SUMMARY NOTE
DATED 10 APRIL 2015

This Summary Note is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of the 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014.

In respect of an Issue of up to €45,000,000 5.75% Unsecured Bonds 2025
of a nominal value of €100 per Bond issued at par by

INTERNATIONAL HOTEL INVESTMENTS P.L.C.

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA
WITH COMPANY REGISTRATION NUMBER C 26136

ISIN: MT0000111295

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENTS ARE IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THESE SECURITIES.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.

APPROVED BY THE DIRECTORS

Joseph Fenech on behalf of: Alfred Pisani, Frank Xerri de Caro, Abdulnaser M.B. Ahmida, Douraid Zaghouani,
Hamad Mubarak Mohd Buamin, Abuagila Almahdi, Khaled Algonsel, Joseph Pisani, Michael Beckett, Joseph J. Vella.

Joint Manager and Registrar	Joint Manager	Sponsor	Legal Counsel
BOV Bank of Valletta	HSBC	CHARTS WEALTH MANAGEMENT • CORPORATE BROKING	CAMILLERI PREZIOSI ADVOCATES

IMPORTANT INFORMATION

THIS SUMMARY NOTE CONSTITUTES PART OF A PROSPECTUS AND CONTAINS INFORMATION IN RELATION TO INTERNATIONAL HOTEL INVESTMENTS P.L.C. (THE "**ISSUER**"), ITS BUSINESS AND THE SECURITIES BEING ISSUED IN TERMS OF THE PROSPECTUS. THIS DOCUMENT INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH: (A) THE COMPANIES ACT, (CAP. 386 OF THE LAWS OF MALTA) AND COMMISSION REGULATION (EC) NO. 809/2004 OF 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS (AS AMENDED BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF 30 MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4 JUNE 2012, COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30 APRIL 2013 AND COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014); AND (B) THE RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THE PROSPECTUS AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, ITS DIRECTORS, OR ADVISORS. THE ADVISORS ENGAGED BY THE ISSUER FOR THE PURPOSE OF THIS BOND ISSUE ARE ACTING EXCLUSIVELY FOR THE ISSUER.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY AND THE MSE, AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES. APPLICATION HAS BEEN MADE TO THE LISTING AUTHORITY FOR THE APPROVAL OF THE PROSPECTUS AND FOR THE ADMISSION OF THE ISSUER'S BONDS ON A REGULATED MARKET. APPLICATION HAS ALSO BEEN MADE TO THE MSE FOR THE BONDS TO BE ADMITTED TO THE OFFICIAL LIST. **A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES ISSUED BY THE ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.**

THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THIS DOCUMENT. ACCORDINGLY NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN ANY FINANCIAL INSTRUMENTS AND SECURITIES ISSUED BY THE ISSUER.

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THE DIRECTORS OF THE ISSUER CONFIRM THAT WHERE INFORMATION INCLUDED IN THIS PROSPECTUS HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED, AND AS FAR AS THE DIRECTORS OF THE ISSUER ARE AWARE AND ARE ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. IF YOU NEED ADVICE WITH RESPECT TO THE BOND ISSUE, YOU SHOULD CONSULT A LICENSED STOCKBROKER OR AN INVESTMENT ADVISOR LICENSED UNDER THE INVESTMENT SERVICES ACT, CAP. 370 OF THE LAWS OF MALTA.

THIS DOCUMENT AND ALL AGREEMENTS, ACCEPTANCES AND CONTRACTS RESULTING THEREFROM SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF MALTA, AND ANY PERSON ACQUIRING ANY BONDS PURSUANT TO THE PROSPECTUS SHALL SUBMIT TO THE JURISDICTION OF THE MALTESE COURTS, WITHOUT LIMITING IN ANY MANNER THE RIGHT OF THE ISSUER TO BRING ANY ACTION, SUIT OR PROCEEDING, IN ANY OTHER COMPETENT JURISDICTION, ARISING OUT OF OR IN CONNECTION WITH ANY PURCHASE OF BONDS, OR AGREEMENT, ACCEPTANCE OR CONTRACT RESULTING HEREFROM, OR THE PROSPECTUS AS A WHOLE.

STATEMENTS MADE IN THIS DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THERETO.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

This Summary Note is prepared in accordance with the requirements of the Regulation.

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1– E.7). This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

In this Summary Note the following words and expressions shall bear the following meanings except where the context otherwise requires:

Act	the Companies Act (Cap. 386 of the Laws of Malta);
Applicant/s	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
Application/s	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form and delivering same to any of the Authorised Financial Intermediaries;
Application Form/s	the two forms of application of subscription for Bonds, specimens of which are contained in Annex II of the Securities Note;
Authorised Financial Intermediaries	the licensed stockbrokers and financial intermediaries listed in Annex II of the Securities Note;
Bond(s)	a maximum of €45,000,000 unsecured bonds of a face value of €100 per bond bearing interest at the rate of 5.75% per annum and redeemable on the Redemption Date at their nominal value;
Bondholder	a holder of Bonds;
Bond Issue	the issue of the Bonds;
Bond Issue Price	the price of €100 per Bond;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
Corinthia Group	CPHCL and the companies in which CPHCL has a controlling interest;
CPHCL	Corinthia Palace Hotel Company Limited, a company registered under the laws of Malta with company registration number C 257 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta;
CSD	the Central Securities Depository of the Malta Stock Exchange, having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Cut-Off Date	close of business of 10 April 2015;
Directors or **Board**	the board of directors of the Issuer is composed of: Alfred Pisani, Frank Xerri de Caro, Abdulnaser M.B. Ahmida, Douraid Zaghouani, Hamad Mubarak Mohd Buamin, Abuagila Almahdi, Khaled Algonsel, Joseph Pisani, Michael Beckett and Joseph J. Vella;
EDREICO	Economic Development and Real Estate Investment Company, a company registered under the laws of Libya and having its registered office at 49, 4th Floor, Burj Al Fatah Tower, PO BOX 93142, Tripoli, Libya;
Euro or **€**	the lawful currency of the Republic of Malta;

