



CORINTHIA FINANCE plc

A member of the Corinthia Group of Companies

COMPANY ANNOUNCEMENT

Half-Yearly Report

The Board of Directors of Corinthia Finance p.l.c. has approved the attached Half-Yearly Report for the period ended 30 June 2018.

This Report may also be viewed on <http://www.corinthiagroup.com/corinthia-finance-plc/>.

Eugenio Privitelli
Company Secretary

31 August 2018

Encl.



CORINTHIA FINANCE plc

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HALF-YEARLY FINANCIAL REPORT For the Period 1 January to 30 June 2018

Income Statement

| | 1 January to 30 June 2018 € | 1 January to 30 June 2017 € |
|--|-----------------------------------|-----------------------------------|
| Finance income | 1,135,082 | 1,116,310 |
| Finance costs | (1,075,000) | (1,075,000) |
| | 60,082 | 41,310 |
| Administrative expenses | (21,885) | (26,478) |
| Realised gain on disposal of investments | - | 4,689 |
| Profit before tax | 38,197 | 19,521 |
| Tax expense | (10,865) | (3,961) |
| Profit for the period | 27,332 | 15,560 |
| Earnings per share | 0.11 | 0.06 |
| Other comprehensive income | | |
| Fair value losses | - | (6,795) |
| Reclassification adjustment to profit and loss upon disposal | - | (4,689) |
| Total comprehensive income | 27,332 | 4,076 |

Balance Sheet

| | At 30 June 2018 € | At 31 December 2017 € |
|-------------------------------------|-------------------------|-----------------------------|
| ASSET | | |
| Non-current | | |
| Loans owed by parent company | 46,370,000 | 46,460,000 |
| Other non-current financial assets | 1,072,361 | 1,061,717 |
| Deferred tax asset | - | 1,967 |
| Total non-current assets | 47,442,361 | 47,523,684 |
| Current | | |
| Receivables | 1,447,294 | 2,250,490 |
| Other financial assets | 30,450 | 36,900 |
| Cash and cash equivalents | 21,507 | 10,650 |
| Total current assets | 1,499,251 | 2,298,040 |
| Total assets | 48,941,612 | 49,821,724 |
| EQUITY | | |
| Share capital | 250,000 | 250,000 |
| Retained earnings | 67,181 | 129,849 |
| Total equity | 317,181 | 379,849 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Bonds in issue | 47,500,000 | 47,500,000 |
| Total non-current liabilities | 47,500,000 | 47,500,000 |
| Current | | |
| Payables | 1,124,431 | 1,941,875 |
| Total liabilities | 48,624,431 | 49,441,875 |
| Total equity and liabilities | 48,941,612 | 49,821,724 |

Statement of Changes in Equity

| | Share capital € | Other Reserve € | Retained earnings € | Total € |
|----------------------------------|-----------------------|-----------------------|---------------------------|----------------|
| At 1 January 2017 | 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 |
| Profit for the period | - | - | 29,079 | 29,079 |
| At 1st January 2018 | 250,000 | - | 129,849 | 379,849 |
| Impact of the adoption of IFRS 9 | - | - | (90,000) | (90,000) |
| Profit for the period | - | - | 27,332 | 27,332 |
| At 30 June 2018 | 250,000 | - | 67,181 | 317,181 |

Cash Flow Statement

| | 1 January to 30 June 2018 € | 1 January to 30 June 2017 € |
|---|-----------------------------------|-----------------------------------|
| Cashflows from operating activities | | |
| Cash used in operating activities | (75,205) | (49,848) |
| Tax paid | (1,878) | (923) |
| Net cash used in operating activities | (77,083) | (50,771) |
| Cashflows from investing activities | | |
| Interest received | 2,237,940 | 2,213,319 |
| Net cash generated from investing activities | 2,237,940 | 2,213,319 |
| Cashflows from financing activities | | |
| Interest paid | (2,150,000) | (2,150,000) |
| Net cash used in financing activities | (2,150,000) | (2,150,000) |
| Net change in cash and cash equivalents | 10,857 | 12,548 |
| Cash and cash equivalents at beginning of period | 10,650 | 6,495 |
| Cash and cash equivalents at end of period | 21,507 | 19,043 |

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 2018 and the comparative period in 2017. Comparative balance sheet information as at 31 December 2017 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'. 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 2017. With the adoption of IFRS 9 'Financial Instruments' as from 1st January 2018, the Company reviewed the risks associated with its loans receivable from its Parent Company Corinthia Palace Hotel Company Limited and in view of the latter's history, prudent gearing ratio and level of reserves, it applied judgement in determining the appropriate expected credit loss provision.

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 2018 the Company's income, primarily generated from interest charged on loans to the parent company and interest receivable from sinking fund monies, amounted to €1,135,082. Finance costs on the bonds in issue amounted to €1,075,000 resulting in a net finance income of €60,082. After deducting €21,885 in administrative expenses, the profit for the period after taxation amounted to €27,332, representing an increase of €23,256 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.

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

Registered Office

22 Europa Centre ~ Floriana FRN 1400 ~ Malta

Tel: +356 21 233141 ~ Fax +356 21 234219 ~ Email: info@corinthiafinance.com ~ Website: www.corinthiagroup.com