This document is a prospectus issued in accordance with the provisions of Chapter 17 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 a prospectus as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements.

This document contains information about Mediterranean Investments Holding p.l.c. (the "Issuer"), as well as information about the securities for which application has been made for admission to trading on the Alternative Companies List of the Malta Stock Exchange. The Bonds (as defined herein) are being issued and offered through an offer to the public by the Issuer.

PROSPECTUS

dated 7 November 2007

by

Mediterranean Investments Holding p.l.c.

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA
WITH COMPANY REGISTRATION NUMBER C 37513

in respect of an issue of

Lm6,439,500 7.5% MTL Bonds of a nominal value of Lm100 per MTL Bond issued at par
or
€15,000,000 7.5% EUR Bonds of a nominal value of €100 per EUR Bond issued at par

(Due 4 December 2014, subject to early redemption at the option of the Issuer on 4 December 2012 and/or 4 December 2013)

APPLICATION HAS BEEN MADE TO THE MALTA STOCK EXCHANGE FOR THE BONDS TO BE LISTED AND TRADED ON ITS ALTERNATIVE COMPANIES LIST ONCE THE BONDS ARE AUTHORISED AS ADMISSIBLE TO LISTING BY THE LISTING AUTHORITY. THE ALTERNATIVE COMPANIES LIST IS A SECOND TIER MARKET, WHICH IS A MARKET DESIGNED PRIMARILY FOR COMPANIES TO WHICH AN INVESTMENT RISK HIGHER THAN THAT ASSOCIATED WITH ESTABLISHED COMPANIES TENDS TO BE ATTACHED. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN SUCH COMPANIES AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISER.

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

THE BONDS SHALL CONSTITUTE THE GENERAL, DIRECT, UNCONDITIONAL, UNSECURED AND UNSUBORDINATED OBLIGATIONS OF THE ISSUER AND WILL RANK *PARI PASSU* WITHOUT ANY PRIORITY OR PREFERENCE WITH ALL OTHER PRESENT AND FUTURE UNSECURED AND UNSUBORDINATED OBLIGATIONS OF THE ISSUER.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL UPON MATURITY.

Legal Counsel	Manager, Registrar & Underwriter	Sponsoring Stockbroker
CAMILLERI PREZIOSI ADVOCATES	BOV Bank of Valletta	Charts Investment Management Service Limited

Approved by the Directors

Alfred Pisani
Chairman

Alfred Pisani *on behalf of*
Jamil Sultan Alessa, Mustafa T. Mohamed Khattabi,
Musaed Al Saleh, Joseph Fenech and Khalil E. A. M. Alabdullah

Important Information

THIS DOCUMENT CONSTITUTES A PROSPECTUS AND CONTAINS INFORMATION ON AN ISSUE BY MEDITERRANEAN INVESTMENTS HOLDING P.L.C. (THE "ISSUER") OF LM6,439,500 OR €15,000,000 BONDS 2012 – 2014 OF A NOMINAL VALUE OF LM100 OR €100, AS APPLICABLE, ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 7.5% PER ANNUM. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 4 DECEMEBR 2014 UNLESS THE BONDS ARE PREVIOUSLY RE-PURCHASED, CANCELLED OR REDEEMED. THE ISSUER SHALL REDEEM THE BONDS ON THE REDEMPTION DATE FALLING IN 2014, OR SHALL EXERCISE THE OPTION TO REDEEM ALL OR ANY PART OF THE BONDS ON EITHER OF THE DESIGNATED EARLY REDEMPTION DATES FALLING IN EACH OF THE YEARS 2012 AND 2013, BY GIVING NOT LESS THAN NINETY (90) DAYS PRIOR NOTICE TO BONDHOLDERS. ANY SUCH REDEMPTION SHALL BE AT PAR.

THIS PROSPECTUS CONTAINS INFORMATION ABOUT THE ISSUER AND THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES OF THE LISTING AUTHORITY, THE COMPANIES ACT, 1995 (CAP. 386 OF THE LAWS OF MALTA) (THE "ACT") 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.

ALL OF THE DIRECTORS OF THE ISSUER, WHOSE NAMES APPEAR UNDER THE HEADING "DIRECTORS", ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS PROSPECTUS. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS OF THE ISSUER (WHO HAVE ALL TAKEN REASONABLE CARE TO ENSURE SUCH IS THE CASE), THE INFORMATION CONTAINED IN THIS PROSPECTUS IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. THE DIRECTORS OF THE ISSUER ACCEPT RESPONSIBILITY ACCORDINGLY.