Exchange, Malta Stock Exchange or **MSE**	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta, and bearing company registration number C 42525;
Exchangeable Bond Transfer	the subscription for Bonds by an Existing Bondholder settled, after submitting the appropriate pre-printed Application Form 'A' (received by mail directly from the Issuer), by the transfer to the Issuer of all or part of the Exchangeable Bonds held by such Existing Bondholder as at the Cut-Off Date;
Exchangeable Bonds	the 6.25% bonds 2015-2019 redeemable on any day falling between and including 11 July 2015 and 9 July 2019, amounting as at the date of the Prospectus to €35,000,000, issued by the Issuer pursuant to a prospectus dated 12 June 2009;
Existing Bondholder	a holder of Exchangeable Bonds as at the Cut-Off Date;
Group	the Issuer (as parent company) and its Subsidiaries;
Interest Payment Date	13 May of each year between and including each of the years 2016 and the year 2025, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
Issuer or **IHI**	International Hotel Investments p.l.c., a company registered under the laws of Malta with company registration number C 26136 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta;
Issue Date	expected on 22 May 2015;
Issue Period	4 May 2015 to 6 May 2015, both days included;
Istithmar	Istithmar Hotels FZE, a company registered under the laws of Dubai with company registration number 01256L and having its registered office at P.O. Box 262080, Level 38, Al Shatha Tower, Media City, Dubai, United Arab Emirates;
LFICO	Libyan Foreign Investment Company, a company registered under the laws of Libya with company registration number 9481 and having its registered office at Ghadem Aljabel, Gharian, P.O. Box 4538 Tripoli, Libya;
Listing Authority	the MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act (Cap. 345 of the Laws of Malta) by virtue of Legal Notice 1 of 2003;
Listing Rules	the listing rules of the Listing Authority;
Medina Tower JSC (Libya)	Medina Tower Joint Stock Company for Real Estate and Development, a joint stock investment company registered under the commercial laws of Libya (in accordance with Law No. 5 (1997) as amended by Law No. 7 (2004) and Law No. 9 (2010)) having its registered office at Tripoli Tower, Suite 107, Tower 2, Level 10, Tripoli, Libya, and bearing privatisation and investment board number 343;
MFSA	Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the Laws of Malta);
MIH	Mediterranean Investments Holding p.l.c., a company registered and existing under the laws of Malta with company registration number C 37513 and having its registered office situated at 22, Europa Centre, Floriana FRN 1400, Malta;
Official List	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
Preplacement Offer	on 29 April 2015;
Prospectus	collectively, the Registration Document, the Securities Note and the Summary Note;
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as may be amended from time to time;
QPM	QPM Limited, a company registered and existing under the laws of Malta with company registration number C 26148 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta;
Redemption Date	13 May 2025;
Redemption Value	the nominal value of each Bond (€100 per Bond);

Registration Document	the Registration document issued by the Issuer dated 10 April 2015, forming part of the Prospectus;
Regulation	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014;
Securities Note	the securities note issued by the Issuer dated 10 April 2015, forming part of the Prospectus;
Sponsor	Charts Investment Management Service Limited, an authorised financial intermediary licensed by the MFSA and a Member of the MSE;
Subsidiary	each of the following companies: Five Star Hotels Limited, Alfa Investimentos Turisticos Lda, IHI Lisbon Limited, IHI St. Petersburg LLC , IHI Benelux B.V. , IHI Hungary Zrt, IHI Zagreb d.d., CHI Limited, Corinthia Towers Tripoli Limited, IHI Towers s.r.o., IHI Benghazi Limited, Marina San Gorg Limited, Libya Hotels & Developments JSC, and the term 'Subsidiaries' shall collectively refer to the said companies;
Summary Note	this summary note issued by the Issuer dated 10 April 2015, forming part of the Prospectus;
Terms and Conditions	the terms and conditions of the Bond Issue, a summary of which is included in Element E.3.

SECTION A INTRODUCTION AND WARNINGS

A.1 Prospective investors are hereby warned that:

i. This summary is being provided to convey the essential characteristics and risks associated with the Issuer and the securities being offered pursuant to this document. This part is merely a summary and therefore should only be read as an introduction to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this summary in making a decision as to whether to invest in the securities described in this document. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor;

ii. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and

iii. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, and who applied for its notification, but only if the summary, when read together with the other parts of the Prospectus: is misleading, inaccurate or inconsistent; or does not provide key information in order to aid investors when considering whether to invest in such securities.

A.2 Consent required in connection with the use of the Prospectus by the Authorised Financial Intermediaries; prospective investors are hereby informed that:

i. for the purposes of any subscription for Bonds through any of the Authorised Financial Intermediaries and any subsequent resale, placement or other offering of Bonds by such Authorised Financial Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive, the Issuer consents to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale or placement or other offering of Bonds, provided this is limited only:

   a. in respect of Bonds subscribed for through Authorised Financial Intermediaries during the Preplacement Offer and Issue Period;
   b. to any resale or placement of Bonds subscribed for as aforesaid, taking place in Malta;
   c. to any resale or placement of Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus.

ii. **in the event of a resale or placement of Bonds by an Authorised Financial Intermediary subsequent to the Preplacement Offer, the Authorised Financial Intermediary shall be responsible to provide information to investors on the terms and conditions of the resale or placement at the time such is made.**

SECTION B ISSUER

B.1 The legal and commercial name of the Issuer is International Hotel Investments p.l.c.

