

CORINTHIA FINANCE plc

HALF-YEARLY FINANCIAL REPORT

For the Period 1 January to 30 June 2016

Condensed Income Statement

	1 January to 30 June 2016 €	1 January to 30 June 2015 €
Finance income	1,563,498	1,506,280
Finance costs	(1,534,171)	(1,472,738)
	29,327	33,542
Administrative expenses	(19,943)	(21,398)
Profit before tax	9,384	12,144
Tax income / (expense)	3,697	(3,460)
Profit for the period	13,081	8,684
Earnings per share	0.05	0.03
Other comprehensive income		
Net fair value gain on investments	98,426	63,040
Total comprehensive income	111,507	71,724

Condensed Balance Sheet

	At 30 June 2016 €	At 31 December 2015 €
ASSETS		
Non-current	47,510,159	47,776,620
Current	10,049,633	1,957,869
Total assets	57,559,792	49,734,489
EQUITY		
Total equity	671,390	559,883
LIABILITIES		
Non-current	47,495,302	47,431,541
Current	9,393,100	1,743,065
Total liabilities	56,888,402	49,174,606
Total equity and liabilities	57,559,792	49,734,489

Condensed Statement of Changes in Equity

	Share capital €	Other Reserve €	Retained earnings €	Total €
At 1 January 2015	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
Profit for the period	-	56,866	19,286	76,152
Dividend	-	-	(100,000)	(100,000)
At 31 December 2015	250,000	276,260	33,623	559,883
Profit for the period	-	98,426	13,081	111,507
At 30 June 2016	250,000	374,686	46,704	671,390

Condensed Cash Flow Statement

	1 January to 30 June 2016 €	1 January to 30 June 2015 €
Net cash used in operating activities	(2,673)	(8,688)
Net cash from investing activities	6,587,100	-
Net cash used in financing activities	(6,587,100)	-
Net decrease in cash and cash equivalents	(2,673)	(8,688)
Cash and cash equivalents at beginning of period	8,924	15,212
Cash and cash equivalents at end of period	6,251	6,524

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 2016 and the comparative period in 2015. Comparative balance sheet information as at 31 December 2015 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 2015.

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 period under review, the Company announced that it will be exercising its option to early redeem the €39,927,600 6.25% Unsecured Bond 2016-2019 ("Exchangeable Bonds") on 24 September 2016. To this end, a new €40,000,000 4.25% Unsecured Bond 2026 was issued on the 8 April 2016 with the holders of the Exchangeable Bonds granted preference. This Bond Issue was heavily oversubscribed. The balance on the remaining 6.25% Bond 2016-2019 of €6,514,700 will be redeemed on the 24 September 2016.

During the first six months of 2016 the Company's income, primarily generated from interest charged on loans to the parent company and interest receivable from sinking fund monies, amounted to €1,563,498. Finance costs on the bonds in issue amounted to €1,534,171 resulting in a net finance income of €29,327. After deducting €19,943 in administrative expenses and accounting for €3,697 in tax income, the profit for the period amounted to €13,081, representing an increase of €4,397 over the corresponding period last year.

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. 250,000 shares of €1 each.

In Other comprehensive income the Company registered a fair value gain of €98,426, being an unrealised gain on the appreciation in value of investments underlying 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 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



Joseph J. Vella
Director

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