

COMPANY ANNOUNCEMENT

Date of Announcement
Reference

19 April 2012
63/2012

This is a company announcement being made by Grand Harbour Marina plc, the “**Company**” in compliance with Listing Rules 5.16.20 and 5.54.

QUOTE

The Board of Directors of Grand Harbour Marina p.l.c. has approved the financial statements for the period ended 31 December 2011 and resolved that they be submitted for the approval of the shareholders at the forthcoming Annual General Meeting.

A preliminary statement of annual results is being attached to this company announcement.

The audited financial statements will be available for viewing on the Company’s website at <http://www.cnmarinas.com/ghm-investor-relations/notifications-publications> in due course.

UNQUOTE

Signed



Louis de Gabriele

Company Secretary

Grand Harbour Marina p.l.c.

Preliminary Statement of Annual Results

For the year ended 31 December 2011

Company Registration Number C 26891

Grand Harbour Marina p.l.c.
Preliminary Statement of Annual Results
For the year ended 31 December 2011

Statements of Comprehensive Income
For the year ended 31 December 2011

	2011 Group	2011 Company	2010 Company
	€	€	€
Continuing Operations			
Revenue	4,907,798	3,721,824	2,342,648
Personnel expenses	(635,991)	(389,089)	(328,122)
Directors' emoluments	(52,039)	(52,039)	(47,945)
Depreciation	(682,865)	(349,581)	(353,037)
Other operating expenses	(2,771,399)	(2,105,942)	(1,651,173)
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Results from operating activities	765,504	825,173	(37,629)
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Finance income	93,477	88,182	139,076
Finance costs	(1,295,187)	(891,601)	(801,753)
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Net finance costs	(1,201,710)	(803,419)	(662,677)
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Business acquisition related costs	(86,643)	(86,643)	(71,136)
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Loss before income tax	(522,849)	(64,889)	(771,442)
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Income tax expense	(141,203)	(148,358)	-
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Loss for the year	(664,052)	(213,247)	(771,442)
	=====	=====	=====
Other comprehensive income			
Net change in fair value of available- for-sale financial assets	(12,000)	(12,000)	-
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Other comprehensive income for the year	(12,000)	(12,000)	-
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Total comprehensive income for the year	(676,052)	(225,247)	(771,442)
	=====	=====	=====
Loss per share (rounded)	7 cents	2 cents	8 cents
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Grand Harbour Marina p.l.c.
Preliminary Statement of Annual Results
For the year ended 31 December 2011

Statements of Financial Position

As at 31 December 2011

	2011 Group	2011 Company	2010 Company
	€	€	€
ASSETS			
Property, plant and equipment	15,045,145	7,179,565	7,740,641
Deferred costs	546,776	546,776	524,156
Goodwill	848,799	-	-
Parent company loan *	2,714,250	2,714,250	-
Investment in jointly-controlled entity	-	2,173,796	-
Investment in subsidiary	-	115	-
Available-for-sale investments	1,563,900	1,563,900	-
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Total non-current assets	20,718,870	14,178,402	8,264,797
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Trade and other receivables	1,450,289	1,178,472	431,979
Cash at bank and in hand	2,299,858	2,202,295	8,601,207
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Total current assets	3,750,147	3,380,767	9,033,186
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Total assets	24,469,017	17,559,169	17,297,983
	=====	=====	=====
EQUITY			
Share capital	2,329,370	2,329,370	2,329,370
Fair value reserves	(12,000)	(12,000)	-
Retained earnings	872,022	1,322,827	1,536,074
Translation reserve	(26)	-	-
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Total equity	3,189,366	3,640,197	3,865,444
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LIABILITIES			
Deferred tax liability	219,559	-	-
Bonds-in-issue	11,619,024	11,619,024	11,586,647
Bank borrowings	6,203,800	-	-
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Total non-current liabilities	18,042,383	11,619,024	11,586,647
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Bank borrowings	439,168	25,581	84,934
Trade and other payables	2,798,100	2,274,367	1,760,958
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Total current liabilities	3,237,268	2,299,948	1,845,892
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Total liabilities	21,279,651	13,918,972	13,432,539
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Total equity and liabilities	24,469,017	17,559,169	17,297,983
	=====	=====	=====

*The Parent Company loan represents the assumption of the Parent Company cash pledge re. IC Cesme Marina.