B.2 The Issuer was registered in Malta in terms of the Act on 29 March 2000, as a public limited liability company. The Issuer is domiciled in Malta.

B.4b The Issuer was set up and promoted by the Corinthia Group as the principal vehicle for the international expansion of the Group's hotels and mixed use developments.

The Issuer owns and operates the Corinthia Hotel & Commercial Centre in Tripoli, Libya (hereinafter the "Corinthia Hotel Tripoli"). The performance of this operation during the course of 2011 was significantly lower than the performance in prior years. During this period of political conflict in North Africa, the Issuer's property in Tripoli remained operational, albeit at a lower level of activity, to match the demands for accommodation in Libya. As the former government was replaced and the political turmoil began to abate, the hotel experienced a gradual recovery of business activity in its operations, with revenues continuing to increase towards pre-2011 operating levels. In 2014 management continued to experience a period of low occupancies and implemented extensive cost savings with the objective of minimising its losses in the said financial year.

On 27 January 2015, the Corinthia Hotel Tripoli was the scene of an armed attack. It is not for the Issuer to speculate on the motives behind the attack, but management has nothing to suggest that this was in any way directed against the Issuer. Since the attack, the hotel's management has returned to the premises and an assessment of the affected parts of the hotel has revealed that damages were contained. Whilst management is committed to resume the operation of the hotel within the shortest time possible, it is likely that the present situation of low occupancy at the Corinthia Hotel Tripoli will persist in 2015. Save for an area of 1,222 square metres which was vacated in 2013, the commercial centre of offices adjoining the hotel remains in full operation and occupancy, generating around €6 million in rent income annually.

The business of the Issuer in Western and Central Europe continued to operate in what, following the global financial crisis which took place in 2008, is at present still generally considered to be a subdued economic environment. Nonetheless, the Group's properties in this region registered a marginally improved performance in 2012 over the corresponding periods in 2011 and 2010. Similar growth patterns were evidenced in 2013 over 2012 and these were even more pronounced in 2014 over 2013 with a year-on-year growth of 32.9% in EBITDA earnings, notwithstanding the subdued economic and financial background. The Corinthia hotel in St Petersburg has been affected by a reduction in corporate travel to the Russian Federation and by a significant reduction in the value of the Rouble when expressed against the Euro and the tumbling oil prices which had a significant negative impact on the revenues generated by the Federation from the sale of this commodity.

The Issuer has announced that it has executed a preliminary conditional agreement with the majority shareholders in the Island Hotels Group Holdings p.l.c. (IHG Group), with a view to consider making a voluntary offer for the purchase of 100% of the issued share capital of the IHG Group. The Directors believe that the acquisition of the IHG Group will provide the Issuer with operational synergies and efficiencies which will benefit the Issuer and its overall operations, but at the date of this Prospectus the Issuer has not had the opportunity of undertaking a full due diligence exercise with respect to the IHG Group, its business and operations. Also, the amalgamation of IHG Group's hotel operation in St George's Bay with that of IHI's own neighbouring hotels would allow for enhanced development opportunities at the adjoining sites in St Julian's, where the Issuer has already intimated its intention to redevelop fully the combined land plots, in a phased project over several years.

B.5 The organisational structure of the Group is illustrated in the diagram below:

LFICO (50%) Pisani Family (50%)

General Public (8.14%)

CPHCL (58.78%)

Istithmar Hotels FZE (22.05%)

11.03%

100%

20%

CHI Limited

operator and developer of the Corinthia Brand

CHI currently operates all the property investments referred to herein, as well as the following property investments for affiliates and third parties:

Corinthia Palace Hotel & Spa Malta

Corinthia Hotel Khartoum

Panorama Hotel Prague

Aquincum Hotel Budapest

(Corinthia Golf & Spa Resort Taormina - under development)

IHI PROPERTY INVESTMENTS

100% of IHI Hungary Zrt
(Corinthia Grand Hotel Royal & Residences, Budapest)

100% of Alfa Investimentos Turisticos Lda
& 100% of IHI Lisbon Limted
(Corinthia Hotel & Spa, Lisbon)

100% of Five Star Hotels Limited
(Corinthia Hotel, St George's Bay, Malta)

100% of IHI Towers s.r.o.
(Corinthia Hotel Prague)

100% of IHI Benelux B.V.
& 100% of IHI St Petersburg LLC
(Corinthia Hotel & Commercial Centre, St Petersburg)

100% of Corinthia Towers Tripoli Limited
(Corinthia Hotel & Commercial Centre, Tripoli)

55% of Libya Hotels & Developments JSC (45% LFICO)
(Corinthia Hotel & Residences Benghazi –under development)

100% of Marina San Gorg Limited
(Marina Hotel, St George's Bay, Malta)

25% of Medina Tower Joint Stock Company
(25% MIH, 50% EDREICO)
(Medina Tower Project, Tripoli, Libya – under development)

100% of IHI Zagreb d.d.
(dormant company)

50% of NLI Holdings Limited (50% LFICO)
(Corinthia Hotel & Residences, London)

QPM Limited

(80% CPHCL)

Project & Cost Management
Architecture & Design Services

Subsidiary Companies

Associate Companies

B.9 Not Applicable: The Registration Document forming part of the Prospectus does not contain any profit forecasts or estimates.