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 THIS PROSPECTUS AND IN THE DOCUMENTS REFERRED TO HEREIN IN CONNECTION WITH THE ISSUE, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS OR ADVISERS.

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

THIS PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR BONDS BY ANY PERSON IN ANY JURISDICTION (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER 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.

SAVE FOR THE PUBLIC OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED 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 OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF SAID DIRECTIVE, THE BONDS CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN SAID DIRECTIVE) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF SAID DIRECTIVE.

THE BONDS HAVE NOT BEEN NOR WILL THEY BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933 AS AMENDED, OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE "U.S.") OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY U.S. PERSON (AS DEFINED IN REGULATION "S" OF THE SAID ACT). FURTHERMORE THE ISSUER WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT 1940 AS AMENDED AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, IN ACCORDANCE WITH THE ACT.

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

APPLICATION HAS BEEN MADE TO THE LISTING AUTHORITY FOR THE BONDS TO BE CONSIDERED AS ADMISSABLE TO LISTING ON THE SECOND TIER MARKET. IN ADDITION, APPLICATION HAS ALSO BEEN MADE TO THE COUNCIL OF THE MALTA STOCK EXCHANGE FOR THE BONDS TO BE ADMITTED TO THE ALTERNATIVE COMPANIES LIST UPON ISSUE AND SUBSCRIPTION BY THE GENERAL PUBLIC AND AUTHORISED INTERMEDIARIES. DEALINGS ARE EXPECTED TO COMMENCE ON THE SAID EXCHANGE ON 14 DECEMBER 2007.

ALL AMOUNTS EXPRESSED IN ONE CURRENCY WITH AN EQUIVALENT AMOUNT IN ANOTHER CURRENCY IN THIS DOCUMENT ARE TAKEN, IN THE CASE OF HISTORICAL VALUES, AT THE HISTORICAL EXCHANGE RATES APPLICABLE AT THE TIME OF THE TRANSACTION, AND IN ALL OTHER CASES AT A FIXED EXCHANGE RATE, SUBJECT TO ROUNDING OF €1:LM0.4293

ALL THE ADVISERS TO THE ISSUER NAMED IN THE PROSPECTUS UNDER THE HEADING "ADVISERS TO THE ISSUER" ON PAGE 7 BELOW HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. THE NOMINAL VALUE OF THE BONDS ON OFFER WILL BE REPAYABLE IN FULL UPON REDEMPTION. IF YOU NEED ADVICE YOU SHOULD CONSULT A LICENSED STOCKBROKER OR AN INVESTMENT ADVISER LICENSED UNDER THE INVESTMENT SERVICES ACT, CAP. 370 OF THE LAWS OF MALTA.

Contents

Definitions

In this document 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	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
Application Form	the form of application for subscription of the Bonds issued by the Issuer, specimens of which are set out in Annex II of this Prospectus;
Authorised Intermediaries	the banks, financial institutions and other persons referred to in Annex III of this Prospectus;
Bond(s)	the MTL Bonds and/or the EUR Bonds;
Bondholder	a holder of Bonds;
Bond Issue	the issue of the MTL Bonds and the EUR Bonds;
Bond Offer Price	the price of Lm100 for each MTL Bond and €100 for each EUR 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 any company or entity 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, having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta;
Designated Early Redemption Dates	4 December 2012 and 4 December 2013;
Directors or Board	the Directors of the Issuer whose names and addresses are set out under the heading "Identity of Directors, Advisers and Auditors of the Issuer";
EUR Bond(s)	the amount of Bonds to be issued as denominated in €, which issue shall not exceed €15,000,000, having a nominal value of €100 per Bond, bearing interest at the rate of 7.5% per annum and redeemable at their nominal value on the Redemption Date or, at the option of the Issuer, on any of the Designated Early Redemption Dates;
Euro or €	the single currency recognised as legal tender by the member states of the European Union acceding to the European Economic and Monetary Union (including Malta, from 1 January 2008);
Group	the Issuer and the Principal Subsidiary;
Interest Payment Date	4 December of each year between and including each of the years 2008 and the year 2014, unless previously redeemed, 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;
Issue Date	21 November 2007;
Issuer or MIH	Mediterranean Investments Holding p.l.c.;
Listing Authority	the Malta Financial Services Authority, as appointed in terms of the Financial Markets Act, 1990 (Cap. 345 of the Laws of Malta);
Listing Rules	the listing rules of the Listing Authority;

