. The CEO of the Issuer is Reuben Xuereb, who services MIH through the MSS Agreement.

The average number of employees engaged by the Group during FY2014 was 124, of which 18 are administrative employees and the remaining are employed in operations.

3. ORGANISATIONAL STRUCTURE AND OPERATIONAL DEVELOPMENTS

3.1 ORGANISATIONAL STRUCTURE

MIH was incorporated in December 2005 and converted into a public limited company in 2007. It is owned equally by NREC and CPHCL, directly or indirectly, as shown hereunder.



CPHCL is a Maltese registered company which owns 50% of MIH and acts as the Guarantor in terms of the new Bond Issue (information about the Guarantor can be found in Part 2 of this report). Apart from its investment in MIH, CPHCL has over the years expanded into an international group in the hospitality and leisure industry. It is the parent company of the Corinthia Group and is principally engaged in the ownership, development and operation of hotels and other activities related to the hospitality industry in various countries either directly or through subsidiaries.

NREC holds a 40% direct shareholding in MIH and another 10% is held indirectly through its 98%-owned subsidiary – LPTACC. NREC is a Kuwaiti-listed company with an international focus on real estate. It has to date developed a strong portfolio of retail, commercial and residential real estate in new and established markets across the Middle East and North Africa (MENA) region.

RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

3.2 THE ISSUER

In terms of the Memorandum and Articles of Association of MIH, the two major shareholders – CPHCL and NREC - are entitled to appoint three Directors each and jointly have the right to appoint the seventh Director who is to be an independent non-executive director. The Chairman is appointed by each of CPHCL and NREC based on a three-year term rotation policy.

MIH is the 99.9% shareholder of both PCL and of PWL and has a 25% shareholding in MTJSC. Through CPHCL, MIH is part of an extended group of companies related to the Corinthia Group, including the locally-listed International Hotel Investments plc.

Key Historical Events of the Group

2005	Issuer is incorporated.
2006	Commenced construction of Palm City Residences.
2007	PCL concludes a 65-year build-operate-transfer agreement with CPHCL.
2007	MIH issues €15 million bond to partly fund the development of Palm City Residences.
2008	MIH issues €20 million bond to further fund the Group’s acquisition strategy.
2010	MTJSC is set up to construct Medina Tower. Palm City Residences is fully complete and operational. 276 out of 413 units have been leased at Palm City and 109 units are subject to negotiations. MIH issues €40 million bonds for its equity funding in Medina Tower project and other corporate requirements.
2011	Operations at Palm City Residences are disrupted due to the uprising in Libya (between February – October 2011).
2012	Occupancy at Palm City Residences is re-established at 91% but Medina Tower is delayed.
2013	PWL concludes an 80-year build-operate-transfer agreement with CPHCL Occupancy at Palm City Residences reaches 94%.
2014	MIH issues €12 million bond to repay a €15 million bond which was issued in 2007. The balance of the maturing bond was met out of the Company’s cash flow.

3.3 MATERIAL DEVELOPMENTS IN THE PAST 3 YEARS

3.3.1 PALM CITY RESIDENCES

Both FY2012 and FY2013 were excellent years for Palm City Residences in terms of revenue and operating profit generation since it first started operations in 2010. The first half of 2014 was a record year for Palm City Residences. The Group registered a 4% increase in performance when compared to the FY2013 corresponding period. However, during the second half of FY2014, PCL’s occupancy levels were hampered by the political conflicts that developed in Libya, as a number of maturing tenancies were not renewed, while other tenants applied the force majeure clause and cancelled their lease agreements. Notwithstanding, Palm City Residences remained operational and despite the fact that most of the residences have been vacated, some tenants kept their leases running with a view to return at the first possible opportunity. The Group maintained the necessary staff levels to continue its operations and have also invested in additional security features in an effort to maintain the entire village as secure as possible.

3.3.2 Bond Issues

In June 2014 MIH issued unsecured bonds amounting to €12 million. The issue proceeds were used to finance part of the €14,757,659 7.5% bonds that matured on 4 December 2014. The balance was funded from the Issuer's cash flow.

The outstanding bonds of MIH are listed hereunder. The proceeds from this bond issue are to be used to finance the redemption of the €20 million bond which MIH issued in 2008.

ISIN	Bond Details	Prospectus Date	Maturity Date	Outstanding Bonds
MT0000371220	€15 million + €5 million over-allotment option	15-Jul-08	04-Aug-15	€19,649,600
MT0000371238	€30 million + €10 million over-allotment option	14-Jun-10	23-Jul-17	€ 28,519,400
MT0000371246				£4,351,100
MT0000371253				$7,120,300
MT0000371261	€12 million	02-Jun-14	22-Jun-21	€ 12,000,000

3.3.3 PALM WATERFRONT

In 2013, MIH resolved to develop a third project, Palm Waterfront, through PWL. PWL entered into a BOT agreement with CPHCL that gives PWL the right to construct, develop, manage and eventually operate and receive all the revenue generated by the project to be developed on the said site at its discretion. Further information on this project is available in section 4.2 of this report. The project is currently on hold pending a return to some form of normality in the country that would warrant the commencement of the project.

4. MAJOR ASSETS OF THE ISSUER

OPERATIONAL ASSET

4.1 PALM CITY LIMITED

Palm City Limited (PCL) is a wholly owned subsidiary of MIH (99.9%), set up to develop and operate the Palm City Residences in Janzour, Libya. The site hosting the development of a 413-unit village has a footprint of 171,000 square metres and a shorefront of approximately 1.3 kilometres.

Property Type	No. of Units	Size per unit (m²)	Size (m²)	% of total size
Palm City Residence				
Studio apartments	24	36	864	1%
2 bedroom apartments	95	79	7,505	12%
3 bedroom maisonettes	56	115	6,440	11%
3 bebroom apartments	44	203	8,932	15%
3 bedroom terraced houses	142	176	24,992	41%
Bungalows	44	171	7,542	12%
Villas	8	505	4,040	7%
Total	**413**		**60,297**	**100%**

Source: Management Information

CPHCL holds title to the land where Palm City Residences are built, pursuant to a 99-year lease agreement dated 5 July 2006. On 2 October 2007, CPHCL entered into a build-operate-transfer (BOT) agreement for 65 years with PCL (effective 6 July 2006) whereby the latter was engaged to undertake the construction and operations of the complex. Under the BOT agreement, PCL will operate the residences at its own risk and for its own benefit. Upon expiry of this agreement, PCL will be required to transfer the operations back to CPHCL for the remaining useful life of the lease until 2105.

Aerial photograph of Palm City Residences - Janzour, Tripoli
Source: MIH

The Group is in the process of registering a joint stock company in Libya, to be owned as to 90% of its share capital by PCL (CPHCL and NREC to hold the remaining 10% in equal proportions between them). Subject to approval by the competent authority in Libya, the Libyan Investment Board, title to the land underlying the Palm City Residences will be transferred by CPHCL to such company. Upon such title transfer taking effect, the BOT agreement between PCL and CPHCL will be terminated, resulting in PCL no longer being bound to return the operation of the Palm City Residences to CPHCL upon the lapse of the said 65 year term.

NON-OPERATIONAL ASSETS

MIH has two other projects that are on hold in view of the prevailing instability in Libya. These are the 99.9% owned PWL and a 25% investment in MTJSC.

4.2 PALM WATERFRONT LIMITED

Palm Waterfront Limited (PWL) is a wholly owned subsidiary of MIH, established primarily with the intention to develop and operate the Palm Waterfront site. The site is subject to a 99-year lease in favour of CPHCL and like PCL, PWL entered into a BOT Agreement on 5 December 2013 with CPHCL. The BOT expects PWL to construct and eventually operate the Palm Waterfront 50,000 square metre site for a period of 80 years. The planned development is situated in Shuhada Sidi Abuljalil in Janzour, Libya and is expected to incorporate a 164-room 4-star hotel, 259 residential units for resale, an entertainment centre of six cinemas and one bowling centre, retail outlets, car park and a marina. Funding for the development of this project is not yet in place.

Artist impression of the Waterfront project in Janzour, Tripoli
Source: MIH

The experience gained by MIH through the development of Palm City Residences will be used to develop Palm Waterfront. Design drawings have been finalised and submitted to the planning authority in Tripoli for approval. It is the intention of PWL to offer the residential units, when complete, either on a lease basis or outright sale, but will react to market trends as necessary and will therefore align its strategies and offerings in accordance with such trends and market developments. The project will be initiated once the situation in Libya stabilises and PWL raises the required funding as to 40% equity and 60% debt, to complete the development phase, which is expected to incorporate the following mix of residential units:

Property Type	No. of Units	Size per unit (m²)	Size (m²)	% of total size
Palm Waterfront				
4 bedroom penthouses	7	381	2,664	5%
4 bedroom apartments	50	295	14,759	25%
3 bedroom penthouses	7	228	1,597	3%
3 bedroom apartments	117	217	25,421	44%
2 bedroom penthouses	3	172	516	1%
2 bedroom apartments	65	159	10,335	18%
1 bedroom apartments	8	148	737	1%
Villa 1	1	737	4,040	7%
Villa 2	1	737	737	1%
Total	**259**		**57,948**	**100%**

Source: Management Information

4.3 MEDINA TOWER JOINT STOCK COMPANY

MIH owns 25% of MTJSC, which was set up in 2010 for the purpose of owning and developing the Medina Tower. The remaining 75% is owned to the extent of 25% by IHI, 25% by AUCC and 25% by Al Enmaa (AUCC and Al Enmaa were formerly known as EDREICO). Medina Tower is a project that is set to be developed over a site measuring *circa* 11,000 square metres and is situated on Tripoli's main high street.

Artist impression of Medina Tower in Tripoli
Source: MIH

The development phases will be financed through funding provided on a 60:40 debt-to-equity ratio. Whilst the equity contribution required for the first phase of this project is already fully paid up, a term sheet has also been signed with a Libyan financial institution with a view to securing the full debt funding requirements for this project. The development is expected to be completed within *circa* 48 months from commencement of the works. Said term sheet provides for a moratorium on capital repayments for the duration of the development of the site. This project is also on hold until prospects improve and stability in Libya resumes.

The project has full development permits and the development of the Medina Tower will consist of a 200,000 square metre 42-storey structure, comprising 254 residences for resale, 25,200 square metres of office space for rental, 21,200 square metres for retail and leisure, as well as a spa, conference and car park facilities for rental to third parties.

4.4 VALUE OF MAJOR ASSETS

The values attributable to the major asset of each of the underlying investments are summarised below:

	FY2012 €'000	FY2013 €'000	FY2014 €'000
Palm City Residences			
(65 year BOT agreement expiring 2071)	310,406	310,676	250,000
Palm Waterfront			
(80 year BOT agreement expiring in 2093)	-	8,115	8,307
Medina Tower			
(25% shareholding in MTJSC)	12,649	12,696	12,701

Source: MIH plc financial statements for the years 2012, 2013 and 2014

The value of the investment property that comprises Palm City Residences is subject to an annual fair value test in terms of international accounting standards. Due to the lack of comparable properties in the market, the determination of fair value could not be objectively established on the basis of the current active market prices. Therefore, the fair value was determined on the basis of the discounted value of future earnings expected from the operation of the property. The fair value of investment property was determined by discounting the forecast future cash flows generated by Palm City Residences for the remaining period of 57 years. During FY2014, a valuation exercise was carried out by an independent professional valuer to help the Directors determine the fair value of the investment property. The value of investment property as based on the assessment of the directors, decreased by €60.9 million in FY2014 when compared to FY2013, as a consequence of a considerable increase in the country risk premium resulting from increased uncertainty in Libya and an increase in the property risk premium to reflect the risk associated with the quality of the rental cash flow streams. Based on the Directors' knowledge of the business and the operating conditions, the Directors decided to factor an increased projection risk premium. The valuation arrived at for FY2014 amounts to €250 million.

The value of Palm Waterfront is attributable to the cash consideration of €7 million paid to CPHCL in relation to the BOT agreement that will give PWL the right to eventually operate the Palm Waterfront. The difference relates to preliminary capitalised expenses incurred by MIH on the project so far.

MIH acquired a 25% shareholding in MTJSC in 2010 for €3.9 million as an initial 30% contribution for its equity stake. A further investment of €9.1 million was injected in 2012, representing its further 70% equity contribution, which brings the total investment to date to €13 million. The net difference between the equity injection and the value on the balance sheet relates to the proportionate share of losses incurred to date in relation to expenses paid by the company.