B.10 Not Applicable: the audit reports on the audited financial statements for each of the years ended 31 December 2011 to 2014 do not contain any material qualifications.

B.12 The historical financial information for the four financial years ended 31 December 2011 to 2014 as audited by Grant Thornton is set out in the consolidated financial statements of the Issuer. Such audited consolidated financial statements are available on the Issuer's website www.ihiplc.com.

There has been no material adverse change in the prospects of the Issuer since the date of its last published audited consolidated financial statements.

There were no significant changes in the financial or trading position of the Issuer since the date of its last published audited consolidated financial statements.

Extracts of the historical financial information referred to above are set out below:

CONDENSED INCOME STATEMENT
For the years ended 31 December

	2014 €'000	2013 €'000	2012 €'000	2011 €'000
Revenue	116,379	123,734	118,567	104,223
EBITDA	28,850	34,981	27,725	22,378
(Loss) profit before tax	(29,835)	(4,033)	(11,383)	(11,811)
(Loss) profit attributable to parent company	(16,266)	266	(10,263)	(10,398)

CONDENSED BALANCE SHEET
At 31 December

	2014 €'000	2013 €'000	2012 €'000	2011 €'000
ASSETS				
Non-current	961,305	1,042,268	1,029,533	984,971
Current	50,735	50,404	59,150	81,858
Total assets	**1,012,040**	**1,092,672**	**1,088,683**	**1,066,829**
EQUITY AND LIABILITIES				
Total equity	**594,814**	**626,491**	**600,256**	**602,615**
Liabilities				
Non-current	354,402	390,061	410,385	399,119
Current	62,824	76,120	78,042	65,095
Total liabilities	**417,226**	**466,181**	**488,427**	**464,214**
Total equity and liabilities	**1,012,040**	**1,092,672**	**1,088,683**	**1,066,829**

In view of the prolonged instability in Libya and the political issues between Russia and Ukraine, revenue generated at Corinthia Hotel Tripoli and Corinthia Hotel St Petersburg for the year ended 31 December 2014 was lower than the prior year by *circa* €16.1 million. Such reduction was however partly compensated by increased revenues at the other Group properties and therefore the overall decrease in income for the said financial year amounted to €7.4 million (a reduction of 6%). This reduction in income inevitably impacted the Group's EBITDA, which decreased by 18% from €35.0 million in 2013 to €28.9 million in 2014.

In April 2014, 11 apartments in Whitehall Place London adjacent to the Corinthia Hotel London, of which IHI holds a 50% stake, were sold to third parties. The penthouse apartment was retained and will be sold when the right opportunity arises. Except for one-off property costs resulting from the aforesaid sale of the apartments, the disposal had no effect on the Group financial statements since the apartments were already valued at their market price in 2013. A loss was registered from equity accounted investments (London Hotel and Residences) for 2014 of €14.6 million, in consequence of building taxes, depreciation, interest and the one-time selling costs of the 11 apartments as the hotel performance registered a marginal improvement in performance in 2014 over 2013.

After accounting for movements in fair value of properties described hereunder, the Group recorded a loss for the year ended 31 December 2014 of €16.3 million (2013: Profit of €0.3 million).

As at 31 December 2014, the Group had a working capital deficiency (current assets less current liabilities) of €12.1 million. This deficiency is being addressed by the Issuer as follows:

- In view of the prevailing situation in Libya, the lender of the €40 million loan on Corinthia Hotel Tripoli has confirmed its intention to postpone capital repayments due on this loan in 2015; and
- An agreement has been reached for the amount payable as dividend to the institutional shareholders of €5.1 million to be settled after the penthouse apartment in London is sold and paid for.

Analysis of Movements in Property Values
For the year ended 31 December 2014

	Income Statement	Other Comprehensive Income	Total
	€'000	€'000	€'000
Corinthia Hotel Lisbon	1,240	13,728	**14,968**
Lisbon Apartments	(156)	-	**(156)**
Corinthia Hotel Budapest	10,357	-	**10,357**
Marina Hotel	1,766	-	**1,766**
Corinthia Hotel Tripoli	(8,038)	(26,814)	**(34,852)**
Tripoli Commercial Centre	(5,659)	-	**(5,659)**
Corinthia Hotel St Petersburg	(3,243)	(15,867)	**(19,110)**
St Petersburg Commercial Centre	(9,577)	-	**(9,577)**
Corinthia Hotel London	-	17,933	**17,933**
Net movement in property values	**(13,310)**	**(11,020)**	**(24,330)**

On a yearly basis, a value in use assessment is carried out on the Issuer's hotels and investment properties by independent advisors. This process involves the preparation of 10-year future cash flows prepared by an expert in the hospitality industry and financial modeling by an independent accountancy firm. In 2014, the aforesaid process was performed on all Group properties other than the Corinthia Hotel Tripoli, due to the current uncertain environment prevailing in Libya which presented significant difficultly for such advisors to determine a value in use of the property.

As such, a value in use on the Corinthia Hotel Tripoli was determined after the independent advisors presented several scenarios and parameters to the Directors for their consideration. The Directors resolved to adopt the more prudent basis of valuation by applying to the model higher country and other risk premia, and assumed a weaker outlook on future performance. In consequence, the value of the property was impaired by €34.9 million in 2014.

