



**CORINTHIA FINANCE plc**

A member of the Corinthia Group of Companies

## **COMPANY ANNOUNCEMENT**

The following is a Company Announcement issued by Corinthia Finance plc pursuant to Malta Stock Exchange Bye-Law 6.05.06(iii).

The attached Interim Financial Report for the period from 9<sup>th</sup> September 1999 to 30<sup>th</sup> June 2000 was approved by the Directors of Corinthia Finance plc at a Meeting of the Board of Directors held on 3<sup>rd</sup> August 2000.

Alfred Fabri  
Company Secretary

4<sup>th</sup> August 2000

**Corinthia Finance p.l.c.****Profit and Loss Account***For the Period 9 September 1999 to 30 June 2000*

---

	Lm
<b>Interest Receivable</b>	504,749
<b>Interest Payable</b>	(464,411)
<b>Net Interest Earned</b>	<u>40,338</u>
<b>Administrative Expenses</b>	6,312
<b>Profit before Taxation</b>	<u>34,026</u>
<b>Taxation</b>	11,909
<b>Profit for the Period</b>	<u><u>22,117</u></u>
<b>Earnings Per Share</b>	0.22c


# Corinthia Finance p.l.c.


## Balance Sheet

At 30 June 2000

	Lm	Lm
<b>Fixed Assets</b>		
Financial Asset		10,000,000
<b>Current Assets</b>		
Debtors	131,385	
Cash at Bank and in Hand	468,164	
	<u>599,549</u>	
<b>Creditors: Amounts falling due within One Year</b>		
Accruals	465,523	
Current Taxation	11,909	
	<u>477,432</u>	
<b>Net Current Assets</b>		<u>122,117</u>
<b>Total Assets less Current Liabilities</b>		<u>10,122,117</u>
<b>Creditors: Amounts falling due after more than One Year</b>		
Debt Securities in Issue		10,000,000
		<u>122,117</u>
<b>Capital and Reserves</b>		
Called Up Issued Share Capital		100,000
Profit and Loss Account		22,117
		<u>122,117</u>

The interim financial statements set out on pages 1 to 6 were approved by the Board of Directors on 3 August 2000 and were signed on its behalf by:

  
Mr Alfred Pisani  
Chairman

  
Mr Joseph Fenech  
Managing Director

# Corinthia Finance p.l.c.

## Statement of Changes in Equity

*For the Period 9 September 1999 to 30 June 2000*

---

	<b>Total</b>	<b>Called Up Issued Share Capital</b>	<b>Profit and Loss Account</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Issue of Ordinary Shares</b>	100,000	100,000	-
<b>Profit for the Period</b>	22,117	-	22,117
<b>At 30 June 2000</b>	<u>122,117</u>	<u>100,000</u>	<u>22,117</u>

# Corinthia Finance p.l.c.

## Cash Flow Statement

For the Period 9 September 1999 to 30 June 2000

---

	Lm	Lm
<b>Cash Flows from Operating Activities</b>		
Profit before Taxation	34,026	
	<u>          </u>	
Operating Profit before Working Capital Changes	34,026	
Working Capital Changes:		
Prepayments and Accrued Income	(31,385)	
Accruals	465,523	
	<u>          </u>	
<b>Net Cash from Operating Activities</b>		468,164
<b>Cash Flows from Investing Activities</b>		
Loans Advanced to Parent Company	(10,100,000)	
	<u>          </u>	
<b>Net Cash used in Investing Activities</b>		(10,100,000)
<b>Cash Flows from Financing Activities</b>		
Proceeds from the Issue of Shares	100,000	
Proceeds from the Issue of Debt Securities	10,000,000	
	<u>          </u>	
<b>Net Cash from Financing Activities</b>		10,100,000
		<u>          </u>
<b>Cash at Bank at End of Period</b>		468,164
		<u>          </u>

# Corinthia Finance p.l.c.

## Explanatory Notes

*For the Period 9 September 1999 to 30 June 2000*

---

### 1 Basis of Preparation

The interim financial report has been compiled in accordance with the requirements of International Accounting Standard 34 'Interim Financial Reporting' and complies with Byelaw 6.05.06(i) of the Malta Stock Exchange.

The accounting policies adopted in the preparation of these interim financial statements are as follows:

#### (a) Revenue Recognition

Interest arising from the use by others of the company's resources are recognised on the accruals basis.

#### (b) Borrowing Costs

Borrowing costs are recognised as an expense during the period in which they are incurred.

#### (c) Taxation

Tax on the profit comprises tax calculated on the basis of the taxable income for the period, using the tax rates enacted by the balance sheet date.

### 2 Comparative Amounts

Corinthia Finance p.l.c. was incorporated on 9 September 1999. Accordingly, this interim financial report does not include comparative figures.

### 3 Issue of Equity and Debt Securities

Corinthia Finance p.l.c. has been set up to act as a finance company for the Corinthia Group of Companies. In addition to the issue of 100,000 Lm1 Ordinary Shares which were fully subscribed to by the parent company, Corinthia Palace Hotel Company Limited, during the period the company issued 100,000 redeemable bonds with a nominal value of Lm100 each, with a coupon rate of 6.7% per annum.

Interest on these bonds is payable annually in arrears on the 30 October of each year, the first interest payment to be effected on the 30 October 2000. Interest payable will accrue as from the 22 October 1999. The bonds will be redeemed on the 30 October 2009, subject to the right of the company to purchase bonds on the market before redemption date.

Pursuant to and subject to the terms and conditions contained in the Offering Memorandum dated 14 September 1999, the payment of the bonds and interest thereon is guaranteed by the parent company, which has bound itself jointly and severally liable for the payment of the bonds and interest thereon.

# Corinthia Finance p.l.c.

## Explanatory Notes

*For the Period 9 September 1999 to 30 June 2000*

---

### **4 Transactions with Related Parties**

During the period under review, the company has advanced the proceeds of the bond issue to its parent company, Corinthia Palace Hotel Company Limited at an annual interest rate of 6.8%. This loan will be repaid in full on the 15 October 2009. Interest is receivable annually in arrears on the 15 October of each year, the first interest payment falling due on the 15 October 2000.

In addition, the company has advanced to its parent company, another loan amounting to Lm 100,000. This loan is unsecured, bears interest at the rate of 4.5% per annum and is repayable in full by the 9 November 2000.

During the period 9 September 1999 to 30 June 2000 the company charged Lm486,865 by way of interest to its parent company in respect of these loans.

### **5 Review of Performance**

During the period ended 30 June 2000, the company's revenue amounted to Lm504,749. This revenue was generated from interest charged to its parent company and bank interest receivable.

Interest payable on the debt securities in issue amounted to Lm464,411. The company incurred Lm6,313 by way of administrative expenses, resulting in a profit before taxation amounting to Lm34,026. After deducting taxation thereon the profit for the period amounted to Lm22,117.

Earning per share, which is based on the profit for the period, divided by the weighted average number of ordinary shares in issue during the period amounted to Lm0.22 cents.