4.5 MATERIAL CONTRACTS

4.5.1 MSS AGREEMENT

The values attributable to the major asset of each of the underlying investments are summarised below:

MIH is party to a management and support services agreement (MSS Agreement) with CPHCL. Through this agreement, MIH is provided with management support services at the strategic level of its business that benefits MIH from the experience and expertise of CPHCL in the conduct of its business and the implementation of a highly efficient and cost-effective construction programme. The MSS Agreement also makes available for MIH top executive and central administrative level staff and support personnel from the Corinthia Group. Under this agreement, MIH is provided with such services for an annual fee of €300,000 (adjusted annually for a 5% inflation) giving MIH access to:

- the commitment of an executive team with over 45 years' experience of successfully operating in Libya;
- an experienced, motivated, proven and loyal local and foreign senior management team of international calibre with an average of over 20 years' service;
- a team of well-qualified and dynamic young professionals, increasing the potential for future growth;
- an effective monitoring system assuring controls on standards and performance;
- a long experience in developing and managing properties planned and built to exacting standards with equally high standards demanded on maintenance, resulting in high quality, well-maintained assets; and
- corporate strength through a long-term policy of diversification into construction, project management and other service ventures.

4.5.2 BUILD-OPERATE-TRANSFER AGREEMENT

Through its subsidiaries – PCL and PWL – MIH has in place two BOT agreements with one of its major shareholders – CPHCL – as highlighted in sections 4.1 and 4.2 above respectively.

5 OVERVIEW OF THE MAJOR OPERATING ASSET

The following is an overview of the major operating asset of the Issuer – Palm City Residences.

5.1 BACKGROUND TO PALM CITY RESIDENCES

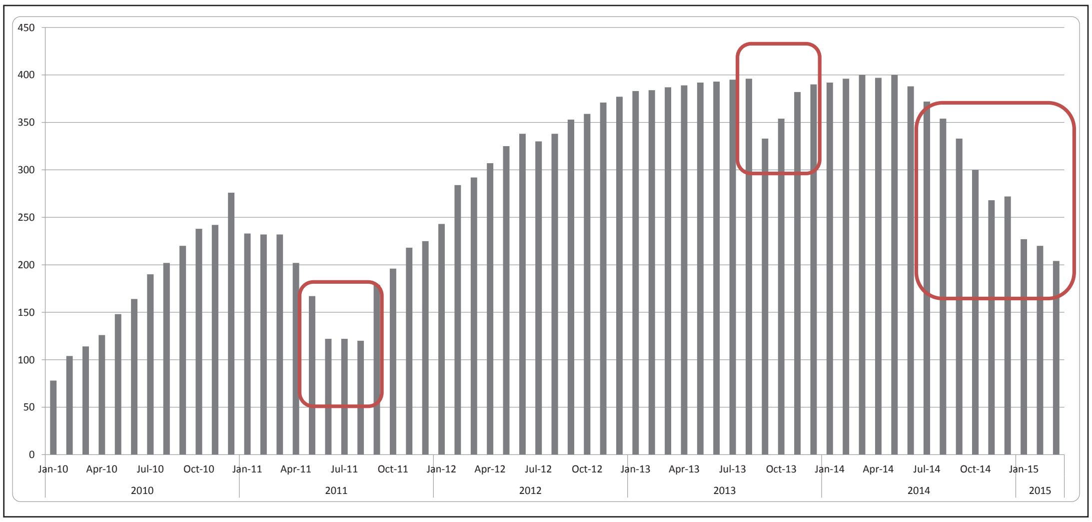
PCL operates the 413-unit gated residential complex in Janzour, which is currently the sole operating venture of the MIH Group.

The development of the Palm City Residences was completed in late 2009 and by 2010 all the Residences were operational. By the end of the first year, the complex reached occupancy levels above 70%. Meanwhile, in 2011, civil unrest in Libya commenced and this disrupted the occupancy levels of Palm City Residences. Notwithstanding, PCL remained committed to its project and adequate staff levels were maintained to keep the complex fully operational during the period of unrest in 2011.

Following the end of hostilities in October 2011, leasing of units at Palm City Residences increased steadily again and by the end of April 2012, the complex was already operating at 79% occupancy levels. By the end of the year, the Residences occupancy was in excess of 90% as foreign investment resumed in Libya. During FY2012, PCL reduced some of the commercial space to provide additional office space to meet the increasing demand as some tenants preferred the complex over other areas within Libya to set up office.

FY2013 was equally positive, with 390 units of the 413 available being leased out, resulting in 94% occupancy levels by the end of the year. The demand for leases shifted from the shorter-term towards the more stable longer-term leases during that year, adding future income visibility to the Group. The dip portrayed in the graph below between the third and fourth quarter of 2013 was the result of the expiry of a significant lease contract of the UN, which occupied 76 units. These were re-let shortly after and occupancy returned to record levels.

In fact, during the first half of FY2014 PCL achieved 95% levels of occupancy till the end of July. However, the second half of FY2014 was overshadowed by the political conflict that developed in Libya and occupancy levels reduced to 66% by year's end. This reduction occurred as some of the leases that expired during the year were not renewed, while there were a few clients that applied the *force majeure* clause and cancelled their lease contract. The Group remained committed to its investment and retained sufficient human resources to keep the complex fully operational. Despite the fact that the majority of the tenants left the country, most clients retained their belongings within the complex and kept their security deposits with PCL. According to management, this indicates the willingness and commitment that such tenants have in returning to the country once the situation stabilizes and it becomes viable once again to resume business in Libya. Management further opined that this represents a situation familiar to 2011 and it claims to be well-geared to resume full operations of the complex when the tenants return turning around the current difficult situation to a profitable one just like the turnaround that occurred in 2012.



Source: Management Information

5.2 PERFORMANCE OF PALM CITY RESIDENCES

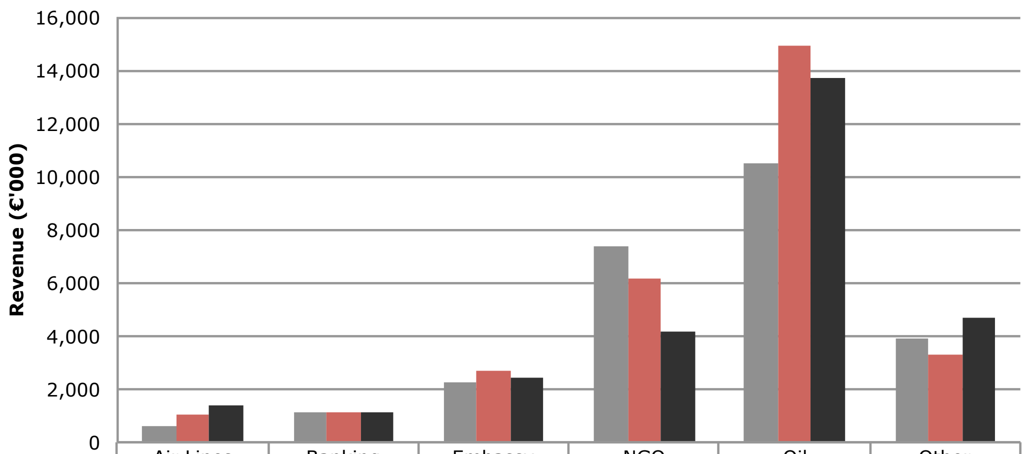
In each of the past four years (2011 to 2014), PCL (being the only operational asset of MIH to date) generated in excess of 99% of the Group's annual revenues as per below table:

Revenue Breakdown – PCL

for the year ended 31 December	Actual **FY2011** **€'000**	Actual **FY2012** **€'000**	Actual **FY2013** **€'000**	Actual **FY2014** **€'000**
Residential leases	10,035	25,717	29,194	27,493
Commercial leases	36	288	422	585
F&B	91	390	449	314
Other income	11	656	679	1,631
Total PCL revenue	**10,172**	**27,052**	**30,744**	**30,023**
MIH plc - Group Revenue	**10,202**	**27,315**	**30,875**	**30,091**
PCL revenue contribution	99.7%	99.0%	99.6%	99.8%

The Residences have been host to a number of distinguished tenants, particularly from the oil and gas sector and non-government organisations as can be seen from the distribution graph below of the revenues generated from the tenants per sector.

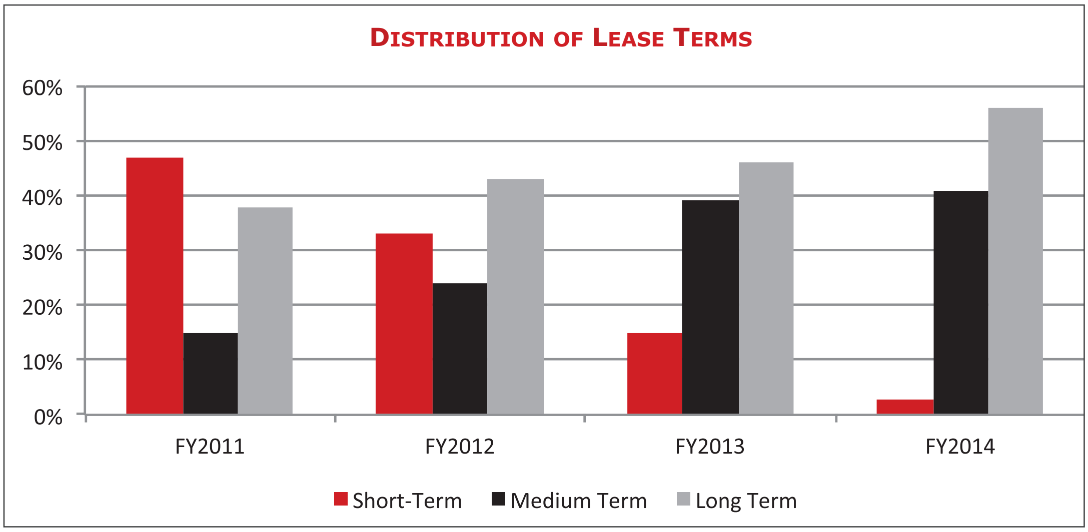
RESIDENTIAL REVENUE BREAKDOWN BY INDUSTRY SECTOR



	Air Lines	Banking	Embassy	NGO	Oil	Other
FY12	651	1,103	2,233	7,383	10,464	3,882
FY13	1,013	1,126	2,675	6,179	14,895	3,306
FY14	1,375	1,100	2,474	4,124	13,747	4,673

Source: Management information

During the years, the trend in tenancy moved from the shorter-term to the longer-term, which is in line with the Group's targets. In their nature, the short-term leases attract a higher average rate per unit (AUR), while the longer-term generate a more stable revenue stream but at reduced rates because of their longer term nature.



Source: Management Information

During the years, PCL was in a position to increase its monthly rates per unit because of the higher demand and the lack of competition in the city that offered the same level of quality and security to its tenants.

KPIs	**FY2011**	**FY2012**	**FY2013**	**FY2014**
Average Occupancy	48.0%	79.0%	94.0%	83.7%
RevPAU (revenue in € per unit per month)	2,025	5,189	5,891	5,548

Source: Management information

The competitive edge that Palm City Residences had over other similar residential compounds has always been its location, being located in an area away but yet so close to Tripoli. Other competing complexes located in the vicinity of Palm City Residences, such as the Regatta Complex and the Oea Village, were subject to attacks and have since then been dismissed as alternative residential complexes by NGOs, oil companies and the like, who seek a more secluded, secure and safe environment for their expatriates. According to management, there are no other top quality secure residential compounds of the level of Palm City Residences in or around Tripoli. As a result, the Group enjoyed a dominant market position and strong occupancy levels. This was also a result of the fact that unlike the other complexes, Palm City Residences remained operational, maintained in pristine condition and closely monitored by its management at all times.

5.3 OUTLOOK FOR PCL

Libya is still in a period of economic turbulence and the current climate does not augur well for business prospects at the present moment. Notwithstanding this, as mentioned earlier on, given the location of the complex as well as the demand generated by Palm City Residences, with virtually no competition, management is confident that these two factors will contribute to a fast-track recovery in occupancy levels once the political situation improves.

MIH is confident that the turnaround achieved at Palm City Residences in 2012 will be repeated when conditions improve as the quality of the development and its features are unmatched in the country. Furthermore, MIH is of the view that its clients are likely to return to the country relatively quickly and occupy the residences as their business interests in the country are substantial and of a long term nature.

6. COUNTRY AND MARKET OVERVIEW

Libya's economy was known for its impressive growth rates driven principally by its once-thriving oil and gas industry. This growth was seriously dampened by the 2011 revolution. The economy was severely disrupted by the shutdown in oil production and exports, as well as by the decline in oil prices. Oil and gas production account for more than 70% of Libya's GDP but because of the crisis, both came to an almost complete standstill.

