



CORINTHIA FINANCE plc

A member of the Corinthia Group of Companies

Half-Yearly Financial Report For the Period 1 January 2008 to 30 June 2008

Condensed Balance Sheet

	At 30 June 2008 €	At 31 December 2007 €
ASSETS		
Non current assets	47,883,077	47,883,077
Current assets	1,866,756	1,652,388
	<u>49,749,833</u>	<u>49,535,465</u>
EQUITY	236,219	236,087
LIABILITIES		
Non-current liabilities	48,168,504	48,137,761
Current liabilities	1,345,110	1,161,617
Total liabilities	<u>49,513,614</u>	<u>49,299,378</u>
Total equity and liabilities	<u>49,749,833</u>	<u>49,535,465</u>

Condensed Income Statement

	1 January to 30 June 2008 €	1 January to 30 June 2007 €
Interest receivable	1,651,360	1,664,373
Interest payable and similar charges	(1,637,600)	(1,642,065)
Net Interest earned	13,760	22,308
Administrative expenses	(13,558)	(11,805)
Profit before income tax	202	10,503
Income tax expense	(70)	(3,676)
Profit for the period	<u>132</u>	<u>6,827</u>
Earnings per share	<u>0.0013</u>	<u>0.0683</u>

Condensed Statement of Changes in Equity

	Total €	Share capital €	Retained Earnings €
At 1 January 2007	287,938	232,937	55,001
Profit for the period	6,827	-	6,827
At 30 June 2007	<u>294,765</u>	<u>232,937</u>	<u>61,828</u>
Dividend distribution	(58,234)	-	(58,234)
Loss for the period	(444)	-	(444)
At 31 December 2007	236,087	232,937	3,150
Profit for the period	132	-	132
At 30 June 2008	<u>236,219</u>	<u>232,937</u>	<u>3,282</u>

Condensed Cash Flow Statement

	1 January to 30 June 2008 €	1 January to 30 June 2007 €
Net cash (used in) from operating activities	(12,285)	953
Net cash from investing activities	-	251,572
Net cash used in financing activities	-	(251,572)
Net (decrease) increase in cash and cash equivalents	<u>(12,285)</u>	<u>953</u>
Cash at bank at beginning of period	65,579	14,617
Cash at bank at end of period	<u>53,294</u>	<u>15,570</u>

Selected Explanatory Notes

Basis of Preparation

The published figures have been extracted from the unaudited management financial statements of Corinthia Finance plc for the six months ended 30 June 2008 and its comparative period in 2007. Comparative balance sheet information as at 31 December 2007 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 9.44j 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 9.44k.5 the Directors are stating that this Half-Yearly Financial Report has not been audited or reviewed by the Company's independent auditors.

Principal Activities

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

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 2007.

Interim Directors' Report

During the period under review, the Company's revenue amounted to €1,651,360 a reduction of €13,013 from the previous period as a result of bond redemptions. This revenue was generated from interest charged to the parent company on loans advanced.

Interest payable on the bonds in issue amounted to €1,637,600. The Company incurred €13,558 by way of administrative expenses. The profit for the period amounted to €132.

Earnings per share are based on the profit for the period divided by the weighted 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 the necessary comfort for the repayment of the bonds in issue on maturity.

Statement pursuant to Listing Rule 9.44k.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 financial standards, gives a true and fair view of the assets, liabilities, financial position and profit or loss of Corinthia Finance plc; and
- the Interim Directors' Report includes a fair review of the information required in terms of Listing Rule 9.44.q.


Joseph Fenech
Chairman


Joseph J. Vella
Director

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