

CORINTHIA FINANCE plc

HALF-YEARLY FINANCIAL REPORT

For the Period 1 January to 30 June 2015

Condensed Income Statement

	1 January to 30 June 2015 €	1 January to 30 June 2014 €
Finance income	1,506,280	1,491,077
Finance costs	(1,472,738)	(1,473,988)
	33,542	17,089
Administrative expenses	(21,398)	(17,828)
Profit / (Loss) before tax	12,144	(739)
Tax (expense) / income	(3,460)	2,090
Profit for the period	8,684	1,351
Earnings per share	0.03	0.01
Other comprehensive income		
Net fair value gain on investments	63,040	48,446
Total comprehensive income	71,724	49,797

Condensed Balance Sheet

	At 30 June 2015 €	At 31 December 2014 €
ASSETS		
Non-current	47,692,817	47,614,524
Current	2,788,094	1,733,389
Total assets	50,480,911	49,347,913
EQUITY		
Total equity	583,731	512,007
LIABILITIES		
Non-current	47,429,611	47,429,963
Current	2,467,569	1,405,943
Total liabilities	49,897,180	48,835,906
Total equity and liabilities	50,480,911	49,347,913

Condensed Statement of Changes in Equity

	Share capital €	Other Reserve €	Retained earnings €	Total €
At 1 January 2014	250,000	7,650	79,269	336,919
Profit for the period	-	48,446	1,351	49,797
At 30 June 2014	250,000	56,096	80,620	386,716
Profit for the period	-	100,258	25,033	125,291
At 31 December 2014	250,000	156,354	105,653	512,007
Profit for the period	-	63,040	8,684	71,724
At 30 June 2015	250,000	219,394	114,337	583,731

Condensed Cash Flow Statement

	1 January to 30 June 2015 €	1 January to 30 June 2014 €
Net cash used in operating activities	(8,688)	(9,947)
Net cash from investing activities	-	-
Net cash used in financing activities	-	-
Net decrease in cash and cash equivalents	(8,688)	(9,947)
Cash and cash equivalents at beginning of period	15,212	15,841
Cash and cash equivalents at end of period	6,524	5,894

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 2015 and the comparative period in 2014. Comparative balance sheet information as at 31 December 2014 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 2014.

Principal Activities

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

Interim Directors' Report

During the first six months of 2015 the Company's income, primarily generated from interest charged on loans to the parent company and interest receivable from sinking fund monies, amounted to € 1,506,280. Finance costs on the bonds in issue amounted to € 1,472,738 resulting in a net finance income of € 33,542. After deducting € 21,398 in administrative expenses and providing for € 3,460 in income tax, the profit after tax for the period amounted to € 8,684, representing an increase of € 7,333 over the corresponding period last year. The improvement in the net finance income is a result of the contractual increases in the interest rates chargeable on two of the loans given by the Company to Corinthia Palace Hotel Company Limited that came into effect in the second semester of 2014.

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 Other comprehensive income the Company registered a fair value gain of € 63,040, being an unrealised gain on the appreciation in value of Malta Government Stocks forming part of the Company's sinking fund set up for the redemption of Bonds.

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 which will permit the Company to set up the necessary sinking funds as well as to ensure the full repayment of the bonds upon maturity. The amounts transferred to date to the sinking funds, held with a Trustee and a Custodian respectively, are in line with the investment parameters stipulated in the relevant bond prospectuses and the policy guidelines established in this regard by the Listing Authority.

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

Frank Xerri de Caro
Director

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