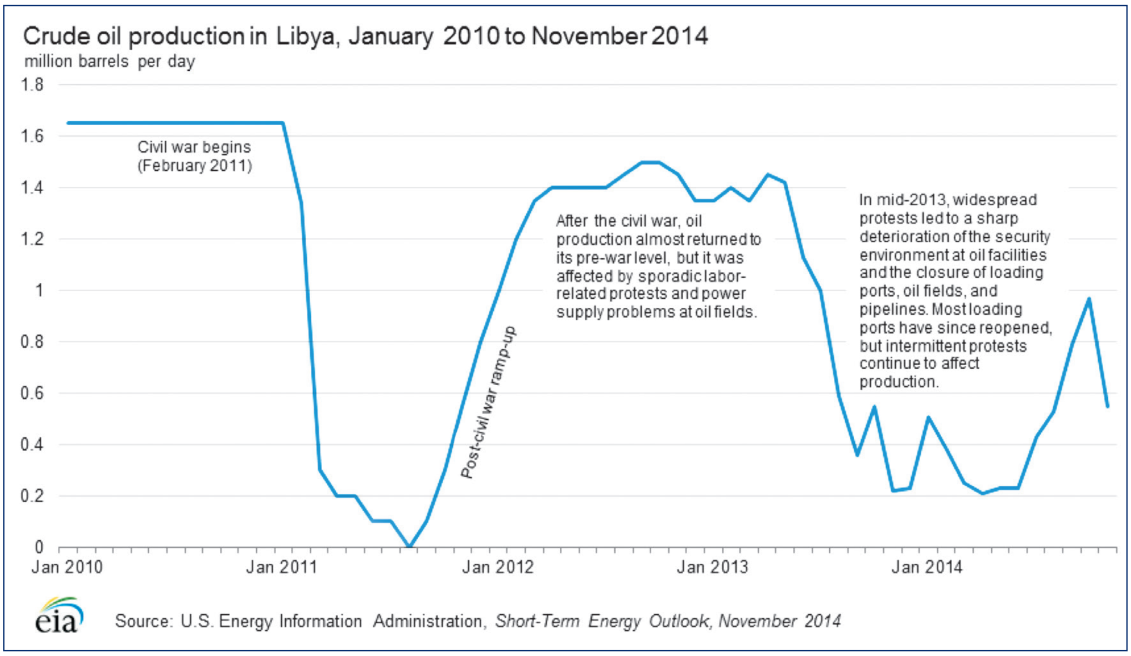
2014 marked a year of intensifying oil field shutdowns, general economic decline, lose authority and the rising power of regional and religious militias across the country. Armed groups that have increasingly aligned themselves with the country's political parties or factions maintained control over the key oil production sites for most of the year. By the end of 2014, production increased but year-end fighting between rival militias forced the closure of two main ports while halting exports from other impacted localities. It is calculated that oil revenues constitute over 95% of national revenues and the decline in oil production is now well below the country's long-term average of approximately 1.6 million bpd according to statistics. As a result, pressure on the economy is substantial as it is almost entirely dependent on the continued operation of oil fields.

The following table highlights some of Libya's key macroeconomic indicators (actual and forecast) as presented in an economic report on the country by African Economic Outlook and dated 2015.

	2013(a)	**2014(e)**	**2015(p)**	**2016(p)**
Real GDP growth	-13.6	-19.8	14.5	6.3
Real GDP per capita growth	-14.3	-20.7	13.5	5.1
CPI inflation	2.6	2.6	2.7	2.9
Budget balance % GDP	-6.2	-49.1	-29.6	-14.8
Current account balance % GDP	13.6	-23.3	-17.5	-6.6

Source: http://www.africaneconomicoutlook.org/en/country-notes/north-africa/libya/

Following the end of hostilities in 2011, Libya became more attractive to a number of foreign investors, primarily in the oil production and infrastructure sectors. However, in the second half of 2014, civil unrest re-emerged as armed rebels demanding greater political and economic autonomy resulted in major declines in oil production to 2011 levels as the chart overleaf highlights.



The situation in the first few months of 2015 has remained very unstable. There are still major disputes about the legitimacy of governance between the incumbent Council of Deputies and the Islamic General National Congress. Armed groups across the country seized critical infrastructure facilities, generating political and extremist violence, in consequence of which it has been difficult for the government to enact security reforms. The current Libyan political climate remains one of great uncertainty, though efforts are currently underway to bring both parliaments to continue their discussions earmarked at ironing out existing differences. The construction industry is being regarded as the most important non-oil sector to contribute to any eventual economic recovery in the country. The latest round of talks in Algiers in April 2015, sponsored by the UN, were positive as the rival political factions were nearing a political solution in forming a unity Government. Nevertheless, the situation remains very fluid and subject to change regularly.

7. ISSUER'S PERFORMANCE OVERVIEW

NB: The MFSA Listing Policies require a 3-year historical analysis of financial information of the Issuer. The commentary that follows the table below focuses on the period from FY2012 to FY2014, both years included. However, for comparison purposes, the figures of FY2011 are being included as some of the commentary makes reference to the situation in Libya in 2011 and how the Group managed the situation during that year and turned around the problematic performance of 2011 in subsequent years.

All figures referred to in this section of the report have been extracted from the audited financial statements of the Issuer for the respective years and supported by management information as necessary, with the exception of ratios which have been calculated by Rizzo, Farrugia & Co. (Stockbrokers) Limited.

7.1 INCOME STATEMENT

Income Statement *for the year ended 31 December*	**Actual FY2011**	**Actual FY2012**	**Actual FY2013**	**Actual FY2014**
Revenue	10,202	27,315	30,875	30,091
Operating expenses	(2,806)	(4,405)	(5,339)	(5,078)
Gross Profit	**7,396**	**22,910**	**25,536**	**25,013**
Administrative expenses	(1,558)	(2,197)	(2,290)	(2,767)
Marketing costs	(113)	(176)	(187)	(327)
EBITDA	**5,725**	**20,537**	**23,059**	**21,918**
Other income	-	-	86	30
Depreciation	(250)	(240)	(260)	(191)
Results from operating activities	**5,475**	**20,298**	**22,886**	**21,757**
Increase / (Decrease) in FV of investment property	-	56,804	-	(60,867)
Share of profit from equity accounted investments	-	(276)	47	5
Finance income	509	457	1,110	97
Finance costs	(8,120)	(8,692)	(7,908)	(9,065)
Net finance costs	**(7,611)**	**(8,236)**	**(6,798)**	**(8,967)**
Net fair value gain/(loss) on interest rate swaps	(560)	(432)	249	85
Profit / (Loss) before tax	**(2,696)**	**68,158**	**16,383**	**(47,988)**
Tax expense	-	-	(873)	(1,391)
Deferred tax	-	(19,115)	(1,717)	21,287
Net Profit / (Loss) for the year	**(2,696)**	**49,043**	**13,793**	**(28,092)**
Adjusted Net Profit *(excluding fair value adjustments)*	**(2,696)**	**11,354**	**13,793**	**11,488**

FY2012 was considered a turnaround year for the MIH Group. The year ended 31 December 2011 proved to be a difficult year for the Group, characterised by the revolution in Libya following the fall and demise of Colonel Ghaddafi in August 2011. Although political instability and security uncertainty prevailed in Libya in 2012, NGO's who were in Libya to help in the building of the country's administrative processes and expats primarily involved in the oil and gas sector continued to pour into the country to re-establish oil production at pre-revolution levels. Moreover, the fact that a number of gated residences in the area were closed for business or destroyed, coupled with the marketing efforts embarked by the Group towards the end of 2011 was effective in attracting new clients. Revenue increased considerably in FY2012 from €10.2 million in FY2011 to €27.3 million. This improved performance was also key to increasing the revaluation of the fair value of the investment property (an upward revaluation of €56.8 million (€37.7 million net of deferred tax) of the Residences, which was reflected in the income statement of the Group in that year. By the end of FY2012, PCL registered an occupancy rate of 91% and profit after tax stood at €49 million (which when adjusted for the uplift in value of the investment property net of deferred tax, results in a net profit of €11.4 million).

In FY2013, the Group generated revenues amounting to €30.9 million, surpassing those achieved in FY2012 by 12%, while operating expenses declined year-on-year. This was achieved through an increase in the occupancy rate, despite a decline of 2.6% in the average monthly rate charged for the units in view of a shift in tenancies from short to medium and long term. The move towards longer term contracts created increased stability in tenancy and revenue generation. Gross profit for FY2013 increased by €2.7 million to €25.4 million, resulting in a gross profit margin of 82%. A profit before tax of €16.4 million was registered for the year under review.

The first half of FY2014 was a record-performing period, with revenues increasing by 4% to €16.3 million until 30 June 2014, compared to the previous six months. Occupancy levels in Palm City Residences were up to 95% by the end of July 2014, however, by the end of the year, they reduced to 66% as performance of PCL was overshadowed by the renewed civil unrest that developed late last year.

As the revolution in Libya came to an end in October 2011, PCL enhanced its set-up to resume operations in Palm City Residences. Administrative expenses, in line with the improved performance, increased from FY2011 to FY2012 by 41% to €2.2 million and remained relatively stable thereafter.

While interest on bonds remained at a stable €5.4 million throughout the period FY2012 to FY2014, there was a significant reduction in bank interest payable, as the Group reduced its bank borrowing levels from €49 million in FY2012 to €33.5 million in FY2014. A decline in finance income received during FY2014 was a result of the prevailing low interest rate scenario, as well as movements in foreign exchange differences which in FY2013 contributed €0.7 million to the income side, compared to the €1.6 million expensed in FY2014 as a consequence of an unfavourable exchange difference on the Group's foreign currency loan and bond exposures.

The revaluation of investment property gains and losses taken to the income statement are explained in section 7.3 below.

The below are the key profitability ratios of the Issuer:

for the year ended 31 December	Actual 2012	Actual 2013	Actual 2014
Gross Profit margin *(Gross Profit / Revenue)*	83.87%	82.71%	83.13%
EBITDA margin *(EBITDA / Revenue)*	75.19%	74.69%	72.84%
Operating Profit margin *(Operating Profit / Revenue)*	74.31%	74.12%	72.31%
Net Profit margin *(Profit for the period / Revenue)*	41.57%	44.67%	38.18%
Return on Equity *(Profit attributable to owners of the Company / Average Equity attributable to owners of the Company)*	9.90%	9.82%	6.68%
Return on Capital Employed *(Profit for the period / Average Capital Employed)*	4.73%	5.27%	4.06%
Return on Assets (Profit for the period / Average Assets)	3.68%	4.18%	3.37%
Interest Coverage ratio *(EBITDA / Net finance costs)*	2.49	3.39	2.44

NB: The above ratios were computed using adjusted net profit, total assets and total equity figures, which eliminate the effect of the revaluation movements from the financial statements. This was done for comparison purposes and to base the ratios solely on the operations of the Group, while excluding one-off figures that tend to boost or deplete profits and disrupt the normality of financial figures.

The Group's profitability ratios have over the years under review been strong and consistent. The Group operates a lean-cost structure which is made up of relatively fixed operating costs resulting in very good margin ratios, particularly when the Residences are at peak occupancy levels. During FY2014, the reduction in occupancy levels and the cancellation of certain leases, understandably led the net profit margin as well as other ratios, such as return on equity and return on assets, to a drop when compared to previous years.

Meanwhile, interest coverage ratio remained at very comfortable levels, albeit at a lower level in FY2014 on the back of an increase in net finance costs, in consequence of exchange differences as explained earlier.

7.2 CASH FLOW STATEMENTS

Cash Flow Statements			
for the year ended 31 December	**Actual FY2012 €'000**	**Actual FY2013 €'000**	**Actual FY2014 €'000**
Operating Activities			
Profit/(loss) before tax	68,158	16,383	(47,988)
Other adjustments	(48,070)	6,895	69,953
EBIDTA	20,088	23,278	21,965
Net changes in working capital	1,945	(378)	(692)
Tax paid	-	(474)	(512)
Net cash from operating activities	**22,033**	**22,426**	**20,761**
Investing Activities			
Payments to acquire PPE	(169)	(8,427)	(361)
Payments to acquire investment property	-	(270)	(191)
Payments to acquire financial assets	(10,925)	-	(575)
Proceeds from disposal of financial assets	-	1,911	604
Proceeds from disposal of property, plant and equipment	35	-	-
Payments to capital creditors	(5,124)	(3,593)	(2)
Interest received	295	436	88
Net cash used in investing activities	**(15,888)**	**(9,942)**	**(437)**
Cash balance b/f	6,145	12,484	20,325
Financing Activities			
Repayment of parent company loans	(10,000)	-	-
Repayment of shareholders' loan	-	-	(535)
Proceeds from bank loan	-	1,500	-
Cancellation of bonds	-	-	(4,692)
Repayment of bank loan	(4,502)	(9,400)	(7,766)
Interest paid	(7,663)	(7,211)	(7,355)
Net cash (used in)/from financing activities	**(22,165)**	**(15,111)**	**(20,348)**
Net (decrease)/increase in cash and cash equivalents	(16,020)	(2,627)	(23)
Cash and cash equivalents b/fwd	28,844	12,815	10,289
Cash and cash equivalents c/fwd before the effect of foreign exchange rate changes	12,824	10,188	10,267
Effect of foreign exchange rate changes	(9)	101	11
Cash and cash equivalents c/fwd	**12,815**	**10,289**	**10,277**

Cash flows from operating activities in each of 2012, 2013 and 2014 have been largely influenced by the level of operating profit made by PCL in the respective years. During FY2012, after adjusting for the non-monetary uplift in the valuation of the PCL asset, cash flows generated from operating activities amounted to €22 million. Similarly, in FY2013 operations contributed another €22.4 million to the cash position of the Group, while the FY2014 operations were just as healthy, contributing a further €20.8 million, after the non-monetary adjustments, relating to the impairment of the Palm City asset.