Grand Harbour Marina p.l.c.
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Statements of Changes in Equity
For the year ended 31 December 2011

Company

	Share capital	Fair value reserve	Retained earnings	Other reserve	Total
	€	€	€	€	€
Balance at 1 January 2010	2,329,370	-	3,057,516	-	5,386,886
Total comprehensive income for the year					
Loss	-	-	(771,442)	-	(771,442)
Transactions with owners, recognised directly in equity					
Dividends to owners	-	-	(750,000)	-	(750,000)
Total distribution to owners	-	-	(750,000)	-	(750,000)
Balance as at 31 December 2010	2,329,370	-	1,536,074	-	3,865,444
Balance as at 1 January 2011	2,329,370	-	1,536,074	-	3,865,444
Total comprehensive income for the year					
Loss	-	-	(213,247)	-	(213,247)
Total other comprehensive income	-	(12,000)	-	-	(12,000)
Balance as at 31 December 2011	2,329,370	(12,000)	1,322,827	-	3,640,197
Group					
Company's equity	2,329,370	(12,000)	1,322,827	-	3,640,197
Loss – Group's share of jointly-controlled entity	-	-	(450,529)	-	(450,529)
Loss – subsidiary	-	-	(276)	-	(276)
Other comprehensive income	-	-	-	(26)	(26)
Balance as at 31 December 2011	2,329,370	(12,000)	872,022	(26)	3,189,366

Grand Harbour Marina p.l.c.
Preliminary Statement of Annual Results
For the year ended 31 December 2011

Statements of Cash Flows
For the year ended 31 December 2011

	2011 Group	2011 Company	2010 Company
	€	€	€
Cash Flows from operating activities			
Loss for the year	(664,052)	(213,247)	(771,442)
Adjustments for:			
Cost of super-yacht berths expensed / (reversed)	318,867	318,867	(27,980)
Depreciation	682,865	349,581	353,037
Profit on disposal of plant and equipment	-	-	(1,400)
Provision for doubtful debts	(21,492)	(21,492)	19,876
Net finance costs (excluding net foreign exchange loss)	1,069,012	801,616	658,484
Business acquisition-related costs	86,643	86,643	71,136
Income tax expense	141,203	148,358	-
	1,613,046	1,470,326	301,711
Change in trade and other receivables	(450,638)	(745,553)	82,542
Change in trade and other payables	253,210	523,616	(64,825)
	1,415,618	1,248,389	319,428
Cash generated from operations	1,415,618	1,248,389	319,428
Income tax paid	(148,358)	(148,358)	(112,907)
	1,267,260	1,100,031	206,521
Net cash from operating activities	1,267,260	1,100,031	206,521
Cash flows from investing activities			
Acquisition of plant and equipment	(291,824)	(127,596)	(265,163)
Proceeds from disposal of plant and equipment	-	-	1,400
Loan advanced to Parent Company *	(2,714,250)	(2,714,250)	-
Acquisition of interest in jointly-controlled entity (net of cash acquired)	(1,825,854)	(1,930,000)	-
Group's share of increase in share capital of jointly-controlled entity	-	(243,796)	-
Acquisition of subsidiary (net of cash acquired)	301	(115)	-
Business acquisition-related costs	(86,643)	(86,643)	(66,840)
Acquisition of available-for-sale investments	(1,575,900)	(1,575,900)	-
Investment on nine-month term deposit	2,300,000	2,300,000	(2,300,000)
Interest received	100,667	95,371	105,494
	(4,093,503)	(4,282,929)	(2,525,109)
Net cash used in investing activities	(4,093,503)	(4,282,929)	(2,525,109)
Cash flows from financing activities			
Proceeds from issue of bonds (net of transaction costs)	-	-	11,559,661
Repayment of bank loans	(8,587)	-	(3,780,369)
Interest paid	(1,107,166)	(856,661)	(503,408)
Dividends paid	-	-	(750,000)
	(1,115,753)	(856,661)	6,525,884
Net cash (used in) / from financing activities	(1,115,753)	(856,661)	6,525,884
Net (decrease) / increase in cash and cash equivalents	(3,941,996)	(4,039,559)	4,207,296
Cash and cash equivalents at 1 January	6,216,273	6,216,273	2,008,977
	2,274,277	2,176,714	6,216,273
Cash and cash equivalents at 31 December	2,274,277	2,176,714	6,216,273

*The Parent Company loan represents the assumption of the Parent Company cash pledge re. IC Cesme Marina.

Grand Harbour Marina p.l.c.
Preliminary Statement of Annual Results
For the year ended 31 December 2011

Notes to the preliminary statement of annual results

1. Reporting entity

Grand Harbour Marina p.l.c. (the “Company”) is a public limited company domiciled and incorporated in Malta.

