

GRAND HARBOUR MARINA

VITTORIOSA ✳ MALTA

COMPANY ANNOUNCEMENT
GRAND HARBOUR MARINA P.L.C.
(THE "COMPANY")

Approval of Financial Statements for period ended 31 December 2012

Date of Announcement	20 March 2013
Reference	80/2013
Listing Rule	5.16.20/ 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 2012 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 2012

Grand Harbour Marina p.l.c.
Preliminary Statement of Annual Results
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Statements of Comprehensive Income
For the year ended 31 December 2012

	2012	2012	2011	2011
	Group	Company	Group	Company
	€	€	€	€
Continuing Operations				
Revenue	7,780,293	5,930,347	4,907,798	3,721,824
Personnel expenses	(740,657)	(383,120)	(635,991)	(389,089)
Directors' emoluments	(45,610)	(45,610)	(52,039)	(52,039)
Depreciation	(758,099)	(338,435)	(682,865)	(349,581)
Other operating expenses	(3,787,194)	(2,871,140)	(2,771,399)	(2,105,942)
Results from operating activities	2,448,733	2,292,042	765,504	825,173
Finance income	154,332	143,907	93,477	88,182
Finance costs	(1,238,061)	(895,495)	(1,295,187)	(891,601)
Net finance costs	(1,083,729)	(751,588)	(1,201,710)	(803,419)
Business acquisition-related costs	-	-	(86,643)	(86,643)
Profit / (loss) before income tax	1,365,004	1,540,454	(522,849)	(64,889)
Income tax credit / (expense)	121,452	112,383	(141,203)	(148,358)
Profit / (Loss) for the year	1,486,456	1,652,837	(664,052)	(213,247)
Other comprehensive income				
Net change in fair value of available-for-sale financial assets	48,601	48,601	(12,000)	(12,000)
Other comprehensive income for the year	48,601	48,601	(12,000)	(12,000)
Total comprehensive income for the year	1,535,057	1,701,438	(676,052)	(225,247)
Earnings / (loss) per share (rounded)	15 cents	17 cents	(7 cents)	(2 cents)

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Statements of Financial Position

As at 31 December 2012

	2012	2012	2011	2011
	Group	Company	Group	Company
	€	€	€	€
ASSETS				
Property, plant and equipment	14,214,100	6,484,497	15,045,145	7,179,565
Deferred costs	490,769	490,769	546,776	546,776
Goodwill	848,799	-	848,799	-
Parent company loan*	3,445,500	3,445,500	2,714,250	2,714,250
Investment in jointly-controlled entity	-	2,173,796	-	2,173,796
Investment in subsidiary	-	115	-	115
Available-for-sale investments	1,612,501	1,612,501	1,563,900	1,563,900
Deferred tax asset	489,951	489,951	-	-
Total non-current assets	21,101,620	14,697,129	20,718,870	14,178,402
Trade and other receivables	3,128,728	2,709,671	1,450,289	1,178,472
Cash at bank and in hand	3,574,863	3,004,450	2,299,858	2,202,295
Total current assets	6,703,591	5,714,121	3,750,147	3,380,767
Total assets	27,805,211	20,411,250	24,469,017	17,559,169
EQUITY				
Share capital	2,329,370	2,329,370	2,329,370	2,329,370
Fair value reserve	36,601	36,601	(12,000)	(12,000)
Retained earnings	2,358,478	2,975,664	872,022	1,322,827
Translation reserve	(26)	-	(26)	-
Total equity	4,724,423	5,341,635	3,189,366	3,640,197
LIABILITIES				
Deferred tax liability	210,489	-	219,559	-
Bonds-in-issue	11,654,570	11,654,570	11,619,024	11,619,024
Bank borrowings	6,156,627	-	6,203,800	-
Total non-current liabilities	18,021,686	11,654,570	18,042,383	11,619,024
Bank borrowings	962,424	15,250	439,168	25,581
Trade and other payables	4,096,678	3,399,795	2,798,100	2,274,367
Total current liabilities	5,059,102	3,415,045	3,237,268	2,299,948
Total liabilities	23,080,788	15,069,615	21,279,651	13,918,972
Total equity and liabilities	27,805,211	20,411,250	24,469,017	17,559,169

*The Parent Company loan represents the Parent Company's cash pledge relating to IC Cesme Marina.