During FY2012 the Group injected €9.1 million as its equity portion for the Medina Tower project and in FY2013, an amount of €7 million was paid to CPHCL for entering into a BOT agreement on the PWL project. A further €1.1 million was incurred in other related expenses to this development. In FY2012, the Group invested €1.8 million in MGS which were subsequently sold during FY2013 for €1.9 million. In FY2014, the Group invested a total of €0.6 million to acquire other corporate bonds on the capital market and later on during the same year disposed of these bonds for a profit of €29,000. The payments of €0.4 million and €0.2 million made by the Group to acquire additional PPE and investment property respectively during FY2014 were made in relation to the Palm Waterfront investment which the Group is gearing up for.

In terms of cash flows used by the Group in its financing activities, a loan that was received from its shareholders was partially repaid in FY2012 (€10 million). Furthermore, the Group repaid €4.5 million in bank loans during the same year and paid a total of €7.7 million in interest on bank loans and corporate bonds, resulting in a net cash outflow on financing activities of €22.2 million. Meanwhile, during FY2013, the Group repaid €9.4 million in bank loans. Interest paid during FY2013 amounted to €7.2 million and the net cash outflow for the year was €15.1 million.

During FY2014, the Group repaid a net amount of €7.8 million of bank loans and €4.7 million of outstanding bonds, of which €3 million related to the bond issued in 2007 pursuant to its roll over in 2014.

for the year ended 31 December	**Actual FY2012**	**Actual FY2013**	**Actual FY2014**
Current Ratio	0.75x	0.47x	0.41x
(Current Assets / Current Liabilities)			
Cash Ratio	0.48x	0.26x	0.22x
(Cash & cash equivalents / Current Liabilities)			

Over the years, the Group's current ratio, representing the amount of current assets available to settle short-term liabilities, has been below one. The composition of the current liabilities pot includes bank borrowings and outstanding bonds, in particular the €14.8 million and the €19.7 million outstanding in FY2013 and FY2014 respectively. The former has been redeemed through the new bond that was issued during FY2014 while the latter is being redeemed through a new bond issue of €20 million specifically for this purpose this year. Should these amounts be excluded from the calculation, the ratio approximates that of FY2012, which nonetheless, is not optimal. It must also be noted that under current liabilities there is a substantial amount shown as trade and other payables during the reporting period. These represent advance deposits and prepaid rent, which are rolled over from one year to the other. Although they are classified as current liabilities, because of their nature they may be considered as longer term liabilities.

As detailed in the narrative above relating to cash flows, the Group had a number of bank borrowing repayments during the years under review, which reduced the level of cash balances and thus impacted the cash ratio accordingly.

7.3 STATEMENT OF FINANCIAL POSITION

Balance Sheet

for the year ended 31 December	**Actual FY2011**	**Actual FY2012**	**Actual FY2013**	**Actual FY2014**
Non-current assets				
Intangible assets	2	2	2	2
Investment property	248,478	310,406	310,676	250,000
Property, plant and equipment	503	415	8,581	8,751
Investments accounted for using the equity method	3,958	12,649	12,696	12,701
Financial assets	-	1,871	-	-
Lease prepayment	445	438	430	423
Total non-current assets	**253,387**	**325,781**	**332,385**	**271,876**
Current assets				
Inventories	133	273	395	647
Trade and other receivables	8,070	7,170	7,529	7,392
Cash and cash equivalents	29,465	13,086	10,299	10,286
Taxation recoverable	-	-	299	611
Total current assets	**37,668**	**20,529**	**18,522**	**18,936**
Total assets	**291,054**	**346,310**	**350,907**	**290,813**
Equity				
Share capital	48,002	48,002	48,002	48,002
Other components of equity	-	46	-	-
Retained earnings	55,302	104,345	118,138	90,046
Total equity	**103,304**	**152,393**	**166,140**	**138,048**
Non-current liabilities				
Bank borrowings	44,392	40,241	32,208	23,567
Bonds	72,993	73,108	58,128	49,915
Shareholders' loan	13,200	3,200	3,200	2,655
Deferred tax liability	29,924	49,039	50,756	29,469
Derivative financial instruments	560	992	743	659
Total non-current liabilities	**161,069**	**166,580**	**145,035**	**106,265**
Current liabilities				
Bank borrowings	9,229	8,720	8,736	9,908
Bonds	-	-	14,758	19,650
Trade and other payables	17,452	18,617	15,540	15,053
Current taxation	-	-	698	1,890
Total current liabilities	**26,681**	**27,337**	**39,732**	**46,500**
Total liabilities	**187,750**	**193,917**	**184,767**	**152,765**
Total equity and liabilities	**291,054**	**346,310**	**350,907**	**290,813**
Adjusted Figures (excluding IP revaluation)				
Total Equity	*103,304*	*114,704*	*166,119*	*178,164*
Total Assets	*291,054*	*308,621*	*350,907*	*330,393*

The total asset base of the Group amounted to €346.3 million in FY2012, €350.9 million in FY2013 and €290.8 million in FY2014. The largest asset that MIH has on its balance sheet is the Palm City Residences, operated by its 100% subsidiary, PCL. The investment property has inherently made up the majority of the Group's asset base. The value attributable to the investment property represents the valuation of the asset that is based on the projected revenue streams which are discounted at a series of rates depending on the risk associated with particular identified criteria. From a value of €248.5 million in FY2011, the Palm City Residences was valued at €310.4 million in FY2012. The fair value of the investment property was revised downwards at the end of 2014 as the risk premium associated with Libya increased considerably. Please refer to section 4.4 for further information on the basis of valuation of investment property.

The increase in PPE from €0.4 million in FY2012 to €8.6 million in FY2013 and €8.8 million in FY2014 is attributable to the Palm Waterfront project in Libya.

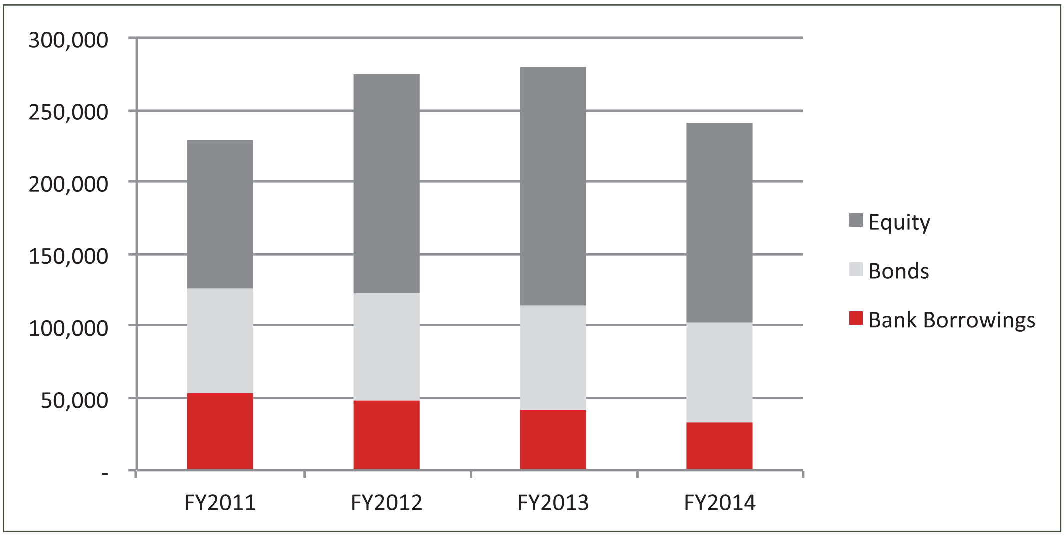
The element of investment accounted for using the equity method relates to the investment that MIH has in associate MTJSC. Such an investment represents 25% share capital of MTJSC and the plans are to develop this project once the economic prospects in Libya improve.

The amount of trade and other receivables of the Group is in the main made up of trade receivables, which makes up between 40% and 55% of total receivables. The growth in receivables is consistent with the growth in revenues which are considered by management of a short-term nature. The level of impairments, provided as the allowance for credit losses on the gross trade receivables, indicate that there was a particular surge between 2011 and 2012 (from 2.9% to 8.2%), although in 2014, this has reduced considerably to an acceptable 3.8%.

Trade and other receivables €'000	**Actual FY2011**	**Actual FY2012**	**Actual FY2013**	**Actual FY2014**
Trade receivables, gross	1,926	2,509	3,190	3,980
Allowance for credit losses	(55)	(206)	(291)	(150)
Trade receivables	**1,870**	**2,303**	**2,899**	**3,830**
Impairments	2.9%	8.2%	9.1%	3.8%

The cash balances held by MIH typically include a level of security deposits of lessees. In FY2012 this amounted to €2.9 million, increased to €3.4 million in FY2013 and increased further to €3.6 million in FY2014.

The Group's funding base has always been a mix of equity, bank debt and capital market borrowings. During the years, the Group managed to reduce its level of bank borrowings from €49 million in 2012 to €33.5 million in FY2014. The amount of bonds outstanding has declined, albeit marginally, from €73.1 million in 2012 to €69.6 million in FY2014. Meanwhile, total equity went up from €103.3 million in 2011 to €138 million by the end of FY2014, reflecting the increased level of profits retained throughout the years, despite the movements in fair values of PCL in FY2012 and FY2014.



Source: MIH financial statements for the years 2011, 2012, 2013 and 2014

This mix of funding sources has enabled MIH to keep the Group's level of gearing at very acceptable levels.

for the year ended 31 December	*ACTUAL* **FY2011**	*ACTUAL* **FY2012**	*ACTUAL* **FY2013**	*ACTUAL* **FY2014**
Gearing Ratio *[Total debt / (Total Debt + Total Equity)]*	57.51%	52.20%	41.33%	37.31%

NB: The above ratio has been computed using adjusted total equity figures, which eliminate the effect of the revaluation from the financial statements. This was done for comparison purposes and to base the ratios solely on the operations of the Group, while excluding one-off figures that tend to boost or deplete profits and disrupt the normality of financial figures.

7.4 WORKING CAPITAL

The Issuer does not have sufficient working capital for its present requirements. In 2014, the Group reported a working capital deficiency of €27.6 million, as a result of the significant repayment of a long-term loan and the classification of the Maturing Bond as a current liability, taken in previous years to finance the Palm City project. For the years 2015 and 2016 it is forecasted that the Group will have a working capital deficiency of €11 million and €46.9 million respectively, the latter shortfall resulting from the reclassification as a current liability of the 7.15% bonds 2015 – 2017 maturing on 23 July 2017, amounting as at the date of the Prospectus to an aggregate amount of just under €40 million, issued by the Issuer pursuant to a prospectus dated 14 June 2010.

In view of the Group's working capital deficiency set out above, apart from the new issue of Bonds, which is being supported by an Underwriting Agreement by the Issuer's shareholders, to repay the Maturing Bond, the Directors have been in formal discussions with PCL's lenders to renegotiate the payment terms of existing bank borrowings. The on-going discussions with these lenders aim to refinance the remaining balance of the bank loan over a longer period, thus reducing the capital repayments currently shown in the forecasts provided for the years 2015 to 2020. The Directors believe that they will be successful in their endeavours to achieve this objective. The Directors have also obtained written assurances from the shareholders of MIH that they will, after appropriate due diligence on the shortfall requirements, continue to financially support the company, proportionate to their shareholding, on an on-going basis, to enable it to meet its liabilities as and when they fall due. Accordingly, the Directors are confident that the Issuer will continue to have adequate levels of cash to sustain its operations and investments.

8. FORECASTS OF THE ISSUER

In terms of the Listing Policies issued by the MFSA, the Issuer is required to prepare forecasts for the current year and the following year.

8.1 KEY ASSUMPTIONS

The key assumptions approved by the Directors of the Issuer in compiling the forecasts below are the following:

- FY2015 will remain unstable and will therefore continue to attract very low levels of occupancy.
- The economic and political situation in Libya will start stabilizing in FY2016.
- The Group will not significantly change the manner in which it conducts its business.
- Taxation rates in the jurisdictions that MIH operate in will remain unchanged.
- There will be no significant foreign exchange fluctuations.
- The rate of inflation is assumed at 2% per annum.

Further to discussions with management, it transpired that while the situation in Libya remains volatile, international companies evacuated their expatriate personnel. Despite this evolving situation, management noted that a number of PCL's large international clients have opted not to cancel their lease contracts. The significant value of investment that most international companies have put into their Libyan operations will require that these companies return to their Libyan base at some future point in time and on this basis management assumes that demand for accommodation at PCL will resume in the foreseeable future. Management also noted that there is no other complex that can readily accommodate tenants in a secure environment that mirrors the facilities available at Palm City Residences.

Additionally, management believes that once Libya's political and economic situation improves, a number of NGOs and embassies will return. Currently, PCL offers the only expatriate option for living in Libya. Moreover, Libya will need to undergo a massive infrastructural development, which will involve some level of input from foreign investors and these would seek to contract tenancy in Libya in the short to medium term.

