



MIDI PLC

COMPANY ANNOUNCEMENT

The following is a company announcement issued by MIDI plc ("MIDI" or "the Company") pursuant to the Malta Financial Services Authority Listing Rules.

Quote

Class 1 Transaction

The Company hereby announces that pursuant to the approval of its Board of Directors, a shareholders' agreement was signed yesterday between T14 Investments Ltd (a fully owned subsidiary of the Company) and Benny Holdings Ltd (a company owned and controlled by independent third parties). Prior to the signing of this shareholders' agreement, the Partners (T14 Investments Ltd and Benny Holdings Ltd) formed a company [by the name of Mid Knight Holdings Limited ("the Joint Venture")], structured as a joint venture, with each partner retaining 50% beneficial and voting rights.

Subsequent to the signing of the shareholders' agreement, by means of a deed in the records of Notary Dr Pierre Attard, the Joint Venture acquired from MIDI the emphyteutical title pertaining to the site located at Tigné Point measuring approximately 2,000 sqm ("the T14 Site"), in order to develop thereon a business centre.

The transfer of the T14 Site took place for an aggregate consideration of eleven million and seven hundred thousand euro (€11,700,000) payable by the Joint Venture to the MIDI Group. This amount is equivalent to the carrying value of the asset. Amounts due to MIDI will be payable to T14 Investments Ltd (a wholly owned subsidiary of the MIDI Group). An amount equivalent to one million, nine hundred and ninety-nine thousand euro (€1,999,000) will be settled by the Joint Venture by issuing to T14 Investments Ltd 1,999,000 ordinary shares of a nominal value of one euro (€1) each, credited as fully paid up. The balance of the consideration is to be repaid by the Joint Venture to T14 Investments Limited together with interest at the rate of five per cent (5%) per annum, with principal repayments to be effected only subsequent to repayment by the Joint Venture of its bank facilities. Interest and capital repayments are to be settled in full by the Joint Venture by 31 December 2029. The sale proceeds, once received, are envisaged to be utilised by the MIDI Group to meet its working capital requirements.

The Board of Directors are of the opinion that the development of the business centre requires long term capital resources and accordingly is best undertaken jointly with a strategic partner, in line with the Company's overall aim to ensure the best use of its existing capital resources.

Cont'd



Pursuant to the Listing Rules, MIDI does not exclude that following the completion of the business centre by the Joint Venture and the maturity of such an operation in the years ahead, it may seek to dispose of its shareholding in the Joint Venture in order to focus on its principal objective and its main operating activity, that is the development and the subsequent sale of residential and commercial property at Tigné Point and Manoel Island.

Since the T14 Site is neither a business nor a company, there are no profits attributable to the T14 Site and similarly no key individuals that need to be identified pursuant to the Listing Rules.

Unquote



Darren Azzopardi
Company Secretary

12 July 2014