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Statements of Changes in Equity
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Group	Share capital	Fair value reserve	Retained earnings	Translation reserve	Total
	€	€	€	€	€
Balance at 1 January 2011	2,329,370	-	1,536,074	-	3,865,444
Total comprehensive income for the year					
Group loss	-	-	(664,052)	-	(664,052)
Total other comprehensive income	-	(12,000)	-	(26)	(12,026)
Balance at 31 December 2011	2,329,370	(12,000)	872,022	(26)	3,189,366
Balance as at 1 January 2012	2,329,370	(12,000)	872,022	(26)	3,189,366
Total comprehensive income for the year					
Group profit	-	-	1,486,456	-	1,486,456
Total other comprehensive Income	-	48,601	-	-	48,601
Balance at 31 December 2012	2,329,370	36,601	2,358,478	(26)	4,724,423
Company					
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 at 31 December 2011	2,329,370	(12,000)	1,322,827	-	3,640,197
Balance as at 1 January 2012	2,329,370	(12,000)	1,322,827	-	3,640,197
Total comprehensive income for the year					
Profit	-	-	1,652,837	-	1,652,837
Total other comprehensive income	-	48,601	-	-	48,601
Balance at 31 December 2012	2,329,370	36,601	2,975,664	-	5,341,635

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Statements of Cash Flows
For the year ended 31 December 2012

	2012	2012	2011	2011
	Group	Company	Group	Company
	€	€	€	€
Cash Flows from operating activities				
Profit / (loss) for the year	1,486,456	1,652,837	(664,052)	(213,247)
Adjustments for:				
Cost of super-yacht berths expensed	528,645	528,645	318,867	318,867
Depreciation	758,099	338,435	682,865	349,581
Profit on disposal of plant and equipment	(424)	(424)	-	-
Provision for doubtful debts	15,771	15,771	(21,492)	(21,492)
Net finance costs (excluding net foreign exchange loss)	1,083,294	748,230	1,069,012	801,616
Business acquisition-related costs	-	-	86,643	86,643
Income tax (credit) / expense	(121,452)	(112,383)	141,203	148,358
	3,750,389	3,171,111	1,613,046	1,470,326
Change in trade and other receivables	(1,660,618)	(1,524,995)	(450,638)	(745,553)
Change in trade and other payables	1,187,975	1,172,783	253,210	523,616
	3,277,746	2,818,899	1,415,618	1,248,389
Cash generated from operations	3,277,746	2,818,899	1,415,618	1,248,389
Income tax paid	(377,578)	(377,578)	(148,358)	(148,358)
	2,900,168	2,441,321	1,267,260	1,100,031
Net cash from operating activities				
Cash flows from investing activities				
Acquisition of plant and equipment	(375,938)	(118,395)	(291,824)	(127,596)
Proceeds from disposal of plant and equipment	424	424	-	-
Loan advanced to Parent Company	(731,250)	(731,250)	(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)
Acquisition of available-for-sale investments	-	-	(1,575,900)	(1,575,900)
Investment on nine-month term deposit	-	-	2,300,000	2,300,000
Interest received	86,249	75,825	100,667	95,371
	(1,020,515)	(773,396)	(4,093,503)	(4,282,929)
Net cash used in investing activities				
Cash flows from financing activities				
Proceeds/ (repayment) of bank loans	486,414	-	(8,587)	-
Interest paid	(1,080,731)	(855,439)	(1,107,166)	(856,661)
	(594,317)	(855,439)	(1,115,753)	(856,661)
Net cash used in financing activities				
Net increase / (decrease) in cash and cash equivalents				
	1,285,336	812,486	(3,941,996)	(4,039,559)
Cash and cash equivalents at 1 January	2,274,277	2,176,714	6,216,273	6,216,273
	3,559,613	2,989,200	2,274,277	2,176,714
Cash and cash equivalents at 31 December	3,559,613	2,989,200	2,274,277	2,176,714

Grand Harbour Marina p.l.c.
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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 2012 audited by KPMG. The said financial statements were approved by the board of directors on the 12 March 2013, subject to certain amendments being effected – the final amendments were made on the 20 March 2013.

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 and its jointly-controlled entity are largely the acquisition, 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. Currently the Company owns the Grand Harbour Marina in Malta and a 45% interest in IC Cesme Marina in Turkey. The Marinas are operated and managed in association with the internationally well-known company Camper & Nicholsons Marinas Limited, a company involved in the management and operation of marinas worldwide.

The principal activity of the Company and its jointly-controlled entity is therefore to seek prospective customers to berth their vessels within their facilities at the Grand Harbour Marina in Vittoriosa, Malta, and at Cesme Marina, Turkey, and to service its existing customers by providing the high quality service required by both yacht owners and their crews.

The consolidated financial statements of the Company as at and for the year ended 31 December 2012 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”). During 2012 the subsidiary of the Company, Maris Marine Limited, did not contribute any material revenues or profits to the Group’s 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.