8.2 INCOME STATEMENT

	Actual FY2014 €'000	Forecast FY2015 €'000	Forecast FY2016 €'000
Revenue	30,091	11,014	22,825
Expenses	(8,172)	(4,393)	(5,767)
EBITDA	**21,918**	**6,621**	**17,058**
Depreciation and amortisation	(545)	(479)	(562)
Finance income	132	139	141
Finance costs	(7,100)	(6,955)	(6,218)
FV profit on interest rate swap	85	85	85
Loss on foreign exchange	(1,610)	(295)	-
FV gain on investment property	(60,867)	-	-
Profit / (Loss) before tax	**(47,987)**	**(884)**	**10,504**
Taxation	19,896	511	98
Net Profit / (Loss) for the year	**(28,091)**	**(373)**	**10,602**

Source: Management information

8.3 CASH FLOWS

	Actual FY2014 €'000	Forecast FY2015 €'000	Forecast FY2016 €'000
Operating Activities			
EBIDTA	21,918	6,621	17,058
Adjustments	58	59	-
Net changes in working capital	(692)	1,052	(3,485)
Tax Paid	(512)	(810)	278
Net Cash from operating activities	**20,772**	**6,923**	**13,851**
Investing Activities			
Payments to acquire PPE	(361)	(72)	(838)
Payments to acquire investment property	(191)		
Payments to capital creditors	(2)		
Acquisition / Disposal of Financial Assets	29		
Interest received	88	139	141
Net cash used in investing activities	**(437)**	**68**	**(698)**
Financing Activities			
Repayment of bonds	(4,692)	(19,650)	-
Net proceeds from issue of bonds	-	19,500	-
Repayment of bank loan	(7,766)	(3,681)	(4,982)
Interest paid	(7,890)	(6,080)	(6,064)
Net cash from financing activities	**(20,348)**	**(9,910)**	**(11,046)**
Cash and equivalents at the beginning of the period	10,289	10,277	7,358
Cash and equivalents at end of period	**10,277**	**7,358**	**9,465**

Source: Management information

In terms of cash flows, in FY2015 the Group is not expected to undertake any investment activity and the €72,000 earmarked as payments to acquire PPE is in relation to general capital expenditure undertaken on an annual basis. For FY2015 this percentage is at 1% of revenues. In 2016, this will increase to 4% and management opine that this percentage is in line with industry best practices.

In terms of financing activities, the maturing bond with a value of €19.6 million is being financed from the proceeds of the new bond (net proceeds expected to be in the region of €19.5 million). During FY2015 the Group will be repaying €3.7 million in bank loans and paying €6.1 million in finance costs. For FY2016, bank loan repayments are expected to amount to €5 million, while finance costs will remain stable at €6.1 million.

8.4 BALANCE SHEET

	Actual FY2014	Forecast FY2015	Forecast FY2016
Non-current assets			
Intangible assets	2	2	2
Investment property	250,000	250,015	250,015
Property, plant and equipment	8,751	8,619	9,226
Investments accounted for using the equity method	12,701	12,701	12,701
Lease prepayment	423	415	407
Total non-current assets	**271,876**	**271,752**	**272,351**
Current assets			
Inventories	647	469	483
Trade and other receivables	7,392	4,635	6,936
Cash and cash equivalents	10,286	7,358	9,464
Taxation recoverable	611	-	-
Total current assets	**18,936**	**12,462**	**16,883**
Total assets	**290,813**	**284,214**	**289,235**
Equity			
Share capital	48,002	48,002	48,002
Retained earnings	90,046	89,673	100,274
Total equity	**138,048**	**137,675**	**148,276**
Non-current liabilities			
Bank borrowings	23,567	20,786	15,804
Bonds	49,915	70,137	30,266
Shareholders' loan	2,655	2,655	2,655
Deferred tax liability	29,469	28,897	27,868
Derivative financial instruments	659	574	489
Total non-current liabilities	**106,265**	**123,050**	**77,083**
Current liabilities			
Bank borrowings	9,908	8,787	8,787
Bonds	19,650	-	40,000
Trade and other payables	15,053	14,702	15,089
Current taxation	1,890	-	-
Total current liabilities	**46,500**	**23,489**	**63,876**
Total liabilities	**152,765**	**146,539**	**140,959**
Total equity and liabilities	**290,813**	**284,214**	**289,235**

Source: Manangement information

Balance sheet movements are not expected to be material over the three years under review. Total assets are expected to be at €284.2 million in FY2015 and €289.2 million in FY2016. While trade debtors will decline in FY2015 in line with a reduction in revenue, this is expected to increase once more in FY2016 when occupancy levels start increasing and generate an increased level of revenue.

On the funding side, the combination of funding sources is not expected to change during 2015 and 2016. The Group will remain reliant for its funding on bank loans, bonds and equity. Despite the decline in bank borrowings envisaged during FY2015 (to €29.6 million), the gearing ratio will be hampered by a lower level of revenues (42.6%). Nonetheless, as revenues start improving in FY2016, these are expected to positively impact gearing, as it reduces to 39.7%, aided also by a lower borrowing level.

PART 2 – THE GUARANTOR

9. THE BOARD OF DIRECTORS OF THE GUARANTOR

The board of the Guarantor is currently composed of the following:

Alfred Pisani	Executive director and Chairman
Moftah Ali Suliaman Abdullah	Non-executive director
Abuagila Almahdi	Non-executive director
Mustafa T. Mohamed Khattabi	Non-executive director
Joseph Pisani	Executive director
Victor Pisani	Executive director

The company secretary is Alfred Fabri.

10. ORGANISATIONAL STRUCTURE AND OPERATIONAL DEVELOPMENTS

10.1 THE GUARANTOR

Corinthia Palace Hotel Company Limited ("CPHCL", "Corinthia Group") was established in 1966 and has since been involved in a mix of real estate developments that consist principally of hotels, residences, offices, retail areas as well as industrial and event catering. Over the years, CPHCL established an organisational structure with an objective to grow the Corinthia brand both locally as well as internationally. CPHCL retains the strategic direction and development of the Corinthia Group's subsidiary companies to focus on achieving the Corinthia Group's operational objectives. CPHCL's business is increasingly being driven through public companies.

With this business model in mind, in 2000, CPHCL set up IHI as the investment and operational company owning and operating the various core hotels of the Corinthia Group. To date, IHI makes up in excess of 80% of CPHCL's total asset base.

The business units of CPHCL can be classified as follows:

a) IHI, which is CPHCL's largest subsidiary (owned to the extent of 58.78% by CPHCL), is a public company listed on the Malta Stock Exchange. Its business involves acquiring and developing real estate projects, with a principal focus on hotel assets. To date, IHI has acquired hotels in Prague, Tripoli, Lisbon, Budapest, St Petersburg as well as the Corinthia San Gorg Hotel and the Marina Hotel in Malta. The company also owns a 50% shareholding in a joint venture that owns a hotel and residential property in London. IHI also owns CHI Ltd, a management company that manages the Group's and third party hotels and owns the Corinthia brand which it acquired from CPHCL in 2010.

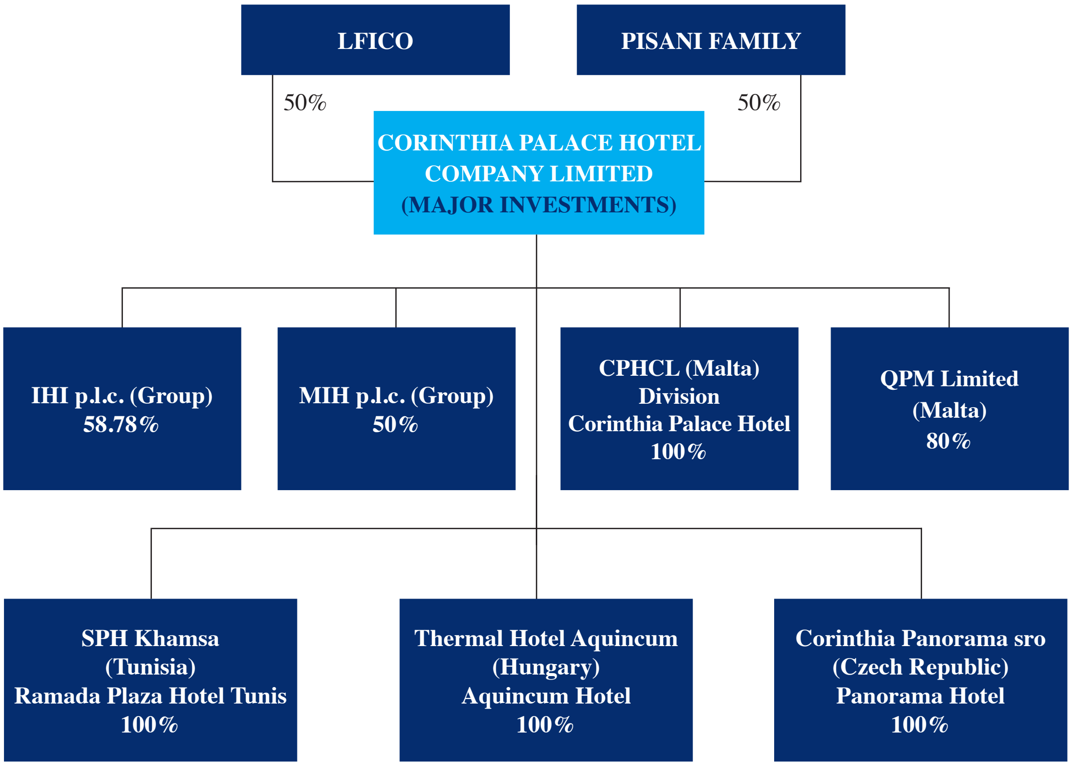
b) MIH, a 50% subsidiary of CPHCL and the second largest business unit of the Guarantor.

c) QPM Limited is an 80% subsidiary of CPHCL which specialises in construction and project management services. The remaining 20% of QPM Limited is owned by IHI.

d) Other investments – CPHCL owns a number of other properties, investments and business ventures, directly or indirectly, which include interests in a number of hotels located outside Malta.

10.2 ORGANISATIONAL STRUCTURE OF THE GUARANTOR

The organisational structure of CPHCL is shown hereunder:



10.3 CPHCL'S STRATEGY AND DIVESTMENT PROCESS

CPHCL is organised at the strategic level into a number of distinct business units, each of which plan and implement well-defined strategies. CPHCL's objective is that of holding equity investment in other companies rather than operating assets in its own name. This has led to a consistent divestment process over the years of assets which have been considered to be non-core.

Recent sales of non-core assets include:

- 2011 - Sale of 35% shareholding in Tektur Turizm for €7.2 million
- 2011 – Sale of 50% shareholding in Tekirova Turkey for €15.2 million
- 2014 – Sale of Land Plot in Janzour in Libya for €7.0 million
- 2014 – Sale of 40% shareholding in Norm Turizm Turkey for €2.4 million

11. MAJOR ASSETS OF THE GUARANTOR

The Guarantor's major assets consist of its investment in the various subsidiary companies. Today, the Guarantor's operations are limited to the overall direction of these investments to meet the Corinthia Group's strategy, while the day-to-day operations are entrusted to the subsidiaries themselves.

11.1. INTERNATIONAL HOTEL INVESTMENTS PLC

IHI was incorporated on 29 March 2000. It was promoted by the Corinthia Group as the principal vehicle for the international expansion of the Group's hotels and mixed use developments. The company was listed on the Malta Stock Exchange in 2000, following a successful initial public offering. CPHCL directly owns 58.78% of IHI, while two other strategic investors – Istithmar and LFICO – own 22.05% and 11.03% respectively. The remaining shares are held by the general public.

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

At inception, IHI owned a 250-room hotel in Malta and a derelict hotel in Budapest. Today it has expanded into a company that fully owns and operates two hotels in Malta and a hotel in each of Hungary, the Czech Republic, Portugal, Russia and Libya. It also owns 50% of a hotel in the United Kingdom. Through CHI, a hotel management company, IHI operates all of its hotels together with a number of other hotels in various jurisdictions for its principal shareholder – CPHCL - as well as for third parties.

12. GUARANTOR'S CONSOLIDATED FINANCIAL REVIEW

CPHCL holds a mix of investments, with the largest contributor to CPHCL both in terms of income statement line items as well as balance sheet items being IHI plc. This section includes the consolidated analysis of the Guarantor's historic performance in the past three years.

The source of the historic financial statements is the Guarantor's annual reports for the year ended 31 December 2012, 2013 and 2014, supported by management information as necessary.

NB: Up to FY2013, Corinthia Palace Hotel was considered as an asset held for sale. However, subsequent to a board decision, the hotel was re-classified as part of continuing operations, therefore resulting in a restatement of FY2012 figures.