LPTACC	Libya Projects Trading And Contracting Company, a company registered under the laws of Kuwait with company registration number 119633, having its registered office at Office 16/Mezzanine, Block 12, Al Asfour International Company, Al Manqaf, Kuwait. LPTACC is a wholly owned subsidiary of National Projects Holding Company which in turn is a subsidiary of NREC;
Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., a company registered under the Laws of Malta with company registration number C 42525, as originally constituted in terms of the Financial Markets Act, 1990 (Cap. 345 of the laws of Malta), for the purposes of which Act the MSE is a regulated market;
Maltese Liri or Lm	the lawful currency of the Republic of Malta up until 31 December 2007;
Manager, Registrar and Underwriter	Bank of Valletta p.l.c.;
Memorandum and Articles of Association	the memorandum and articles of association of the Issuer in force at the time of the Prospectus;
MTL Bond(s)	the amount of Bonds to be issued as denominated in Lm, which issue shall not exceed Lm6,439,500, having a nominal value of Lm100 per Bond, bearing interest at the rate of 7.5% per annum and redeemable at their nominal value on the Redemption Date or, at the option of the Issuer, on any of the Designated Early Redemption Dates;
NREC	National Real Estate Company, a company registered under the laws of Kuwait with company registration number 19628, having its registered office at P.O. Box 64585, Shuwaikh, B 70456, Kuwait;
Offer Period	the period between 21 November 2007 and 27 November 2007 (or such earlier date as may be determined by the Issuer in the event of over-subscription) during which time the Bonds are on offer;
Palm City Residences Project, or Project	the Palm City Residences in Janzour, Libya;
Principal Subsidiary	Palm City Limited, a company registered under the laws of Malta with company registration number C 34113. The Principal Subsidiary is a 100% owned subsidiary of the Issuer, and is the entity responsible for completion of the Palm City Residences Project;
Prospectus	this document in its entirety;
Redemption Date	4 December 2014 (subject to the Issuer's option to redeem all or any part of the Bonds on either of the Designated Early Redemption Dates);
Redemption Value	Lm100 for each MTL Bond and €100 for each EUR Bond;
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 prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements.

Part A - SUMMARY

Warning to Potential Investors

This summary forms part of the Prospectus containing information concerning the Issuer and the Bonds. This summary is intended to briefly convey the essential characteristics of, and risks associated with, the Issuer and the Bonds.

You should carefully take into consideration the following criteria for evaluation of this summary:

- The summary should be read as merely an introduction to the Prospectus;
- Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole;
- Civil liability attaches to the Issuer which has tabled this summary as part of the Prospectus and applied for its notification only if the summary is shown to be misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.

1. Identity of Directors, Advisers and Auditors of the Issuer

Directors

Alfred Pisani	Chairman
Jamil Sultan Alessa	Vice Chairman
Mustafa T. Mohamed Khattabi	Non-Executive Director
Musaed Al Saleh	Non-Executive Director
Joseph Fenech	Non-Executive Director
Khalil E. A. M. Alabdullah	Non-Executive Director

The Company Secretary of the Issuer is Reginald A. Cuschieri.

Advisers to the Issuer

Legal Counsel on the Bond Issue:	Camilleri Preziosi Level 3, Valletta Buildings, South Street Valletta – VLT 1103 – MALTA
Legal Counsel to the Issuer:	Guido de Marco & Associates 9, Britannia House Level 2, Old Bakery Street Valletta – VLT 1450 – MALTA
Sponsoring Stockbroker:	Charts Investment Management Service Limited 18A, 3rd Floor, Europa Centre Floriana – FRN 1400 – MALTA
Auditors & Reporting Accountants:	Grant Thornton Grant Thornton House, Princess Elizabeth Street Ta' Xbiex – XBX 1104 – MALTA Grant Thornton is a firm of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Professions Act, 1979 (Cap. 281, Laws of Malta).
Manager, Registrar & Underwriter:	Bank of Valletta p.l.c. BOV Centre, Cannon Road St. Venera – SVR 9030 - MALTA

2. Offer Statistics and Expected Timetable

2.1 Brief Overview of Offer Statistics

The Bond Issue, which shall be fully underwritten by Bank of Valletta p.l.c., is for an amount not exceeding Lm6,439,500 or €15,000,000 or any proportion of both such Lm and Euro amounts, representing the MTL Bonds and the EUR Bonds, which in aggregate does not exceed the sum of Lm6,439,500 or €15,000,000. The Bonds shall accrue interest at the rate of 7.5% per annum.

Your attention is drawn to section 3.1 of Part B(i) of this Prospectus for a more detailed explanation of the Offer Statistics.

