

CORINTHIA FINANCE plc

HALF-YEARLY FINANCIAL REPORT

For the Period 1 January to 30 June 2013

Condensed Income Statement

	1 January to 30 June 2013 €	1 January to 30 June 2012 €
Finance income	1,504,977	1,657,161
Finance costs	(1,476,252)	(1,624,312)
	28,725	32,849
Administrative expenses	(16,098)	(17,502)
Profit before tax	12,627	15,347
Tax expense	(3,686)	(5,371)
Profit for the period	8,941	9,976
Earnings per share	0.04	0.04
Other comprehensive income		
Net fair value gain on investments	5,460	-
Total comprehensive income	14,401	9,976

Condensed Balance Sheet

	At 30 June 2013 €	At 31 December 2012 €
ASSETS		
Non-current	47,509,130	47,500,000
Current	2,815,146	1,742,000
Total assets	50,324,276	49,242,000
EQUITY		
Total equity	328,261	313,860
LIABILITIES		
Non-current	47,500,000	47,500,000
Current	2,496,015	1,428,140
Total liabilities	49,996,015	48,928,140
Total equity and liabilities	50,324,276	49,242,000

Condensed Statement of Changes in Equity

	Share capital €	Other Reserve €	Retained earnings €	Total €
At 1 January 2012	232,937	-	59,363	292,300
Capitalisation of reserves	17,063	-	(17,063)	-
Profit for the period	-	-	9,976	9,976
At 30 June 2012	250,000	-	52,276	302,276
Profit for the period	-	-	11,584	11,584
At 31 December 2012	250,000	-	63,860	313,860
Profit for the period	-	5,460	8,941	14,401
At 30 June 2013	250,000	5,460	72,801	328,261

Condensed Cash Flow Statement

	1 January to 30 June 2013 €	1 January to 30 June 2012 €
Net cash (used in) from operating activities	(24,894)	30,349
Net cash from investing activities	-	7,167,365
Net cash used in financing activities	-	(7,144,885)
Net (decrease) increase in cash and cash equivalents	(24,894)	52,829
Cash and cash equivalents at beginning of period	29,668	112,895
Cash and cash equivalents at end of period	4,774	165,724

Selected Explanatory Notes

Basis of Preparation

The published figures have been extracted from the unaudited financial statements of Corinthia Finance plc (the Company) for the six months ended 30 June 2013 and the comparative period in 2012. Comparative balance sheet information as at 31 December 2012 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 2012.

Principal Activities

The Company acts as a special purpose vehicle to raise finance for its parent company Corinthia Palace Hotel Company Ltd through the issue of bonds on the Malta Stock Exchange.

Interim Directors' Report

During the first six months of 2013 the Company's income, primarily generated from interest charged on loans to the parent company, amounted to €1,504,977. Finance costs on the bonds in issue amounted to €1,476,252, resulting in a net finance income of €28,725. After deducting €16,098 in administrative expenses and providing for €3,686 in income tax, the profit after tax for the period amounted to €8,941, representing a decrease of €1,035 over the corresponding period last year. This slight reduction in profitability reflects the lower finance income and finance costs mainly resulting from the redemption of the €14.6 million bond that had matured in April 2012 and replaced by a new bond for €7.5 million. This led to a reduction in the amount of bonds in issue and the corresponding on-lending by the Company to its parent company.

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, that is, 250,000 shares of €1 each.

In the Other comprehensive income the Company registered a fair value gain of €5,460 being an unrealised gain on the appreciation in value of Malta Government Stocks forming part of the Company's sinking fund.

State of Affairs

The loan agreements which the Company has with Corinthia Palace Hotel Company Limited provide for the repayment of the loans according to a pre-determined schedule that will permit the Company to set up the necessary sinking funds and ensure the full repayment of the bonds upon 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
Chairman


Joseph J. Vella
Director

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