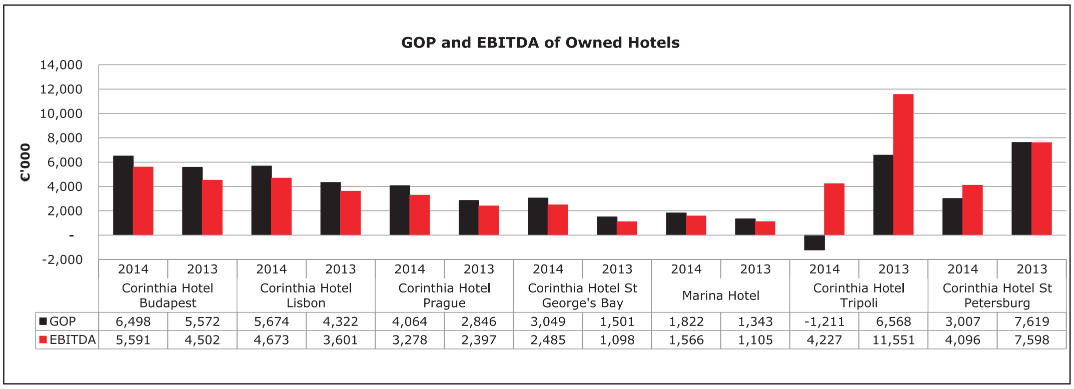
12.1 INCOME STATEMENT

CPHCL - Consolidated Income Statement	**Actual** FY2012 €'000 (Restated)	**Actual** FY2013 €'000	**Actual** FY2014 €'000
Revenue	158,676	164,901	159,238
Net Operating Expenses	(134,390)	(133,221)	(131,185)
Depreciation and Amortisation	(29,014)	(28,169)	(24,129)
Other Income	1,664	1,687	1,295
(Loss) / Gain on Exchange	(965)	(2,175)	(788)
Net Reversal of Impairment of Hotel Properties	(6,402)	5,000	5,170
Operating Profit (Loss)	**(10,431)**	**8,023**	**9,601**
Finance Income	2,674	6,625	3,835
Finance Costs	(23,822)	(23,950)	(21,408)
Share of results of associate companies	29,242	425	(29,075)
Impairment loss on fixed assets other than hotel property	-	-	(15)
Gain on sale of investment in subsidiary / associate	-	-	938
Gain on sale of investment property	-	3,447	-
Reinstatement of depreciation on non-current assets no longer held for sale	-	(1,681)	-
Impairment loss on investments	(16)	(31)	-
Revaluation to fair value of investment properties	4,154	7,159	(14,629)
(Loss) / Profit before taxation	**1,801**	**17**	**(50,753)**
Tax income (expense)	973	4,653	12,028
(Loss) / Profit for the year from continuing operations	**2,774**	**4,670**	**(38,725)**
EBITDA from operating activities	**24,985**	**31,192**	**28,560**
Extraordinary Items of a one-off nature	(2,264)	13,894	(8,521)
EBITDA including one-offs	**22,721**	**45,086**	**20,039**

During the years ended 31 December 2012 to 2014 the Group's revenue increased from €158.7 million in FY2012 to €164.9 million in FY2013, declining to €159.2 million in FY2014. Revenue represents income that is generated from the controlled entities of the CPHCL Group, which include the revenues of IHI and other subsidiaries. The substantial shareholding that CPHCL has in other associate companies is accounted for in "Share of results in associate companies" and this includes also CPHCL's share of results of MIH, given that the latter is owned to the extent of 50% by CPHCL and 50% by NREC and therefore not consolidated on a line-by-line item within the financials of CPHCL.

The revenues of FY2012 were higher than those generated in FY2011 and this increase was in the main attributable to the higher rates achieved through the in-house developed reservation and distribution system. The highest improvements were registered in St Petersburg, Libya and Tunisia, which also resulted in an uplift in value of the hotel properties in St Petersburg due to the improved prospects. This positive performance spilled into FY2013 when higher rates were reported as CPHCL underwent a strategic shift in market segmentation and increased business generated by the in-house developed reservation and distribution system. The best performer of the year was the Corinthia Hotel and Commercial Centre in St Petersburg. Other notable improvements were registered in Lisbon and Libya while reduced performances were experienced in the Czech Republic and Tunisia.

Meanwhile in FY2014, as a result of the instability in Libya during the second half of the year and the deteriorating economic conditions in the Russian Federation, revenue generated by Corinthia Hotel Tripoli and Corinthia Hotel St Petersburg for the year ended 31 December 2014 was lower than the prior year by *circa* €16.1 million. This reduction was, however, mostly compensated by increased revenues registered by the Group's other hotel properties across Europe as can be seen in the comparison chart below between FY2013 and FY2014 gross operating profit (GOP) and EBITDA figures of hotels wholly owned by IHI.



	Corinthia Hotel Budapest 2014	Corinthia Hotel Budapest 2013	Corinthia Hotel Lisbon 2014	Corinthia Hotel Lisbon 2013	Corinthia Hotel Prague 2014	Corinthia Hotel Prague 2013	Corinthia Hotel St George's Bay 2014	Corinthia Hotel St George's Bay 2013	Marina Hotel 2014	Marina Hotel 2013	Corinthia Hotel Tripoli 2014	Corinthia Hotel Tripoli 2013	Corinthia Hotel St Petersburg 2014	Corinthia Hotel St Petersburg 2013
GOP	6,498	5,572	5,674	4,322	4,064	2,846	3,049	1,501	1,822	1,343	-1,211	6,568	3,007	7,619
EBITDA	5,591	4,502	4,673	3,601	3,278	2,397	2,485	1,098	1,566	1,105	4,227	11,551	4,096	7,598

The Group's operating expenses declined from €134.4 million in FY2012 to €131.2 million in FY2014. The decline in direct costs reflects the generally improved hotel occupancy levels and rationalisation of operating costs.

Across the years under review, EBITDA from operating activities improved from €25 million in FY2012 to €31.2 million in FY2013 and stood at €28.6 million in FY2014. In essence this excludes the impairment charges and any revaluations to investment properties. As can be seen from the chart overleaf of Revenue and EBITDA figures, EBITDA margin based on operations was 15.7% in FY2012, increasing to 18.9% in FY2013 and declining to 17.9% by the end of FY2014.

CPHCL's hotels and investment properties are valued independently by third party experts who generally prepare ten year future cash flows expected to be earned from the various properties and discount these cash flows at the appropriate and applicable risk premium rates. Due consideration to the proposals presented by the valuers is given by the directors, who then take the ultimate decision as to the value taken to the accounts. In line with accounting standards and policies adopted by the CPHCL Group, any uplift in hotel assets classified as PPE is taken to reserves and reversed in subsequent years if there are impairments to that same asset. Any additional impairments are then taken to the income statement, thereby affecting the profitability level of the company. In the case of investment properties, any fair value adjustment is taken directly to the income statement.

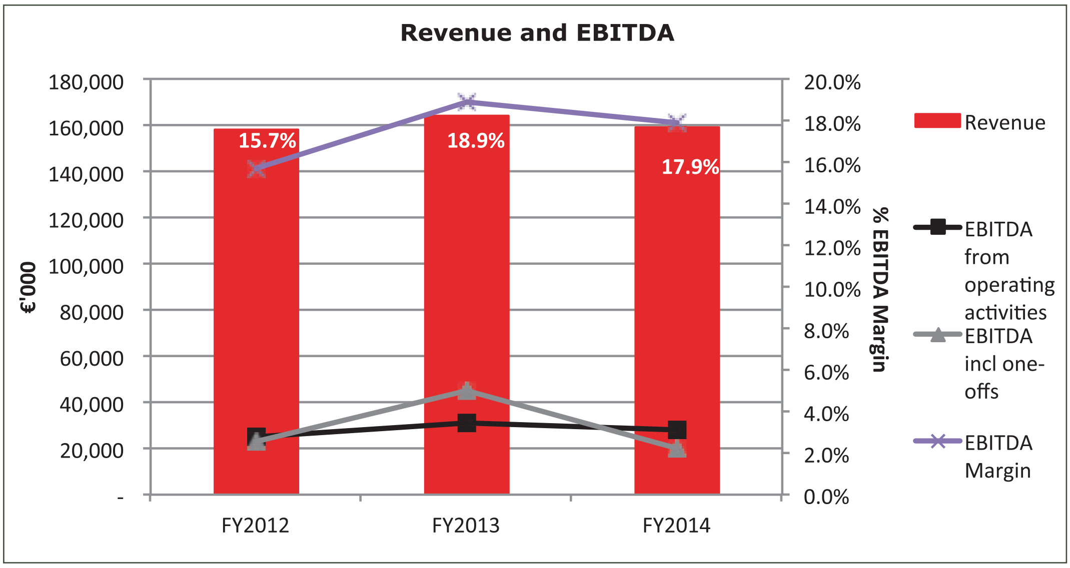
In FY2012 CPHCL took a net impairment charge of €2.2 million to the income statement. In FY2013, as a result of the improved performance of the company's various assets, the effect of fair value movements to the income statement was a positive €12.2 million, while in FY2014, in consequence of problems in Russia and Libya, CPHCL reported a net impairment of €9.5 million in the income statement.

CPHCL has a number of associate companies and their treatment in the income statement goes to the "Share of results of associate companies". The major operating associates of the company are the 50% investment in MIH (translating in 50% of PCL) and the 50% investment in Corinthia Hotel and Residences in London (though IHI). While the results were positive in FY2012 and FY2013 (to a much lesser extent), the results in FY2014 deteriorated in view of two different events.

As MIH registered a loss of €28.1 million in FY2014 on account of the investment property impairment (€13.8 million profit in FY2013), CPHCL had to bear its corresponding share of such losses in its income statement relative to its 50% shareholding in MIH.

Similarly, in the case of the London residences, CPHCL's income statement was impacted by its 50% share of the €29.1 million loss in FY2014 (€11.8 million loss in FY2013), as the level of depreciation and interest costs exceeded the operating profit generated by the London asset and turned the result into a loss.

After accounting for a tax credit, CPHCL closed FY2014 at a loss of €38.7 million (FY2013: €4.7 million profit; FY2012: €2.8 million profit).



12.2 CASH FLOW STATEMENT

Consolidated Cash Flow Statement	Actual FY2012 €'000	Actual FY2013 €'000	Actual FY2014 €'000
Operating Activities			
(Loss) profit before taxation			
- Continuing operations	1,801	17	(50,753)
- Discontinued operations	140	99	-
	1,941	**116**	**(50,753)**
Adjustments	24,787	33,757	78,419
Net Changes in Working Capital	9,058	17,767	4,577
Interest paid	(24,796)	(24,544)	(22,635)
Taxes paid	(2,183)	(5,985)	(666)
	8,807	**21,111**	**8,942**
Investing Activities			
Proceeds from sale of investment property	-	7,000	-
Proceeds from sale of assets held for sale	-	-	2,160
Proceeds from sale of short-term investments	-	14	-
Payments to acquire intangible fixed assets	(891)	(310)	(139)
Payments to acquire investment property	-	(215)	(350)
Payments to acquire PPE	(14,023)	(14,841)	(6,588)
Payments to acquire PPE classified as held for sale	(217)	(399)	-
Proceeds from disposal of PPE	189	915	806
Proceeds from disposal of assets held for sale	79	-	-
Payments to acquire shares in associate	(9,100)	-	-
Deposit received from sale of associate classified as held for sale	-	200	-
Loans repaid by (advanced to) associate companies	(11,733)	(3,870)	40,684
Dividends received	-	131	71
Interest received	2,050	4,192	2,718
	(33,646)	**(7,183)**	**39,362**
Financing Activities			
Repayments of bank borrowings	-	(18,979)	(34,049)
Proceeds from bank borrowings	194	-	16,300
(Deposits into) / Withdrawals from redemption sinking fund	(2,543)	(839)	(6,946)
Proceeds from bond issue	-	10,000	-
Share capital contribution to NCI	-	-	661
Payments for redemption of bonds	-	(15,917)	(2,712)
Movement on long term creditors	(216)	(1,020)	3,911
Dividends paid	(460)	(193)	(9,331)
	(3,025)	**(26,948)**	**(32,166)**
Net change in cash and cash equivalents	**(27,864)**	**(13,020)**	**16,138**
Cash and cash equivalents at beginning of the year	40,837	12,973	(47)
Cash and cash equivalents at end of year	**12,973**	**(47)**	**16,091**

During FY2013, operating activities generated a substantially higher inflow, thanks to the improved collection of receivables, particularly an €8.1 million that was paid by NLI Holdings Limited – an associate company of IHI which owns the Corinthia Hotel London and Residences.

During DY2013, CPHCL recorded a €7 million inflow from the assignment of rights of the Palm Waterfront to PWL – the 100% owned subsidiary of the Issuer. Moreover, between the years 2012 to 2014, CPHCL recorded an outflow related to purchases of fixed assets amounting to €35.4 million of which €27.1 million related to acquisitions within IHI plc, while another €8.3 million related to Corinthia Construction Overseas Limited – another subsidiary of CPHCL. Equity investment in associates carried out during FY2012 amounted to €9.1 million and these related to the equity injection into Medina Tower by IHI, which has a 25% shareholding in the project. Meanwhile, in FY2014, NLI Holdings repaid a total of €40.7 million of loans through IHI.