2.2 Expected Timetable

Application Forms Available	14 November 2007
Opening of Subscription Lists	21 November 2007
Closing of Subscription Lists	27 November 2007
Announcement of basis of acceptance	04 December 2007
Commencement of interest on the Bonds	04 December 2007
Expected dispatch of allotment advices and refund of unallocated monies	11 December 2007

The Issuer reserves the right to close the offer of the Bonds before 27 November 2007 in the event of over-subscription, in which case the remaining events set out in the 'Expected Timetable' shall be brought forward in the same chronological order in such a way as to retain the same number of Business Days between the said events.

3. Key Information

3.1 Selected Financial Data and Information on the Issuer's Capitalisation & Indebtedness

Historical information about the Issuer is available for inspection as set out under the heading "Documents available for inspection" in section 10 of Part A of this Prospectus.

The most recent financial statements available for inspection are the Audited Financial Statements of the Issuer for the financial period 1 January 2007 to 31 August 2007. There were no significant changes to the financial or trading position of the Issuer since the end of the financial period to which said Audited Financial Statements relate.

Extracts from the Audited Consolidated Financial Statements for the year ended 31 December 2006, together with extracts from the Audited Consolidated Financial Statements for the period 1 January to 31 August 2007, and extracts from the Unaudited Consolidated Projected Financial Statements for the period 1 September to 31 December 2007, are set out below:

Income Statement Extracts

	1 Jan - 31 Dec 2006 Audited € '000s	1 Jan - 31 Aug 2007 Audited € '000s	1 Jan - 31 Dec 2007 Forecast [1] € '000s
Operating losses	(125)	(204)	(359)
Interest and related costs	-	-	(94)
Other income	459	312	312
Profit/(loss) before tax	334	108	(141)
Taxation	(92)	(52)	(52)
Profit/(loss) after tax	242	56	(193)

[1] Includes actual audited results for the period 1 January to 31 August 2007 and forecast figures for the period 1 September to 31 December 2007.

Balance Sheet Extracts

	31 Dec 2006 Audited € '000s	31 Aug 2007 Audited € '000s	31 Dec 2007 Forecast € '000s
Non-Current Assets	28,694	35,918	62,915
Current Assets	20,293	13,980	729
Total **Assets**	48,987	49,898	63,644
Equity	48,244	48,300	48,052
Non-Current Liabilities	-	-	14,607
Current Liabilities	743	1,598	985
Total Equity and Liabilities	48,987	49,898	63,644

Cash Flow Extracts

	1 Jan - 31 Dec 2006 Audited € '000s	1 Jan - 31 Aug 2007 Audited € '000s	1 Jan - 31 Dec 2007 Forecast [1] € '000s
Net cash from/(used in) operating activities	544	374	(6)
Net cash used in investing activities	(4,425)	(11,010)	(34,219)
Net cash from/(used in) financing activities	24,002	(52)	14,552
Net increase/(decrease) in cash and cash equivalents	20,121	(10,688)	(19,673)
Cash and cash equivalents at the beginning of period	-	20,121	20,121
Cash and cash equivalents at the end of period	20,121	9,433	448

[1] Includes actual audited results for the period 1 January to 31 August 2007 and forecast figures for the period 1 September to 31 December 2007.

3.2 Reasons for the Offer and Use of Proceeds

Out of the net proceeds raised from the Bond Issue, four million two hundred ninety three thousand Maltese Liri (Lm4,293,000), or ten million Euros (€10,000,000), will be utilised to partly fund project costs relating to the construction and completion of fully furnished and fitted out residential units forming part of the Palm City Residences Project, a seaside gated complex located in Janzour, Libya (refer to section 4.2.1 below), which is expected to commence operations by the beginning of 2009. The remaining funding of this Project has been raised through an equity injection by the Issuer, shareholders' loans and a syndicated loan facility already secured by the Issuer. A detailed description of the Palm City Residences Project is found in section 5.2.1 of Part B(i) of this Prospectus.

The balance of the net proceeds from the Bond Issue will be allocated as follows:

- 80% to the general corporate funding purposes of the Group, including, *inter alia*, the funding of initial development and design costs for other projects being planned by the Issuer or its associated companies for the future. In view of the commercial sensitivity of the plans for future investment which are currently still in planning stage, the Issuer shall only be in a position to provide information publicly at a later stage; and

- the remaining 20% to the Issuer's capital contribution for the acquisition by its associate company Agility (Libya) Logistics (described in section 5.2.3 below of Part B(i) of this Prospectus) of the site identified for the relocation of its operations, and for the construction of new headquarters and warehousing facilities on the site.