	2012				2011			
	Grand Harbour Marina	45% Share of IC Cesme	Maris Marine Ltd.	Consolidated	Grand Harbour Marina	45% Share of IC Cesme	Maris Marine Ltd.	Consolidated
	€	€	€	€	€	€	€	€
Revenues	5,930,347	1,849,946	-	7,780,293	3,721,824	1,185,974	-	4,907,798
EBITDA ¹	2,610,574	571,651	456	3,182,671	1,174,754	273,891	(276)	1,448,369
Profit/(loss) before income tax	1,540,454	(175,897)	456	1,365,004	(64,889)	(457,684)	(276)	(522,849)
Total comprehensive income	1,701,438	(166,828)	456	1,535,057	(225,247)	(450,529)	(276)	(676,052)
Total assets ²	18,237,339	9,567,607	9	27,805,211	15,385,258	9,083,260	499	24,469,017
Total liabilities	(15,069,615)	(8,011,168)	(9)	(23,080,788)	(13,918,972)	(7,359,992)	(687)	(21,279,651)

¹ Earnings before interest, taxation, depreciation and amortisation.

² Total assets do not include the investment in the jointly controlled entity and subsidiary.

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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 2012 grew from €2.5 million to €2.8 million, an increase of 11% over the previous year. These revenues were further enhanced by income derived from the sale of a super-yacht berth for a total consideration of €3.1 million.

When compared to the prior year, the Company's operating costs for the year ended 31 December 2012 increased to €2 million, an increase of €0.4 million over prior year, of which €0.25 million were 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. The other €0.15 million increase is mainly related to increases in operator fees, repairs and maintenance, marketing and the movement in the provision for bad debts.

As a result of the above, profit before interest, tax, depreciation and amortisation (EBITDA) for the year ended 31 December 2012 increased from €1.2 million to €2.6 million.

Net finance costs for the year ended 31 December 2012 remained constant with prior year at €0.8 million.

After interest, depreciation and tax, the results of Grand Harbour Marina for the year ended 31 December 2012 show a profit after tax of €1.7 million compared to a loss of €0.2 million for the prior year.

The slowdown in the economic performance of the European Union members, growing unemployment in several major economies and the continuing uncertainty in the financial markets continue to present a challenge to the Company as it seeks to continue making gains in operating efficiency, conclude further berth sales and reap the benefits of the investment in IC Cesme Marina in Turkey.

The Board of Directors is also continuing to explore further opportunities for expansion of our activities in Malta through appropriate partnerships and through maximising the use of water space at the Marina.

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. During 2012 IC Cesme generated revenues of €4.1 million (our 45% interest: €1.8 million) and incurred operating costs of €2.4 million (our 45% interest: €1.1 million), an increase of 35% and 14% respectively over 2011. As a result, the profit before interest, tax, depreciation and amortisation (EBITDA) was €1.3 million (our 45% interest: €0.6 million), an increase of €0.9 million over prior year.

Finance expenses incurred were €0.7 million (our 45% interest: €0.3million) which mainly relates to the interest costs of the loans from Isbank (Turkey).

After interest, depreciation and tax, the results of IC Cesme show a loss after tax of €0.3 million (our 45% interest: €0.1 million).

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On a consolidated basis

The revenue earned of €7.8 million for the year ended 31 December 2012, reflects an increase in the level of marina operating activities of the Company, as well as the contribution to revenues of the jointly controlled IC Cesme of €1.8 million. Operating expenses, including personnel expenses and director emoluments, increased from €2.3 million to €3.2 million in the year ending 31 December 2012, due to 2012 being the first full year of IC Cesme as a jointly controlled entity (when compared to the 10 months during 2011) and also the result of the direct costs incurred in relation to the long term berth sale. As a result, EBITDA generated during the year ending 31 December 2012 increased from €1.4 million to €3.2 million. The consolidated results of the Group for the year ended 31 December 2012 show a profit after tax of €1.5 million when compared to the loss after tax of €0.7 million in 2011.

The increase of €1.3 million in cash and cash equivalents is mainly the result of the net effect of the consolidated profit for the year and the further amounts advanced to the Parent as cash pledge in relation to the subordinated loan by Isbank to IC Cesme.

The consolidated statement of financial position as at 31 December 2012 comprises the assets and liabilities of the Company, its wholly owned subsidiary Maris Marine Limited and on a proportional basis, the Company's interest (45%) in IC Cesme. Total assets of €27.8 million compared to €24.5 million at the end of 2011. They included the 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 €3.5 million and Malta Government Stocks of €1.6 million. Total liabilities amounted to €23.1 million compared to €21.3 million at the end of 2011. These were mainly the unsecured bonds of the Company, the long term debt of IC Cesme and trade creditors. 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

During the meeting of the Board of Directors of the Company held on 27 February 2013, the Directors proposed a final net dividend of €0.12 per share equivalent to €1,200,000.

6. Litigations and claims

The Company is disputing a claim for an amount of €160,084 (2011: €160,084) for contract works carried out by a third party at the marina. While liability is not admitted, if defence against this action is unsuccessful, the amount could become due. Following legal advice, the directors do not expect the Company to be found liable.

Other than the above, there were no changes in contingent liabilities as at 31 December 2012 when compared to those previously reported in the financial statements for the year ended 31 December 2011.

Louis de Gabriele
Company Secretary
12 March 2013