As denoted in the above table, the Group was negatively impacted in 2014 by a reduction of €69.2 million in the values of its properties in Tripoli and St Petersburg (hotels and commercial centres) as a consequence of the force majeure situation prevailing in each of the said jurisdictions and the devaluation of the Russian Rouble. On the other hand, through the robust performance achieved by a number of the Group's European hotels, the Issuer registered an improvement of €44.9 million in the fair values of such properties, most notably of which is the uplift in London (limited to 50% share), in Lisbon and in Budapest.

B.13 Not Applicable: the Issuer is not aware of any recent events which are to a material extent relevant to the evaluation of its solvency.

B.14 The Issuer was set up and promoted by the Group as the principal vehicle for the international expansion of the Group's hotels and mixed use developments. The Issuer's primary objective is to focus on strategic direction and development of the Group. Each hotel property is owned through a company established in the jurisdiction where the hotel is located. This is driven principally by two factors: firstly, retaining a corporate structure that provides efficient tax treatment to the Issuer, and secondly, ensuring that each hotel property is vested with its own management structure entrusted with its operation. The latter approach suitably adheres to each hotel's need to take account of the particular environment and market in which it operates, albeit subject to the overall direction and the strategic parameters and objectives established by the Issuer's Directors.

As the holding company of the Group, the Issuer is ultimately dependent upon the operations and performance of its subsidiaries and their respective operations.

B.15 As at the date of this Prospectus, the Issuer serves as the principle vehicle for the international expansion of the Group's hotels and mixed use developments. In terms of its Memorandum and Articles of Association, the principal object of the Issuer is to carry on the business of a finance and investment company in connection with the ownership, development, operation and financing of hotels, resorts, leisure facilities, tourism related activities and such other activities as may from time to time be ancillary or complimentary to the foregoing whether in Malta or overseas.

B.16 CPHCL holds directly 58.78% of the share capital in the Issuer, whilst Istithmar and LFICO both act as strategic investors in the company with direct holdings of 22.05% and 11.03% respectively. LFICO also owns 50% of CPHCL and half of its direct holding of 11.03% is subject to a call option in favour of CPHCL. The remaining shares in the Issuer are held by the general investing public

B.17 Not Applicable: The Issuer has not sought the credit rating of an independent rating agency, and there has been no assessment by any independent rating agency of the Bonds issued by the Issuer.

SECTION C SECURITIES

C.1 The Issuer shall issue an aggregate of €45,000,000 in Bonds having a face value of €100 per bond, subject to a minimum holding of €2,000 in Bonds. The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. On admission to trading the Bonds will have the following ISIN number MT0000111295. The Bonds shall bear interest at the rate of 5.75% per annum and shall repayable in full upon maturity unless they are previously re-purchased, cancelled or redeemed.

C.2 The Bonds are denominated in Euro (€).

C.5 The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.

C.8 Investors wishing to participate in the Bonds will be able to do so by duly executing an Application Form in relation to the Bonds. Execution of the Application Form will entitle such Bondholder to:

(i) the payment of capital;
(ii) the payment of interest;
(iii) ranking with respect to other indebtedness of the Issuer in accordance with the status of the Bonds, as follows: The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt, if any. As at the date of the Prospectus, the Issuer does not have any subordinated indebtedness;
(iv) attend, participate in and vote at meetings of Bondholders in accordance with the terms and conditions of the Bond; and
(v) enjoy all such other rights attached to the Bonds emanating from the Prospectus.

As at 31 December 2014 the Group's indebtedness amounted to €299.3 million, comprising of bank loans (€205.0 million), corporate bonds (€88.9 million) and other borrowings from related companies (€5.4 million). The aforesaid bank borrowings are secured by privileges and hypothecs, and therefore the indebtedness being created by the Bonds, together with the other issued bonds, ranks after all these bank borrowings. In addition, the Bonds would also rank after any future debts which may be secured by a cause of preference such as a privilege and/or a hypothec.

C.9 The Bonds shall bear interest from and including 13 May 2015 at the rate of 5.75% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 13 May 2016 (covering the period 13 May 2015 to 12 May 2016). Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is 5.75%.

The remaining component of Element C.9 is Not Applicable, given that no representative of debt security holders has been appointed.

C.10 Not Applicable: there is no derivative component in the interest payments on the Bonds.

C.11 The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 10 April 2015. Application has been made to the MSE for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List. The Bonds are expected to be admitted to the MSE with effect from 22 May 2015 and trading is expected to commence on 25 May 2015.

SECTION D RISKS

Holding of a Bond involves certain risks. Prospective investors should carefully consider, with their own independent financial and other professional advisors, the following risk factors and other investment considerations as well as all the other information contained in the Prospectus before deciding to acquire Bonds. Prospective Investors are warned that by investing in the Bonds they may be exposing themselves to significant risks that may have the consequence of losing a substantial part of all of their investment.

This document contains statements that are, or may be deemed to be, "forward-looking statements", which relate to matters that are not historical facts and which may involve projections of future circumstances. They appear in a number of places throughout the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and/or its' Directors. These forward-looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer's Directors. No assurance is given that the future results or expectations will be achieved.