In terms of financing activities, CPHCL repaid a total of €53 million of bank debt and a further €18.6 million of corporate bonds. These were partly replaced by a €10 million bond issued by IHI with a coupon of 5.8% repayable in 2023 and a further €16.3 million of new bank borrowings. Additionally, CPHCL made total contributions to the sinking fund for corporate bonds of €10.3 million between FY2012 and FY2014.

The net closing cash position was a positive €16.1 million by the end of FY2014, an improvement over FY2013 which closed at a negative €0.05 million.

12.3 STATEMENT OF FINANCIAL POSITION

Consolidated Balance Sheet	**Actual FY2012 €'000**	**Actual FY2013 €'000**	**Actual FY2014 €'000**
Assets			
Non-Current Assets			
Intangible Assets	6,239	5,823	5,336
Investment Property	209,800	225,379	210,799
Property, plant and equipment	660,485	662,385	621,287
Investments in associates	286,180	325,462	284,277
Other investments	19	-	-
Deferred tax assets	2,566	6,576	4,814
Investment held by trustees	2,626	3,465	10,411
	1,167,915	**1,229,090**	**1,136,924**
Current			
Inventories	7,298	7,560	7,379
Investments	14	-	-
Trade and other receivables	56,880	43,854	35,096
Taxation	621	2,891	2,642
Cash and cash equivalents	21,649	15,249	26,404
	86,462	**69,554**	**71,521**
Assets held for sale	9,404	1,222	-
Total Assets	**1,263,781**	**1,299,866**	**1,208,445**

Consolidated Balance Sheet (continued)

	Actual FY2012 €'000	Actual FY2013 €'000	Actual FY2014 €'000
Equity			
Called-up issued share capital	20,000	20,000	20,000
Other reserves	183,552	211,016	211,477
Retained earnings	179,083	187,195	155,268
	382,635	418,211	386,745
Non-Controlling Interest	248,457	259,609	246,961
Total Equity	**631,092**	**677,820**	**633,706**
Liabilities			
Non-Current			
Bank borrowings	264,070	234,000	224,768
Bonds	138,843	136,361	136,340
Other borrowings	16,571	17,287	19,954
Long-term payables	5,108	4,088	4,721
Taxation	1,626	987	-
Deferred tax liabilities	102,762	110,711	97,425
Derivative financial instruments	4,884	-	-
Provision for charges	206	206	206
	534,070	**503,640**	**483,414**
Current			
Bank borrowings	37,020	52,679	39,179
Bonds	5,744	2,500	-
Other borrowings	-	-	611
Derivative financial instruments	-	2,349	-
Trade and other payables	47,793	54,605	49,658
Current tax liabilities	8,062	6,273	1,877
	98,619	**118,406**	**91,325**
Total Liabilities	**632,689**	**622,046**	**574,739**
Total Equity and Liabilities	**1,263,781**	**1,299,866**	**1,208,445**

As deduced from previous commentary within the report, the asset base of CPHCL (at €1.2 billion by the end of FY2014) is made up of a number of hotel assets and equity investments, which represented *circa* 90% of total assets across all reporting periods. This composition did not change materially during the years under review.

Between the period FY2012 and FY2014, CPHCL made a number of investments in associate companies, namely:

- In FY2012 it contributed a total of €13.5 million to NLI, the company owning the Corinthia Hotel London and Residences, which enabled the whole project to achieve completion. This project is owned through a 50/50 joint venture between IHI and LFICO.

- During FY2012, it injected further funds in its associate company, MTJSC, through its shareholding held via IHI and MIH, thus increasing the CPHCL's Group share in this project to €26 million.

- The increase registered in FY2013 in investments in associates was attributable to the uplift in value recognised on the twelve residential apartments adjoining the London Property. The subsequent drop in 2014 relates to the disposal of eleven of the twelve residences and the subsequent receipt of proceeds from this sale through repayment of loans and dividend payouts.

Meanwhile, trade and other receivables declined by €21.8 million over the period FY2012 to FY2014, reflecting in the main the collection of amounts due from associate companies in FY2013 and other similar receipts in FY2014. The sinking fund build-up which is held by Trustees relate to the issue of earlier bond issues that require the setting up of a fund equivalent to 50% of the bond by redemption date. The balance in this fund increased from €2.6 million in FY2012 to €10.4 million by the end of FY2014.

On the funding side, CPHCL has consistently maintained a balance of debt that is commensurate with its equity commitments. An analysis of the gearing presented hereunder shows the healthy balance that is maintained in respect of its total borrowings, including bank, bonds and other debt.

	Actual FY2012 €'000	**Actual FY2013 €'000**	**Actual FY2014 €'000**
Bank Borrowings			
Non-Current	264,070	234,000	224,768
Current	37,020	52,679	39,179
Bonds	144,587	138,861	136,340
Other Borrowings	16,571	17,287	20,565
Total Borrowings	**462,248**	**442,827**	**420,852**
Equity	**631,092**	**677,820**	**633,706**
Gearing (1)	42%	40%	40%
(total borrowings / (total borrowings + equity)			
Revaluation Reserves	120,660	152,196	149,937
Adjusted Equity	**510,432**	**525,624**	**483,769**
Gearing (2)	48%	46%	47%
(total borrowings / (total borrowings + adjusted equity)			

Furthermore, as at end of FY2014, CPHCL had a total of €42 million of capital commitments which have been authorised but are yet to be contracted, while another €4.9 million committed and contracted.

13. CPHCL COMPANY-LEVEL FINANCIAL REVIEW

The below is a review of the historic financial performance of CPHCL at company level. The information presented has been extracted from the audited annual financial statements of CPHCL for the years ending 31 December 2012, 2013 and 2014 and supported by management as necessary.

13.1 INCOME STATEMENT

CPHCL (Company) - Income Statement	**Actual FY2012 €'000**	**Actual FY2013 €'000**	**Actual FY2014 €'000**	**Projections FY2015 €'000**	**Projections FY2016 €'000**
Revenue	6,379	6,345	6,452	6,609	7,097
Net Operating Expenses	(13,023)	(13,887)	(13,477)	(10,857)	(11,831)
Depreciation and Amortisation	(131)	(111)	(1,029)	(400)	(400)
Other Income	1,301	1,018	1,113	-	-
(Loss) / Gain on Exchange	100	(13)	220	-	-
Operating Profit (Loss)	**(5,374)**	**(6,648)**	**(6,721)**	**(4,648)**	**(5,134)**
Finance Income	2,915	3,725	15,884	500	500
Finance Costs	(8,057)	(7,765)	(6,668)	(4,619)	(4,444)
Movement in tax indemnity	454	882	879	880	880
Impairment loss on fixed assets other than hotel property	9,368	-	(15)	-	-
Gain on sale of investment in subsidiary / associate	1,956	-	-	-	-
Profit / (Loss) on liquidation of associate / subsidiary	-			7,651	-
Gain on sale of investment property	-	6,894	-	-	-
Reinstatement of depreciation on non-current assets no longer held for sale	-	(2,209)	-	-	-
Impairment loss on investments	(436)	(410)	(624)		-
(Loss) / Profit before taxation	**826**	**(5,531)**	**2,735**	**(236)**	**(8,198)**
Tax income (expense)	45	1,718	(5,065)	-	-
(Loss) / Profit for the year from continuing operations	**871**	**(3,813)**	**(2,330)**	**(236)**	**(8,198)**

Looking at CPHCL as a single entity, one would get a better idea of income flows at company level.

Revenue refers to that generated by the Corinthia Palace Hotel (the only hotel still directly owned and operated by the company). Minor changes are reported during the period from FY2012 to FY2014. Meanwhile, the net operating expenses of the company, made up of staff costs and other operating expenses, increased by 3% from FY2012 to FY2014. CPHCL serves as the main administrative hub of the Corinthia Group and therefore, expense totals reflect this setup.

The main income streams for the company are the dividends received from its investments, particularly IHI. During FY2014, IHI declared a dividend, amounting to €12.2 million. This inflow represents a substantial increase over FY2013 and FY2012 comparables.

Finance costs include interest expense related to shareholders' loans, interest payable to Corinthia Finance plc (the Corinthia Group's financing vehicle, which is 100% owned by CPHCL) and bank and other loans from related companies of the Group.

Meanwhile, during FY2014 CPHCL reclassified the Corinthia Palace Hotel in Attard, Malta from an asset held for sale to PPE and thus had to account for the equivalent of accumulated depreciation for the asset, which increased the depreciation charge in the income statement of the company.

During 2013, CPHCL registered a gain of €6.9 million on the assignment of rights of use of the Palm Waterfront to PWL. In 2012, CPHCL sold the Marina Hotel to IHI. This transaction generated movements in impairments and gains on sale as highlighted in the figures above.

13.2 STATEMENT OF FINANCIAL POSITION

CPHCL (Company) – Balance Sheet	**Actual**	**Actual**	**Actual**	**Projections**	**Projections**
As at 31 December	**FY2012**	**FY2013**	**FY2014**	**FY2015**	**FY2016**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**
Assets					
Non-Current Assets					
Investment Property	925	5,932	5,932	5,933	5,933
Property, plant and equipment	346	22,782	21,946	21,590	21,190
Investment in Subsidiaries	406,341	405,008	393,649	395,152	395,727
Investments in associates	25,869	25,856	25,856	24,183	21,683
Other investments	19	-	-	-	
Deferred tax assets	2,172	3,883	2,795	2,794	2,794
Investment held by trustees	3	-	-	-	-
	435,675	**463,461**	**450,178**	**449,652**	**447,327**
Current					
Inventories	241	271	266	275	275
Investments	-	-	-	-	-
Trade and other receivables	14,347	14,380	15,885	14,480	14,480
Taxation	-	-	-	-	-
Cash and cash equivalents	117	368	154	(4,328)	(565)
	14,705	15,019	16,305	10,427	14,190
Assets held for sale	9,848	-	-	-	-
Total Assets	**460,228**	**478,480**	**466,483**	**460,079**	**461,517**

CPHCL (Company) – Balance Sheet (cont.) *As at 31 December*	**Actual** **FY2012** **€'000**	**Actual** **FY2013** **€'000**	**Actual** **FY2014** **€'000**	**Projections** **FY2015** **€'000**	**Projections** **FY2016** **€'000**
Equity					
Called-up issued share capital	20,000	20,000	20,000	20,000	20,000
Other reserves	2,172	20,217	19,158	20,300	20,300
Retained earnings	246,053	240,532	237,105	234,698	224,500
Total Equity	**268,225**	**280,749**	**276,263**	**274,998**	**264,800**
Liabilities					
Non-Current					
Bank borrowings	14,679	3,721	4,841	3,530	1,850
Other borrowings	132,930	127,265	127,161	134,382	149,273
Long-term payables	165	-	-	-	-
Taxation	1,390	665	-	-	-
Deferred tax liabilities	-	3,134	3,072	3,100	3,100
Tax indemnity	23,448	22,566	21,687	20,807	19,927
	172,612	**157,351**	**156,761**	**161,819**	**174,150**
Current					
Bank borrowings	6,965	22,277	11,745	1,650	1,680
Other borrowings	400	4,314	6,870	6,870	6,870
Trade and other payables	11,207	12,668	13,775	13,673	13,673
Current tax liabilities	819	1,121	1,069	1,069	344
	19,391	**40,380**	**33,459**	**23,262**	**22,567**
Total Liabilities	**192,003**	**197,731**	**190,220**	**185,081**	**196,717**
Total Equity and Liabilities	**460,228**	**478,480**	**466,483**	**460,079**	**461,517**

During FY2013, the increase in investment property was the result of the uplift in fair value of a site at Marsa, Malta that is earmarked for development while the increase in PPE during the same financial year was due to the re-statement of the Corinthia Palace Hotel that was classified as asset held for sale. Other than the above, the changes in the other line items of the company were minimal.

The effect of the revaluation of the Corinthia Palace Hotel was reflected in reserves, thereby increasing total equity during FY2013 from €268.2 million in FY2012 to €280.7 million. Moreover, the level of borrowings declined by 3% during the period under review – from €155 million to €150.6 million.

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13.3 CASH FLOW STATEMENTS

The projected key cash flow movements of CPHCL at company level are available in sub-section 13.4 of this report.