The financial information has been extracted from Grand Harbour Marina p.l.c.’s consolidated financial statements for the year ended 31 December 2011, which have been approved by the Board of Directors on 18 April 2012 and audited by KPMG.

2. Statement of compliance

This report (the “Report”) of the Company is being published in terms of Listing Rule 5.54 issued by the Listing Authority of the Malta Financial Services Authority.

3. Principal activities

The principal activities of the Company are the development, operation and management of marinas. The Company is geared towards providing a high quality service to yachts, with a particular emphasis on super-yachts, which by their very nature, demand high level marina related services.

The consolidated financial statements of the Company as at and for the year ended 31 December 2011 comprise the Company and its subsidiary, (together referred to as the “Group”) and the Group’s interest of 45% in its jointly controlled entity, IC Cesme Marina Yatirim, Turizm ve Islemeleri Anonim Sirketi (“IC Cesme”).

On 18 March 2011, the Company entered into an agreement with Camper & Nicholsons Marina Investments Limited (CNMI), its parent Company, as a result of which the Company acquired the beneficial interest of a 45% shareholding in IC Cesme Marina Yatirim, Turizm ve Isletmeleri Anonim Sirketi (“IC Cesme”), a company registered under the laws of Turkey, which owns and operates a marina in Turkey. The Company paid €1.9 million for the equity interest and €2.7 million in support of the Parent Company’s cash pledge related to the subordinated bank loans. The acquisition was made in furtherance of the Company’s business of acquiring, operating and managing marinas and was funded by the Company out of the proceeds of the bond issue in 2010.

The amounts reported in the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Cash Flows include the Group’s 45% shareholding of the results and cash flows of IC Cesme from acquisition date to 31 December 2011.

On 29 June 2011, the Company acquired from CNMI the holding in Maris Marine Limited for a consideration of €115. The latter is the beneficial holder of 26% of the equity in IC Cesme. The remaining 19% equity in IC Cesme continues to be held by Camper & Nicholsons Marinas Limited, a fellow subsidiary company of CNMI for the benefit of the Company. The entire 45% interest in IC Cesme is therefore held solely and for the benefit of Grand Harbour Marina p.l.c.

In the six months to 31 December 2011, Maris Marine Limited did not contribute revenues or profits to the Group’s results. Had the acquisition occurred on 1 January 2011, it would have had an insignificant impact on the Group’s results.

Grand Harbour Marina p.l.c.
Preliminary Statement of Annual Results
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4. Review of performance

The Board of Directors is pleased to report an improved performance by the Company. It is also confident that, as IC Cesme reaches maturity, the Company will start reaping the benefits of this investment.

	2011				2010
	Grand Harbour Marina	45% Share of IC Cesme	Maris Marine Limited	Consolidated	Grand Harbour Marina
	€	€	€	€	€
Revenues	3,721,824	1,185,974	-	4,907,798	2,342,648
EBITDA ¹	1,174,754	273,891	(276)	1,448,369	315,408
Loss before income tax	(64,889)	(457,684)	(276)	(522,849)	(771,442)
Total comprehensive income	(225,247)	(450,529)	(276)	(676,052)	(771,442)
Total assets ²	15,385,258	9,083,260	499	24,469,017	17,297,983
Total liabilities	(13,918,972)	(7,359,992)	(687)	(21,279,651)	(13,432,539)

¹ Earnings before interest, taxation, depreciation and amortisation.

² Total assets do not include the investments in the jointly controlled entity and subsidiary because these are eliminated on consolidation.

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Grand Harbour Marina

Grand Harbour Marina continued its growth in EBITDA through increased revenues whilst controlling costs.

Income from pontoon fees and from ancillary services for the year ended 31 December 2011 grew from €2.3 million to €2.5 million, an increase of 9% over the previous year. These revenues were further enhanced by income derived from the sale of two super-yacht berths for a total consideration of €1.2 million.

When compared to the prior year, the Company's operating costs for the year ended 31 December 2011 increased by €0.6 million as a result of the direct costs related to the sale of the long term berths, which comprise the capital costs of the berths sold, brokerage commissions, turnover rent payable, and operator fees. Excluding the effect of long term berth sales, the Company reduced its recurring operating costs by €0.2 million, a reduction of 9% over the prior year's expenditure.

As a result of the above, profit before interest, tax, depreciation and amortisation (EBITDA) for the year ended 31 December 2011 increased from €0.3 million to €1.2 million.

