

**CORINTHIA FINANCE plc**

A member of the Corinthia Group of Companies

HALF-YEARLY FINANCIAL REPORT
*For the Period 1 January to 30 June 2011***Condensed Income Statement**

	1 January to 30 June 2011 €	1 January to 30 June 2010 €
Finance income	1,786,040	1,802,818
Finance costs	(1,744,267)	(1,773,797)
	41,773	29,021
Administrative expenses	(15,186)	(16,844)
Profit before tax	26,587	12,177
Tax expense	(9,306)	(4,262)
Profit for the period	17,281	7,915
Earnings per share	0.173	0.079

Condensed Balance Sheet

	At 30 June 2011 €	At 31 December 2010 €
ASSETS		
Non-current	40,000,000	54,667,365
Current	17,262,056	1,265,141
Total assets	57,262,056	55,932,506
EQUITY		
Total equity	276,577	259,296
LIABILITIES		
Non-current	40,000,000	54,644,885
Current	16,985,479	1,028,325
Total liabilities	56,985,479	55,673,210
Total equity and liabilities	57,262,056	55,932,506

Condensed Statement of Changes in Equity

	Share capital €	Retained earnings €	Total €
At 1 January 2010	232,937	8,059	240,996
Profit for the period	-	7,915	7,915
At 30 June 2010	232,937	15,974	248,911
Profit for the period	-	10,385	10,385
At 31 December 2010	232,937	26,359	259,296
Profit for the period	-	17,281	17,281
At 30 June 2011	232,937	43,640	276,577

Condensed Cash Flow Statement

	1 January to 30 June 2011 €	1 January to 30 June 2010 €
Net cash (used in) from operating activities	(16,294)	463,186
Net cash used in investing activities	0	(1,150,000)
Net cash from financing activities	0	726,300
Net (decrease) increase in cash and cash equivalents	(16,294)	39,486
Cash and cash equivalents at beginning of period	91,777	60,976
Cash and cash equivalents at end of period	75,483	100,462

Selected Explanatory Notes**Basis of Preparation**

The published figures have been extracted from the unaudited financial statements of Corinthia Finance plc for the six months ended 30 June 2011 and the comparative period in 2010. Comparative balance sheet information as at 31 December 2010 has been extracted from the audited financial statements for the year ended on that date. This report is being published in terms of Listing Rule 5.74 issued by the Malta Financial Services Authority - Listing Authority, and has been prepared in accordance with the applicable Listing Rules and the International Accounting Standard 34, 'Interim Financial Reporting'. The financial statements published in this Half-Yearly Report are condensed in accordance with the form and content requirements of this standard. In terms of Listing Rule 5.75.5 the Directors are stating that this Half-Yearly Financial Report has not been audited or reviewed by the Company's independent auditors.

Accounting Policies

The accounting policies adopted in the preparation of the Company's Half-Yearly Report are the same as those adopted in the preparation of the audited financial statements for the year ended 31 December 2010.

Principal Activities

The principal activity of the Company is to finance the ownership, development and operation of the hotels, resorts, and leisure facilities forming part of the Corinthia Group of Companies, of which it is a member.

Interim Directors' Report

During the period under review the Company's income of €1,786,040, generated from interest charged on loans to the parent company net of finance costs on the bonds in issue, resulted in a net surplus of €41,773. This represents an increase of €12,752 over the corresponding period last year.

The Company incurred €15,186 by way of administrative expenses. The profit after tax for the period amounted to €17,281.

The earnings per share are based on the profit for the period divided by the average number of ordinary shares in issue during the period i.e. 100,000 shares of €2.32937 each.

State of Affairs

The Company has an agreement with Corinthia Palace Hotel Company Limited which provides for the repayment of the bonds in issue on maturity.

Statement pursuant to Listing Rule 5.75.3 issued by the Listing Authority

We confirm that to the best of our knowledge:

- this condensed set of financial statements, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position, and profit or loss of Corinthia Finance plc; and
- includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.

Joseph Fenech
ChairmanJoseph J Vella
Director

CORINTHIA FINANCE p.l.c.

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