The risk factors set out below are a summary of the principal risks associated with an investment in the Issuer and the Bonds – there may be other risks which are not mentioned in this summary. Investors are therefore urged to consult their own financial or other professional advisors with respect to the suitability of investing the Bonds. The following is a summary of the principal risks:

D.2 Key information on the key risks specific to the Issuer:

i. **The Issuer's business is reliant on mixed use developments having hotels as their principal component, spread across various countries. Severe competition in certain countries and changes in economic and market conditions could adversely affect the Issuer's business and operating results.**

ii. **The Issuer's business model remains primarily reliant on hotel assets, with a diversified strategy resulting in increased reliance on non-hotel assets, mainly in commercial and residential real estate. Accordingly the Issuer's prospects should be considered in light of the risks and difficulties generally encountered by companies operating in similar markets and industry sectors.**

iii. **A number of the companies forming part of the Group have operations situated in emerging markets, specifically Libya and the Russian Federation. Businesses in emerging markets may not be operating in a market-oriented economy as is generally associated with developed markets. As the political, economic and social environments in certain countries in which the Group has invested remain subject to continuing development, investments in these countries are characterised by a degree of uncertainty. Any unexpected changes in the political, social, economic or other conditions in these countries may have an adverse effect on any investments made.**

iv. **The room rates and occupancy levels of hotels forming part of the Group could be adversely impacted by a number of events including political, social and economic instability, amongst others, all of which could have the effect of reducing domestic or international travel and consequently decreasing the demand for hotel rooms, which may have an adverse impact on the Group's operations and financial results. With particular reference to the Group's operations in Libya and the Russian Federation:**

Libya: **The continued instability and state of uncertainty prevailing since the 2011 uprising continues to have a negative effect on travel to Libya and accordingly on the performance and operation of the Group's hotel in Tripoli as well as on the financial results of the Group relative to that particular hotel. Economic, political and financial system risks remain high with prevalent threats to positive development. Security concerns resulting from the aforesaid, as well as regional instability, social unrest and lack of clarity on the political situation have also brought about a decline in investor confidence, investment (including foreign direct investment) and capital spending.**

The Russian Federation: **The intervention by the Russian Federation in Ukraine in 2014 had a negative effect on its international relations - particularly with the EU and the US - and on its prospects for growth. Moreover, the Russian Federation has been negatively impacted by falling prices of its largest export, oil. Reliance on tax revenues from the oil industry makes the Russian Federation particularly sensitive to price movements, and the Rouble has weakened significantly as a result of the foregoing. Such negative political or economic factors and trends may continue to negatively affect the operating results of the Group and could also have a material impact on the business of the Issuer in these regions.**

v. **The legal and judicial system of certain countries in which the Group operates may be different from that which some investors may be more familiar with in certain civil and common law jurisdictions, and investors in Malta may consider such systems as not providing, in various aspects, the level of comfort for investment which they are used to under the Maltese legal system or other civil and common law jurisdictions, and accordingly they may consider that the Issuer may face difficulties in enforcing its legal rights relating to the properties owned in such countries.**

vi. **The Issuer's financial statements, which are presented in Euro, can be affected by foreign exchange fluctuations through both translation risk and transaction risk. The Group is also exposed to the inherent risks of global and regional adverse economic developments. The implementation of austerity measures in an effort to reduce government deficits in a number of EU member states, as well as any further unexpected changes in the political, social or economic conditions of certain countries, may reduce leisure and business travel to and from those affected countries, which, in turn, may adversely affect the Group's room rates and/or occupancy levels and other income-generating activities, and could potentially lead to increased costs through increased taxes in those particular countries, ultimately resulting in the deterioration of the Group's business and/or operating results in the affected countries.**

vii. A significant portion of the Issuer's costs are fixed and the Issuer's operating results are vulnerable to short-term changes in its revenues. The Issuer's inability to react quickly to changes in its revenue by reducing its operating expenses could have a material adverse effect on its business, financial condition and results of operations.

viii. The lack of liquidity and alternative uses of real estate investments could significantly limit the Issuer's ability to respond to adverse changes in the performance of its properties thereby potentially harming its financial condition. Furthermore, the Issuer's ability to sell, in a timely fashion, one or more of its properties in response to changing economic, financial and investment conditions, is limited.

ix. In 2010, the Group set up its own proprietary central reservations system. Lack of resilience or failure of the new central reservations system could lead to service disruption and may result in significant interruption in processing room bookings and reservations, which could negatively impact revenues. There can be no assurance that the continued stability of this system will not be disrupted and inadequate investment in this system or failure to maintain an effective e-commerce strategy may adversely affect the Group's competitiveness and its market share.

x. The Group is reliant upon technologies and operating systems developed by third parties for the running of its business. Whilst the Group has service level agreements with third party providers of these systems to ensure continuity and stability of these systems, there can be no assurance that the service or systems will not be disrupted. Disruption to such technologies or systems and/or lack of resilience in operational availability could adversely affect the efficiency of the Group's business, financial condition and/or operating results.

xi. If one or more of the members of the executive management team and other key personnel were unable or unwilling to continue in their present position, the Group might not be able to replace them within the short term, which could have a material adverse effect on the Group's business, financial condition and results of operations.

xii. With respect to losses for which the Group is covered by its insurance policies, it may be difficult and may take time to recover such losses from insurers. No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates.

xiii. The Issuer's business consists of the acquisition, development and operation of real estate projects having a hotel as their main component. Property acquisition and development projects are subject to a number of specific risks including, amongst others, the inability to source adequate opportunities, cost overruns and the insufficiency of resources to complete the projects. If these risks were to materialise, they would have an adverse impact on the Issuer's revenue generation, cash flows and financial performance. Furthermore, the Group is subject to various counter-party risks. Such parties may fail to perform or default on their obligations to the Group due to insolvency, lack of liquidity, market or economic downturns, operational failure or other reasons which are beyond the Group's control. If such risks, many of which are common to the real estate industry, were to materialize, they could have an adverse impact on the Group's revenue generation, cash flows and financial performance.

xiv. The Group may not be able to secure sufficient financing for its current and future investments. No assurance can be given that sufficient financing will be available on commercially reasonable terms. Any weakness in the capital markets may limit the Group's ability to raise capital for completion of projects that have commenced or for development of future properties.