Sections 4.2 and 4.3 of Part B(i) of this Prospectus provide further information about the reasons for the Bond Issue and the use of proceeds, as well as an explanation of the expectations emanating from the Palm City Residences Project referred to above.

3.3 Risk Factors

You should carefully consider the following matters, as well as the other information contained in the Prospectus, before making any investment decision with respect to the Issuer or the Bonds. This section contains mere highlights of the Risk Factors set out in detail in section 1 of Part B(i) of the Prospectus, which you are strongly advised to review, if necessary with the assistance of your own financial and other professional advisers prior to making any investment decision with respect to the Issuer or the Bonds.

Information contained in this Prospectus contains "forward-looking statements", which are subject to the qualifications discussed below. If any of the risks described were to materialise, they could have a serious effect on the Issuer's financial results, trading prospects and the ability of the Issuer to fulfil its obligations under the Bonds being issued.

3.3.1 Forward-looking statements

This Document and the documents incorporated herein by reference or annexed hereto, particularly but not limited to the Consolidated Projected Financial Statements referred to in section 10 below, contain forward-looking statements that include, among others, statements concerning matters that are not historical facts and which may involve predictions of future circumstances. The Issuer cautions the reader that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ from those expressed or implied by the statements and no assurance is given that the future results or expectations will be achieved.

3.3.2 Considerations relating to the business of the Issuer

General

- **The Issuer, incorporated in December 2005, has a relatively limited operating history;**

- **The first thirteen months following the Bond Issue will be characterised by a period of intensive capital investment. Only after completion (that is expected to be achieved by end 2008) is the Palm City Residences Project expected to start generating revenues;**

- **The Issuer is subject to the risks and the difficulties frequently encountered by companies in the early stages of their development, even though its close association with its shareholders, which are long-established players in foreign (including the Libyan) real estate, property and development markets, should contribute towards mitigating the risks inherent in the Issuer's own limited trading record.**

Political and Economic Risk

- The Issuer is susceptible to the political and economic trends that may from time to time be felt in or by Libya, wherein the Issuer's principal business interests are currently located. Negative political or economic factors and trends in or affecting Libya would have a detrimental impact on the business of the Issuer.

Emerging Market

- The Issuer will be investing in the Libyan market, which at present is to be considered as an emerging market. Emerging markets present economic and political conditions which differ from those affecting more developed markets, and could possibly present less social, political and economic stability, which could render investment in such markets more risky than investments in more developed markets. The implications and consequences of political, economic and social reform which may from time to time affect such emerging markets may not be entirely clear at the outset, and accordingly prospective investors should take into account the unpredictability associated thereto;

- The value of the Issuer's investment may be affected by uncertainties, such as political and diplomatic developments, social and economic instability, as well as changes in government policies, taxation, high inflation, higher interest rates, exchange control and rules on expropriation, nationalisation and/or confiscation of assets;

- The Libyan legal and judicial system does not, in various aspects, reflect the level of refinement in jurisprudence reached in the more developed civil and common law jurisdictions, and accordingly the Issuer may face difficulties in enforcing its legal rights pursuant to investments made in Libya;

- Businesses in emerging markets may not be operating in a market-oriented economy as known in more developed markets.

Property Development

- The property development business of the Issuer is subject to a number of specific risks inherent in this field, including counter-party risks. If such risks were to materialise they would have an adverse impact on the Issuer's revenue generation, cash flows and financial performance.

Financing Future Growth

- In the near future, the Issuer is expected to incur significant debt in connection with prospective real estate acquisitions and development projects. Although in line with its acquisition strategy it is expected that the Issuer's debt to equity ratio will be maintained at prudent levels;

- Substantial borrowings under bank credit facilities are expected to be at variable interest rates which could cause the Issuer to be vulnerable to increases in interest rates, and are regulated by agreements which of their own nature are likely to impose significant operating restrictions and financial covenants on the Issuer. These restrictions and covenants could limit the Issuer's ability to obtain future financing, to make capital expenditure, to withstand a future downturn in business or economic conditions generally, or could otherwise inhibit the ability to conduct necessary corporate activities.

Reliance on the Corinthia Group and NREC

- The Issuer will be relying heavily on the contacts and expertise of its principal shareholders, the Corinthia Group and NREC, to identify and secure prospective investment opportunities for the attainment of its strategic and investment objectives. No assurance can be given that the Issuer or its shareholders will be able to use such contacts and expertise to identify and secure suitable investments.