CPHCL (Company) - Cash Flow Statements

	Actual FY2012 €'000	Actual FY2013 €'000	Actual FY2014 €'000
Operating Activities			
(Loss) profit before taxation			
- Continuing Operations	826	(5,531)	2,735
	826	**(5,531)**	**2,735**
Adjustments	(6,226)	(936)	(8,624)
Net Changes in Working Capital	(17,370)	2,483	3,657
Interest paid	(7,873)	(8,041)	(7,029)
Taxes paid	(788)	(423)	(4,891)
	(31,431)	**(12,448)**	**(14,152)**
Investing Activities			
Proceeds form sale of assets held for sale	10,414	-	-
Proceeds from sale of investment property	-	7,000	-
Proceeds from sale of short-term investments	387	-	-
Payments to acquire short-term investments	(404)	-	-
Payments to acquire PPE	(49)	(162)	(219)
Payments to acquire PPE classified as held for sale	(217)	(399)	7
Proceeds from disposal of PPE	1	2	-
Proceeds from disposal of assets held for sale	79	-	-
Payments to acquire shares in subsidiaries	(3,382)	(4)	-
Payments to acquire shares in associate	(1)	-	-
Transfer from bond redemption sinking fund	-	3	-
Loan repaid by subsidiary companies	20,202	2,057	10,734
Loans repaid by (advanced to) associate companies	(10,445)	-	-
Dividends received	1,607	358	12,200
Interest received	1,304	1,006	426
	19,496	**9,861**	**23,148**
Financing Activities			
Net proceeds (repayments of) long term borrowings	4,637	-	-
Repayments of bank borrowings	-	(2,154)	(12,785)
Proceeds from bank borrowings	-	-	5,000
Movement on long term creditors	8,722	(1,516)	2,452
Dividends paid	-	-	(2,250)
	13,359	**(3,670)**	**(7,583)**
Net change in cash and cash equivalents	**1,424**	**(6,257)**	**1,413**
Cash and cash equivalents at beginning of the year	(4,793)	(3,369)	(9,626)
Cash and cash equivalents at end of year	**(3,369)**	**(9,626)**	**(8,213)**

Despite generating a profit before tax of €2.7 million in FY2014, net cash from operating activities was still a negative €14.2 million. This represents a €17.3 million improvement over the cash outflow position of FY2012.

The inflow from investments relate to the sale of investment assets, particularly the inflows from IHI relating to the sale of the Marina Hotel in FY2012 and the sale of rights relating to the Palm Waterfront to PWL in 2013. Similarly in FY2014, IHI repaid loans amounting to €10.7 million to CPHCL, which in the main related to the balance due on the transfer of the Marina Hotel.

In addition to the above, during FY2014, the company received a dividend of €12.2 million from IHI, boosting the net inflows from investing activities to €23.1 million in FY2014 (FY2013: €9.9 million; FY2012: €19.5 million – both net inflows).

In terms of financing activities, CPHCL repaid a total of €14.9 million of bank loans throughout the period from FY2012 to FY2014, which were partly replaced by a total of €9.6 million of additional borrowings - €5 million of which from banks. Furthermore, trade creditors increased in FY2012 by €8.7 million but reduced by €1.5 million during FY2013, increasing again in FY2014 by €2.3 million.

13.4 PROJECTIONS

13.4.1 ASSUMPTIONS

The projections have been prepared by management and have been based on the following principal assumptions as at the date provided in the due diligence report:

- The Company assumes that the economic and political situation in Libya will start to stabilise in FY2016, with further recovery in FY2017.
- A gradual increase in occupancy levels at Corinthia Palace Hotel that will improve revenue figures for CPHCL, albeit room rates for the hotel are expected to register a marginal drop in FY2015 and increase at 3% above inflationary rates in FY2016.
- A number of non-core asset sales are concluded in both FY2015 and FY2016.
- The bases on which the commercial banks set their interest rates will not change materially throughout the forecast period.
- The bases and rates of taxation in jurisdictions in which the Group operates in, both directly or through its subsidiary and associate companies, will not change materially.
- There will be no significant fluctuations in exchange rates during the period under consideration.
- The rate of inflation is assumed to be a constant 2% during the period under review.

CPHCL's key cashflow movements at company level are summarised below.

	Actual FY2012	Actual FY2013	Actual FY2014	Projected FY2015	Projected FY2016
Operational Net Inflows (Outflows)	(4,658,000)	(4,423,000)	(5,002,000)	(3,919,000)	(5,229,649)
Dividend Income	503,000	449,000	6,995,000	3,944,000	500,000
Corporation Tax	(788,000)	(483,000)	-	-	(725,000)
Support to Group Companies	(1,080,000)	(1,321,000)	(1,366,000)	1,764,000	800,000
New Investments	(4,844,000)	(2,575,000)	(1,593,000)	(1,222,000)	(575,000)
Total Debt Service	(5,376,000)	(7,606,000)	(13,953,000)	(6,664,193)	(3,007,569)
Dividend Payments	(1,133,000)	(154,000)	(566,000)	(1,018,000)	(2,000,000)
Disposal of Non-Core Assets	18,800,000	9,856,000	16,898,000	11,000,000	14,000,000
Net Cash Flow for the Year	**(1,424,000)**	**(6,257,000)**	**1,413,000**	**3,884,807**	**3,762,782**
Opening Balance	(4,793,000)	(3,369,000)	(9,266,000)	(8,213,000)	(4,328,193)
Closing Balance	**(3,369,000)**	**(9,626,000)**	**(8,213,000)**	**(4,328,193)**	**(545,411)**

The projected cashflow movements have been extracted from the due diligence report prepared by the Guarantor's auditors as required by the MFSA Listing Policies. Actual cashflow movements have been provided by management.

The main inflows during the projected period disclosed are expected to be generated from non-core asset disposals in line with the Guarantor's present objectives. Furthermore, dividend income is expected principally from the Guarantor's investments in IHI. Going forward the sale of non-core assets is expected to continue while the Guarantor expects to increase its dividend inflows from its principal investments accelerating in the medium term. Operating costs and debt servicing requirements comprise the main ongoing cash outflows at Guarantor level.

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PART 3

14. RELATED PARTY LISTED SECURITIES

CPHCL is the parent company of three locally-listed public companies – MIH plc (the Issuer), IHI plc and Corinthia Finance plc. Below is a list of outstanding debts listed on the local capital market:

	EUR Equivalent	
Mediterranean Investments Holding plc		
MT0000371220	19,649,600	7.5% MIH plc 2015 (being replaced by €20 million 5.5% 2020)
MT0000371238	28,519,400	7.15% MIH plc 2015-2017 (EUR)
MT0000371246	6,080,000	7.15% MIH plc 2015-2017 (GBP4,351,100) *
MT0000371253	6,420,000	7.15% MIH plc 2015-2017 (USD7,120,300) *
MT0000371261	12,000,000	6% MIH plc 2021
	72,669,000	

* *The EUR equivalent of the GBP and USD bonds are approximate rounded values*

Corinthia Finance plc		
MT00000101239	39,927,600	6.25% Corinthia Finance plc 2016-2019
MT00000101254	7,500,000	6% Corinthia Finance plc 2019-2022
	47,427,600	

International Hotel Investments plc		
MT0000111253	6,314,000	6.25% International Hotel Investments plc 2015 - 2019*
MT0000111261	24,831,700	6.25% International Hotel Investments plc 2017 - 2020
MT0000111279	20,000,000	5.8% International Hotel Investments plc 2021
MT0000111287	10,000,000	5.8% International Hotel Investments plc 2023
MT0000111295	45,000,000	5.75% International Hotel Investments plc 2025
	106,147,700	

* Being redeemed on 10 July 2015

Total outstanding debt listed on the local capital market currently amounts to *circa* €226.2 million.

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15. COMPARISON TO OTHER ISSUERS

The table below compares the Issuer and its proposed bond issue to other listed debt on the local market having broadly similar maturities. The list excludes issues by financial institutions. The comparative set includes local groups whose assets, strategy and level of operations vary significantly from those of the Issuer and are therefore not directly comparable. Nevertheless, the table below provides a sample of some comparatives:

Bond Details	Outstanding Amount €	Total Assets €	Equity €	Gearing Ratio [1]	EBITDA €	Interest Cover	YTM [2]
7% GRAND HARBOUR MARINA PLC 2017/20	10,969,400	16,561,952	2,776,563	80%	1,079,905	1.39	4.04%
6.8% PREMIER CAPITAL PLC 2017/20	24,641,000	69,978,141	17,009,454	68%	9,754,975	4.18	4.43%
6.25% INT. HOTEL INVESTMENTS PLC 2017/20	24,831,700	1,012,040,000	594,814,000	33%	28,850,000	2.21	4.82%
5.5% PENDERGARDENS DEV. PLC 31.05.2020	15,000,000	61,791,163	10,458,506	81%	(524,400)	(n/a)	2.80%
6.6% EDEN FINANCE PLC 2017/20	13,984,000	103,749,277	44,217,571	48%	6,172,412	2.98	4.70%
6.2% TUMAS INVESTMENTS PLC 2017/20	25,000,000	144,219,142	50,007,762	56%	15,445,257	3.95	3.95%
6.0% SIMONDS FARSONS CISK PLC 2017/20	15,000,000	148,758,000	100,235,000	20%	15,887,000	10.79	4.05%
4.9% GASAN FINANCE CO. PLC 2019/21	25,000,000	187,812,490	83,931,090	38%	5,758,278	2.78	3.83%
5.5% MED. INV. HOLDING PLC 2020	**20,000,000**	**290,812,770**	**138,047,674**	**43%**	**21,918,000**	**2.44**	**5.50%**

[1] *Gearing Ratio: Total Debt / (Total Debt + Equity)*

[2] *as at 16 June 2015*

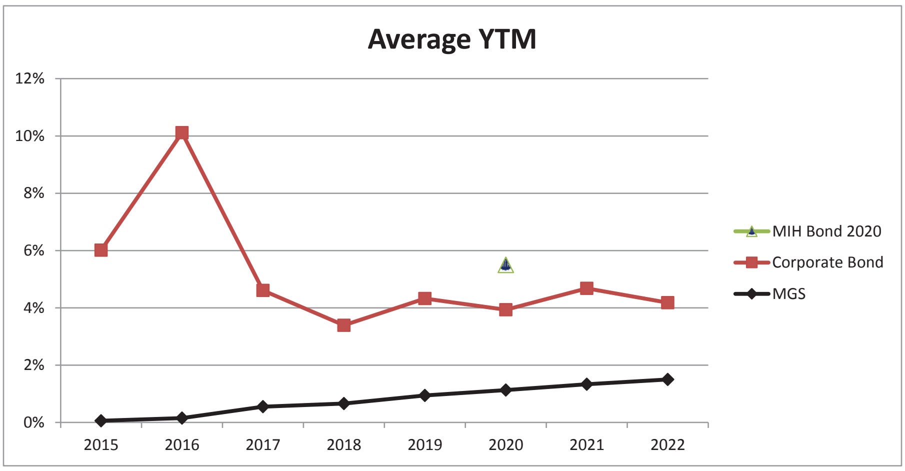
The figures above have been extracted from the latest respective audited financial statements of each issuer, with the exception of the following finance companies:

- *Tumas Investments plc – the figures presented are of the guarantor – Spinola Development Company Limited*
- *Eden Finance plc – the figures presented are of the guarantor – Eden Leisure Group Limited*
- *Gasan Finance Co plc – the figures presented are those of Gasan Group Limited.*

Gearing, interest cover and YTM have been compiled by Rizzo, Farrugia & Co. (Stockbrokers) Ltd.

Both in terms of gearing and interest cover, the Issuer ranks positively compared to this set as at the respective most recent audited financial statements date.

The chart below shows the yield to maturity of the new 5.5% MIH Bond 2020 compared to the average yield to maturity of other corporate bonds listed on the Malta Stock Exchange and benchmarked against the Malta Government Stock yield curve as at 16 June 2015.



At a coupon of 5.5%, the MIH Bond 2020 is priced at a premium of just over 430 basis points over MGS maturing in 2020.

NB: All data above has been sourced on 16 June 2015.

RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

GLOSSARY

INCOME STATEMENT EXPLANATORY DEFINITIONS

Revenue	Total revenue generated by the company from its business activity during the financial year.
Cost of Sales	The costs incurred in direct relation to the operations of the Issuer or Guarantor.
Gross Profit	The difference between Revenue and Cost of Sales.
EBITDA	Earnings before interest, tax, depreciation and amortization, reflecting the company's earnings purely from operations.
Depreciation and Amortization	An accounting charge to compensate for the reduction in the value of assets and the eventual cost to replace the asset when fully depreciated.
Finance Income	Interest earned on cash bank balances and from the intra-group companies on loans advanced.
Finance Costs	Interest accrued on debt obligations.
Net Profit	The profit generated in one financial year.

CASH FLOW STATEMENT EXPLANATORY DEFINITIONS

Cash Flow from Operating Activities	The cash used or generated from the company's business activities.
Cash Flow from Investing Activities	The cash used or generated from the company's investments in new entities and acquisitions, or from the disposal of fixed assets.
Cash Flow from Financing Activities	The cash used or generated from financing activities including new borrowings, interest payments, repayment of borrowings and dividend payments.

BALANCE SHEET STATEMENT EXPLANATORY DEFINITIONS

Assets	What the company owns which can be further classified in Current and Non-Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Liabilities	What the company owes, which can be further classified in Current and Non-Current Liabilities.
Current Liabilities	Obligations which are due within one financial year.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Equity	Equity is calculated as assets less liabilities, representing the capital owned by the shareholders, retained earnings and any reserves.