xv. The Group has a material amount of debt and it expects to incur additional debt in connection with its future growth in terms of acquisitions and developments. A substantial portion of the Group's generated cash flows will be required to make principal and interest payments on the Group's debt. Substantial borrowings under bank credit facilities are expected to be at variable interest rates, which could cause the Group to be vulnerable to increases in interest rates. The agreements regulating the Issuer's bank debt impose and are likely to impose significant operating restrictions and financial covenants on the Issuer which could limit the Issuer's ability to obtain future financing, make capital expenditure, withstand a future downturn in business or economic conditions generally, or otherwise inhibit the ability to conduct necessary corporate activities.

xvi. Although the Issuer seeks to hedge against interest rate fluctuations, this may not always be economically practicable, and the possibility of hedging may become more difficult in the future due to the unavailability or limited availability of hedging counterparties. An increase in interest rates which is not hedged by the Issuer may have a material adverse effect on its business, financial condition and results of operations.

D.3 Key information on the key risks specific to the Bonds:

An investment in the Bonds involves certain risks, including those set out below in this section. In deciding whether to make an investment in the Bonds, prospective investors are advised to carefully consider, with their own independent financial and other (including tax, accounting, credit, legal and regulatory) professional advisors, the following risk factors (not listed in order of priority) and other investment considerations, together with all the other information contained in the Prospectus.

i. The existence of an orderly and liquid market for the Bonds depends on a number of factors including, but not limited to the presence of willing buyers and sellers of the Issuer's Bonds at any given time and the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price or at all.

ii. **Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.**

iii. **A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different.**

iv. **No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time.**

v. **The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt, if any. Furthermore, subject to the negative pledge clause, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.**

vi. **In the event that the Issuer wishes to amend any of the Terms and Conditions of Issue of the Bond it shall call a meeting of Bondholders. The provisions relating to meetings of Bondholders permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.**

vii. **The Terms and Conditions of this Bond Issue are based on Maltese law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of this Prospectus.**

SECTION E OFFER

E.2b The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €44,100,000, will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

(i) a maximum amount of €35,000,000 will be used by the Issuer for the purpose of purchasing Exchangeable Bonds from Existing Bondholders, for cancellation, by way of Exchangeable Bond Transfer, and for the purpose of redeeming any Exchangeable Bonds remaining in issue as at 11 July 2015, being the first early date of redemption of the Exchangeable Bonds in terms of the prospectus dated 12 June 2009 (as at the date of the Prospectus the total value of Exchangeable Bonds in issue stands at €35,000,000); and

(ii) the remaining €9,100,000 balance of the net Bond Issue proceeds will be used by the Issuer to part finance the acquisition of the IHG Group. In the event that the Issuer decides not to proceed with the said acquisition, for any reason, then the remaining portion of net Bond Issue proceeds shall be applied to reduce the bank indebtedness of the Group.

In the event that the Issuer does not receive subscriptions for the full €45,000,000 in Bonds, the Issuer will proceed with the listing of the amount of Bonds subscribed for, and it shall firstly apply the net proceeds received for the purpose mentioned in (i) above. In the event that the subscriptions received do not exceed the amount specified in (i) above, the Issuer will complete the redemption of any remaining Exchangeable Bonds through own funds on 11 July 2015, being the first early date of redemption of the Exchangeable Bonds in terms of the prospectus dated 12 June 2009.

E.3 The Bonds are open for subscription to all categories of investors including Authorised Financial Intermediaries, holders of Exchangeable Bonds and the general public. Authorised Financial Intermediaries shall be entitled, through the Preplacement Offer, to subscribe for Bonds up to an aggregate amount of €10,000,000.

Existing Bondholders applying for Bonds may elect to settle all or part of the amount due on the Bonds applied for by the transfer to the Issuer of Exchangeable Bonds at par value, subject to a minimum holding of €2,000 in Bonds. Any Existing Bondholders whose holding in Exchangeable Bonds as at the Cut-Off Date is less than €2,000 shall be required to pay the difference together with the submission of their Application Form 'A' ("**Cash-Top-Up**").

Existing Bondholders electing to subscribe for Bonds through the transfer to the Issuer of all or part of the Exchangeable Bonds held by them as at the Cut-Off Date shall be allocated Bonds for the corresponding nominal value of Exchangeable Bonds transferred to the Issuer (including Cash Top-Up where applicable). The transfer of Exchangeable Bonds to the Issuer in consideration for the subscription for Bonds shall cause the obligations of the Issuer with respect to such Exchangeable Bonds to be extinguished, and shall give rise to obligations on the part of the Issuer under the Bonds.

Following the Preplacement Offer and preferred allocation referred to in the preceding paragraphs hereof, any remaining Bonds shall be allocated to: (i) Authorised Financial Intermediaries with respect to such unsatisfied excess amount that may result from an oversubscription in the Preplacement Offer; (ii) Existing Bondholders having applied for Bonds in excess of their respective holding in Exchangeable Bonds; and (iii) Applications submitted by the general public, without priority or preference and in accordance with the allocation policy as determined by the Issuer and Registrar.

The following is a synopsis of the general terms and conditions applicable to the Bonds. A Bondholder is deemed to have invested only after having received, read and understood the contents of the Prospectus, including the full terms and conditions contained in the annexes thereto:

1. *General*
Each Bond forms part of a duly authorised issue of 5.75% Unsecured Bonds 2025 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €45 million.