3.3.3 *Considerations relating to the Bonds*

Risks Relating to the Bonds

- The value of investments can rise or fall and past performance is not necessarily indicative of future performance. If in need of advice, you should consult a licensed stockbroker or an investment adviser licensed under the Investment Services Act, Cap. 370 of the Laws of Malta.

Prior Ranking Charges

- For the purposes of part funding the Palm City Residences Project, the Principal Subsidiary has secured a syndicated loan facility amounting to €55 million. Pursuant to the terms of issue of the said facility, the property of the Principal Subsidiary is subject to a land charge granting a right of preference and ranking to the lending banks in priority and preference to other creditors. The Bonds constitute general, direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu*, without any priority or preference, with all other present and future unsecured and unsubordinated obligations of the Issuer, and accordingly in terms of priority shall rank subsequent to the said facility.

Trading and Liquidity

- There is currently no trading record in respect of the Bonds, as there has never been a public market for the Bonds prior to the offering contained in the Prospectus. Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Alternative Companies List once the Bonds are authorised as admissible to listing by the Listing Authority. The Alternative Companies List is a second-tier market, which is a market designed primarily for companies to which an investment risk higher than that associated with established companies tends to be attached. A prospective investor should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and consultation with his or her own independent financial adviser;

- The liquidity of the market depends on factors beyond the Issuer's control which could impact the trading value of the Bonds, such as the willingness or otherwise of potential buyers and sellers of the Bonds as well as other factors such as the time remaining for maturity of the Bonds, the outstanding amount of the Bonds, and the level, direction and volatility of market interest rates generally;

- There can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. There can be no assurance, also, that an investor will be able to re-sell his/her Bonds at or above the Bond Offer Price.

4 Information about the Issuer

4.1 Historical Development

The Issuer, which was formed on 12 December 2005 as Mediterranean Investments Holding Limited, was set up as a private limited liability company and subsequently converted, on 6 November 2007, into a public limited liability company, and is now named Mediterranean Investments Holding p.l.c. The Issuer, which is registered and domiciled in Malta in terms of the Act with company registration number C 37513, has its registered office at 22, Europa Centre, Floriana, FRN 1400, Malta. The telephone number of the registered office is 00356 2123 3141.

4.2 Business Overview

The Issuer's principal investment objectives have, since inception, focused on the acquisition, development and running of real estate projects in North Africa. The Issuer has also acquired interests in companies operating in business lines ancillary to the project development market, including project management and supply chain logistics. The said principal and ancillary investment objectives of the Issuer are better described in section 5.2 of Part B(i) of this Prospectus.

4.2.1 The Palm City Residences Project

The Principal Subsidiary is at an advanced stage of constructing the Palm City Residences Project, a 408-unit development located in Janzour, Libya, which occupies a 133,824 square metre area enjoying a 1 km shorefront, and which will provide residents with high standards of quality accommodation and a range of amenities and leisure facilities within a secured village-type environment which should place the Palm City Residences Project as a leader in the market for residential accommodation required by blue chip company personnel stationed in Libya. The due date for completion and for the commencement of its operation is earmarked for end 2008.

Legal title to the land on which the Palm City Residences Project is being constructed is held by CPHCL, a 50% shareholder in the Issuer, by virtue of a 99-year lease agreement dated 5 July 2006. Pursuant to a Build-Operate-Transfer Agreement entered into by and between CPHCL and the Principal Subsidiary, with effect from 6 July 2006 it is agreed that:

(i) The Principal Subsidiary shall finalise the construction of the Project in accordance with the specifications contained in the agreement, at its own expense;

(ii) Following completion of the Project's construction and development, the Principal Subsidiary will operate the Project for a specified period of 65 years, during which term any and all expenses incurred (including maintenance of the site and buildings) and revenues generated (particularly from the leasing out of accommodation facilities forming part of the Project) in connection with the operation of the Project shall be at the Principal Subsidiary's own risk and benefit respectively; and

(iii) Upon expiry of the said 65 year term, the Principal Subsidiary is under the obligation to transfer the operation of the Project to CPHCL, and from that point in time the benefit of revenues generated and the risks associated with the running of the Project shall be transferred to CPHCL.

An architects' valuation of the Palm City Residences Project is appended to this Prospectus as Annex IV. On the basis of the computations reported in said valuation, the open market value of the Palm City Residences Project as at the date of the valuation, is estimated at €56 million. On maturity, which is expected to take place between the second and third year of operation (2010 – 2011), the open market value based on current prices and market conditions is estimated at €160 million.