Finance costs for the year ended 31 December 2011 increased from €0.8 million to €0.9 million and is due to a full 12 months interest cost on the bonds issued in February 2010 as compared to 11 months in the prior period.

The Company incurred costs amounting to €0.1 million which are expenses incurred in connection with the acquisition of the 45% beneficial interest in IC Cesme.

After interest, depreciation, and tax, the results of Grand Harbour Marina for the year ended 31 December 2011 show a loss for the year of €0.2 million compared to a loss of €0.8 million for the prior year.

IC Cesme Marina

Grand Harbour Marina plc's interest in IC Cesme Marina is held through a Joint Venture with the highly respected Turkish group Ibrahim Cecen Investment Holdings. Since acquisition on 18 March 2011, the marina generated revenues of €2.6 million (our 45% interest: €1.2 million) and incurred operating costs of €2 million (our 45% interest : €0.9 million). As a result, the profit before interest, tax, depreciation and amortisation (EBITDA) since acquisition date was €0.6 million (our 45% interest €0.3 million).

Finance expenses incurred since acquisition were €0.9 million (our 45% interest : €0.4 million) which mainly relates to the interest cost on the loans from Isbank (Turkey).

After interest, depreciation and tax, the results of IC Cesme since acquisition show a loss after tax of €1 million (our 45% interest : €0.45 million).

Grand Harbour Marina p.l.c.
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On a consolidated basis

The revenue earned of €4.9 million for the year ended 31 December 2011, reflects an increase in the level of marina operating activities of the Company, as well as the first contribution to revenues of the acquired IC Cesme of €1.2 million. Operating expenses, including personnel expenses and director emoluments, increased to €3.5 million in the year ended 31 December 2011, mainly as a result of the acquisition of IC Cesme and the direct costs incurred in relation to the long-term berth sales. As a result, EBITDA generated during the year ending 31 December 2011 amounted to €1.4 million. The consolidated results of the Group for the year ended 31 December 2011 show a loss after tax of €0.7 million.

The decrease of €4 million in cash and cash equivalents results from the cash used in investing activities of €4 million. This decrease is attributable to the acquisition of the beneficial interest of IC Cesme and the related support for the cash pledge to Camper & Nicholsons Marina Investments Ltd. In addition the Company acquired Malta Government Stocks amounting to €1.6 million from the proceeds of the bond issue.

The consolidated statement of financial position as at 31 December 2011 comprises the assets and liabilities of the Company, its wholly owned subsidiary Maris Marine Limited and on a proportional basis, the Company's (45%) interest in IC Cesme. Total non-current assets of €20.7 million comprise tangible fixed assets employed in the marina businesses, the goodwill arising on the acquisition of IC Cesme of €0.8 million, the loan to the Parent Company (which represents the assumption of the Parent Company cash pledge re. IC Cesme marina) of €2.7 million and Malta Government Stocks of €1.6 million. Current assets include the un-invested net proceeds of the bond issue of €1.2 million, other cash balances, and trade and other receivables of the marina businesses. Current liabilities were mainly trade related and include the current portion of the long-term debt at IC Cesme. The non-current liabilities comprise the unsecured bonds of the Company, and the long term debt of IC Cesme. A deferred tax liability of €0.2 million arises on the acquisition of IC Cesme in relation to the fair value adjustment of the property it holds.

5. Dividends

No dividends were paid or proposed during the year ended 31 December 2011 (2010 : €750,000 were paid being €0.075 per qualifying share).

6. Litigations and claims

During the year ended 31 December 2008, the Company had paid over the VAT on the sale of three berths under protest, which at the time was pending the outcome of a dispute with the Commissioner of VAT as to whether such sales are subject to VAT. During the reporting period the judgment of the case was handed down by the Court of Appeal and declared that VAT was in fact due.

Other than the above, there were no changes in contingent liabilities as at 31 December 2011 when compared to those previously reported in the financial statements for the year ended 31 December 2010.

Grand Harbour Marina p.l.c.
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7. Outlook

The international economic environment remains challenging. Enquiry levels have increased and there is an interesting pipeline of opportunities such the securing of long term berth sales is a matter of timing. The Board also continues to investigate means of increasing the lettable water area within the existing boundaries of Grand Harbour Marina. We also look forward to the completion of the landscaping works being undertaken at the head of the creek in Bormla in the second quarter of 2012.

Furthermore, the directors have confidence that the acquisition of the 45% interest in Cesme Marina will accelerate the growth of the Company which, coupled with improved performance from operations, will generate increasing value for the shareholders.



Louis de Gabriele
Company Secretary
18 April 2012