

CORINTHIA FINANCE plc

HALF-YEARLY FINANCIAL REPORT

For the Period 1 January to 30 June 2017

Condensed Income Statement

	1 January to 30 June 2017 €	1 January to 30 June 2016 €
Finance income	1,116,310	1,563,498
Finance costs	(1,075,000)	(1,534,171)
	41,310	29,327
Administrative expenses	(26,478)	(19,943)
Realised gain on disposal of investments	4,689	-
Profit before tax	19,521	9,384
Tax (expense) / income	(3,961)	3,697
Profit for the period	15,560	13,081
Earnings per share	0.06	0.05
Other comprehensive income		
Fair value (losses) / gains	(6,795)	98,426
Reclassification adjustment to profit and loss upon disposal	(4,689)	-
Total comprehensive income	4,076	111,507

Condensed Balance Sheet

	At 30 June 2017 €	At 31 December 2016 €
ASSETS		
Non-current	47,516,297	47,517,874
Current	1,532,908	2,659,211
Total assets	49,049,205	50,177,085
EQUITY		
Total equity	350,770	346,694
LIABILITIES		
Non-current	47,500,000	47,500,000
Current	1,198,435	2,330,391
Total liabilities	48,698,435	49,830,391
Total equity and liabilities	49,049,205	50,177,085

Condensed Statement of Changes in Equity

	Share capital €	Other Reserve €	Retained earnings €	Total €
At 1 January 2016	250,000	276,260	33,623	559,883
Profit for the period	-	-	13,081	13,081
Other comprehensive income	-	98,426	-	98,426
At 30 June 2016	250,000	374,686	46,704	671,390
Profit for the period	-	-	438,506	438,506
Other comprehensive income	-	(363,202)	-	(363,202)
Dividend	-	-	(400,000)	(400,000)
At 31 December 2016	250,000	11,484	85,210	346,694
Profit for the period	-	-	15,560	15,560
Other comprehensive income	-	(11,484)	-	(11,484)
At 30 June 2017	250,000	-	100,770	350,770

Condensed Cash Flow Statement

	1 January to 30 June 2017 €	1 January to 30 June 2016 €
Net cash used in operating activities	12,548	(2,673)
Net cash from investing activities	-	6,587,100
Net cash used in financing activities	-	(6,587,100)
Net inc / (dec) in cash and cash equivalents	12,548	(2,673)
Cash and cash equivalents at beginning of period	6,495	8,924
Cash and cash equivalents at end of period	19,043	6,251

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 2017 and the comparative period in 2016. Comparative balance sheet information as at 31 December 2016 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 2016.

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 2017 the Company's income, primarily generated from interest charged on loans to the parent company and interest receivable from sinking fund monies, amounted to €1,116,310. Finance costs on the bonds in issue amounted to €1,075,000 resulting in a net finance income of €41,310. The decrease in both finance income and finance costs in the reporting period compared to the six-month period in 2016 is a direct result of the issue of a Eur40M bond in 2016 at an interest rate of 4.25% and the subsequent redemption of a Eur40M bond at an interest rate of 6.25% thereby resulting in an interest rate reduction of 2% per annum. After deducting €26,478 in administrative expenses and accounting for €4,689 in realised gain on disposal of investments, the profit for the period after taxation amounted to €15,560, representing an increase of €2,479 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 reversed fair value gains of €6,795 accrued in previous years and reclassified €4,689 to the income statement since the investments underlying the Company's sinking fund were sold realising such a gain.

State of Affairs

The loan agreement of Eur7.5M which the Company has with Corinthia Palace Hotel Company Limited provides for the repayment of the loan according to a pre-determined schedule. The amounts repaid to-date have been transferred to a sinking fund held with a Custodian.

The loan agreement of Eur40M which the Company has with Corinthia Palace Hotel Company Limited provides for the full repayment of the loan on the 5th April 2026.

Both loan agreements 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