4.2.2 *Project Management*

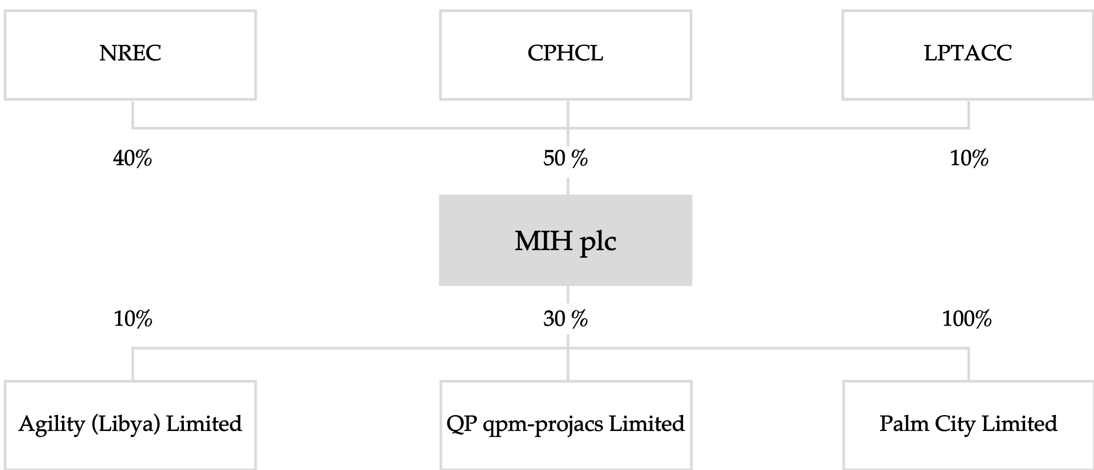
The Issuer acquired a 30% holding in QP qpm-projacs Limited, a company registered in Malta, which is actively involved in the field of project management, providing project management services to third parties engaged in the construction and development of real estate properties in Libya.

4.2.3 *Supply Chain Logistics*

The Issuer also has a 10% holding in Agility (Libya) Limited, a company registered in Malta and set up with the object of providing supply chain logistics to retail and wholesale operators that wish to outsource certain kinds of services to experts in this field. The remaining 90% of shares in Agility (Libya) Limited are held by Global Logistics For General Trading and Contracting Co. W.L.L., an already hugely successful business within the NREC group of companies providing such supply chain services to a number of industries in 450 locations worldwide.

4.2.4 *Shareholding Structure*

The following chart outlines the shareholding structure relative to the Issuer as well as the Issuer's interests in the Principal Subsidiary and associate companies Agility (Libya) Limited and QP qpm-projacs Limited.



5. Trend Information

There have been no material adverse changes in the prospects of the Issuer since the date of its last published financial statements.

At the time of publication of this Prospectus, the Issuer considers that generally it shall be subject to the political and economic risks associated with Libya and the normal business risks associated with the industries in which it is involved, and, barring unforeseen circumstances particularly in the political and economic sphere, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of its business, at least with respect to the current financial year.

The following is a brief synopsis of the factors and trends expected in the key areas of operation of the Issuer in the foreseeable future, which are set out in detail in section 7 of Part B(i) of this Prospectus:

Phase 1: 2008 - 2010 – the focus of the Issuer throughout these three years will be on development of the Palm City Residences Project as well as of other identified projects in which the Group may be involved in the near future but in relation to which insufficient information is currently in place for inclusion in this Prospectus.

In terms of project management and ancillary services offered by QP qpm-projacs Limited, it is expected that considerable growth will be registered in this period, depending, however, on the Group's business.

With respect to Agility (Libya) Limited, although operations would have commenced in 2008, it would not as yet be performing at its optimum level pending or immediately following completion of the construction of new headquarters and warehousing facilities on the site in Tripoli identified for the relocation of its operations.

Generally, this period will be characterised, on the one hand, by substantial investment, increases in debt funding and low income streams, and on the other hand, by significant progress in the acquisition and development of projects, which is expected to generate substantial income streams in the following phase.

Phase 2: 2011 - 2013 – this period will be characterised by a reduced level of capital investments and an increased level of operating returns. During this time period, the Issuer's share capital is planned to be listed on a reputable stock exchange in order to allow the general public to partake in its then-existing as well as potential successes. The funds generated by this planned listing will serve principally to reduce the debt of the Issuer and to fund future growth.

During this phase QP qpm-projacs Limited is expected to consolidate the growth registered in the previous phase, resulting in substantial increases in business from third party contracts.

Agility (Libya) Limited operations are expected to reach optimum level during this phase, leading to considerable increases in its business and profitability.