2. *Form, Denomination and Title*
The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. The Bonds will be issued without interest coupons, in denominations of any integral multiple of €100 provided that on subscription, other than on subscription in the Preplacement Offer, the Bonds will be issued for a minimum of €2,000 per individual Bondholder. Authorised Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client. As to a subscription in the Preplacement Offer, the Bonds will be issued for a minimum of €25,000 per individual Bondholder or underlying client, as the case may be. Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments) as the absolute owner of such Bond. Title to the Bonds may be transferred as provided in clause 8 of this Element E.3.

3. *Interest*
The Bonds shall bear interest from and including 13 May 2015 at the rate of 5.75% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 13 May 2016 (covering the period 13 May 2015 to 12 May 2016). Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business fifteen (15) days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven (7) days of the Interest Payment Date. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.

An Exchangeable Bond Transfer shall be without prejudice to the rights of the holders of Exchangeable Bonds to receive interest on the Exchangeable Bonds up to and including 10 July 2015. The Issuer intends to settle the difference between the interest rates applicable to the Exchangeable Bonds and the interest rate of 5.75% applicable to the Bonds, from 13 May 2015 up to 10 July 2015, being the day prior to the date of redemption of the Exchangeable Bonds, to all persons holding Exchangeable Bonds who would have submitted their Application Forms by not later than 30 April 2015 and, consequently, exercising their option to subscribe for Bonds and settle the consideration for Bonds by transferring their Exchangeable Bonds to the Issuer as mentioned above.

4. *Status of the Notes and Negative Pledge*
The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt, if any.

5. *Payments*
Payment of the principal amount of a Bond will be made in Euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time. Such payment shall be effected within seven (7) days of the Redemption Date.

Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business fifteen (15) days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time. Such payment shall be effected within seven (7) days of the Interest Payment Date.

6. *Redemption and Purchase*
Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 13 May 2025. Subject to the provisions of this paragraph, the Issuer may at any time purchase Bonds in the open market or otherwise at any price and any purchase by tender shall be made available to all Bondholders alike. All Bonds so purchased will be cancelled forthwith and may not be re-issued or re-sold.

7. *Events of Default*
The Bonds shall become immediately due and repayable, at their principal amount together with accrued interest, in an event of default. Subject to agreed exceptions, materiality qualifications, reservations of law and grace periods, an event of default shall occur if: (i) the Issuer fails to pay any interest on any Bond when due; or (ii) the Issuer is in breach of any material obligation contained in the terms and conditions of the Bonds; or (iii) the Issuer is *inter alia* dissolved, liquidated or bankrupt; or (iv) the Issuer stops or suspends payments, or announces to do so, to all or any class of its debts or ceases or threatens to cease to carry on its business or a substantial part thereof; or (v) the Issuer is unable to pay its debts; or (vi) a judgment by a court is made against the Issuer for the payment in excess of €5 million; or (vii) any default occurs relating to any financial indebtedness of the Issuer in excess of €5 million.

8. ***Transferability of the Bonds***
The Bonds are freely transferable and, once admitted to the Official List shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time. All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations. The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer. The Issuer will not register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Bonds.

9. ***Further Issues***
The Issuer may, from time to time, without the consent of the Bondholders, create and issue further debentures, debenture stock, bonds, loan notes, or any other debt securities either having the same terms and conditions as any outstanding debt securities of any series (including the Bonds) and so that such further issue shall be consolidated and form a single series with the outstanding debt securities of the relevant series (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue.

10. ***Meetings of Participation Bondholders***
The provisions of the Prospectus may be amended with the approval of the Bondholders at a meeting called for that purpose by the Issuer.

11. ***Governing Law and Jurisdiction***
The Bonds have been created, and the Bond Issue relating thereto is being made, in terms of the Act. From their inception the Bonds, and all contractual arrangements arising therefrom, shall be governed by and shall be construed in accordance with Maltese law. Any legal action, suit, action or proceeding against the Issuer arising out of or in connection with the Bonds shall be brought exclusively before the Maltese Courts and the Bondholder shall be deemed to acknowledge that it is submitting to the exclusive jurisdiction of the Maltese Courts as aforesaid.

E.4 Save for the possible subscription for Bonds by Authorised Financial Intermediaries (which includes Charts Investment Management Service Limited, Bank of Valletta p.l.c. and HSBC Bank Malta p.l.c.), and any fees payable in connection with the Bond Issue to Charts Investment Management Service Limited as Sponsor, Bank of Valletta p.l.c. as Joint Manager and Registrar, and HSBC Bank Malta p.l.c. as Joint Manager, so far as the Issuer is aware no person involved in the Issue has an interest material to the Issue.

E.7 Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €900,000.

TIME-TABLE

1.	Application Forms mailed to holders of Exchangeable Bonds as at the Cut-Off Date	15 April 2015
2.	Application Forms available to the general public	20 April 2015
3.	Preplacement Offer	29 April 2015
4.	Closing date for Applications to be received from holders of Exchangeable Bonds as at the Cut-Off Date	30 April 2015
5.	Issue Period (opening and closing of subscription lists, respectively)	4 May 2015 to 6 May 2015, both days included
6.	Commencement of interest on the Bonds	13 May 2015
7.	Announcement of basis of acceptance	13 May 2015
8.	Refunds of unallocated monies	20 May 2015
9.	Expected dispatch of allotment advices	20 May 2015
10.	Expected date of admission of the securities to listing	22 May 2015
11.	Expected date of commencement of trading in the securities	25 May 2015

The Issuer reserves the right to close the Bond Issue before 6 May 2015 in the event of over-subscription, in which case the events set out in steps 7 to 11 above shall be brought forward, although the number of workings days between the respective events shall not be altered.