Phase 3: 2014 - 2016 – the final phase of this three-stage programme is expected to be characterised by mature income streams of the Palm City Residences Project and other projects in which the Group would by then be involved in, ensuring that return on investment is stabilised at an above average level. Additionally, further growth in income and profitability streams of QP qpm-projacs Limited and Agility (Libya) Limited is expected, adding to the profitability and cash flow generation of the Issuer and its associate companies.

The projected nine-year trends detailed above may be significantly conditioned by the timing of the projects in which the Issuer and its associate companies will be involved throughout this period.

6. Management and Employees

6.1 Directors

The Issuer is managed by a Board of Directors consisting of six members, which is entrusted with the overall direction, administration and management of the Issuer. The Board consists in its entirety of Non-Executive Directors. The responsibility of the Directors is a collective one, although within the structure of a unitary board, the main functions of the Directors are in practice complementary.

The Board of Directors is responsible for:
- the Issuer's day-to-day management;
- the identification and execution of new investment opportunities;
- the funding of the Issuer's acquisitions;
- the consideration for approval of all proposed acquisitions of the Issuer;
- the negotiating and executing of management contracts of the Issuer's properties in the case of operational properties; and
- the negotiating and awarding of project contracts in the case of the development of new properties.

6.2 Remuneration of Directors

In terms of the Memorandum and Articles of Association, the Directors shall be paid such amount of remuneration as may be so agreed by an extraordinary resolution of the shareholders of the Issuer. Since the date of the Issuer's formation, no extraordinary resolution has been taken for this purpose.

6.3 Employees

As at 15 October 2007, the Group, through the Principal Subsidiary, had 32 employees.

6.4 Major Shareholders

CPHCL currently owns 50% of the share capital of the Issuer, NREC holds 40% of the share capital, whereas LPTACC holds the remaining 10%.

6.5 Related Party Transactions

The Issuer is party to a management and support services agreement (the "MSS Agreement") with CPHCL in connection with the provision by CPHCL of management services at the strategic level of the Issuer's business. The terms of the MSS Agreement are set out in detail in section 6 of Part B(i) of this Prospectus.

The Principal Subsidiary and CPHCL are party to a Build-Operate-Transfer Agreement in terms of which: (a) the Principal Subsidiary has been engaged by CPHCL to finalise the construction of the Palm City Residences Project in accordance with the specifications agreed upon between CPHCL and the Principal Subsidiary; (b) the Principal Subsidiary will operate the Project for a period of 65 years, following which the operation of the Project shall revert to CPHCL. The terms of said agreement are set out in detail in section 4.2.1 of Part A of this Prospectus.

The Principal Subsidiary and QPM Limited (a member of the Corinthia Group), are party to a Client's Agent Services agreement in terms of which QPM Limited provides services to the Principal Subsidiary that include project management overview, technical representation, pre-contract co-ordination of consultants, post-contract site representation and sourcing of furniture, fixtures and equipment.

The Principal Subsidiary is party to agreements with Corinthia Construction (Overseas) Ltd, a company wholly owned by CPHCL and its subsidiaries, for the supply of concrete, project and construction management services and interior design consultancy.

7. Financial Information

The following financial information about the Issuer and Principal Subsidiary is available for inspection as set out in section 10 below:

(a) Audited Consolidated Financial Statements of the Issuer for the financial year ended 31 December 2006;
(b) Audited Consolidated Financial Statements of the Issuer for the financial period 1 January 2007 to 31 August 2007;
(c) Consolidated Projected Financial Statements of the Issuer for the period 1 September 2007 to 31 December 2014;
(d) Audited Financial Statements of the Principal Subsidiary for the financial year ended 31 December 2005;
(e) Audited Financial Statements of the Principal Subsidiary for the financial year ended 31 December 2006; and
(f) Audited Financial Statements of the Principal Subsidiary for the financial period 1 January 2007 to 31 August 2007.

There have been no significant changes to the financial or trading position of the Issuer since the end of the financial period to which the last Audited Consolidated Financial Statements referred to in paragraph (b) above relate.

There have been no significant changes to the financial or trading position of the Principal Subsidiary since the end of the financial period to which the last Audited Financial Statements referred to in paragraph (f) above relate.

8. Details of the Bond Issue

8.1 Admission to Trading

The Bonds are expected to be admitted to the Alternative Companies List of the Malta Stock Exchange with effect from 12 December 2007 and trading is expected to commence on 14 December 2007.

8.2 Plan for Distribution

The Issuer is making an offering of Bonds for subscription to the general public. The Bonds will be available for subscription during the Offer Period commencing on 21 November 2007 up to and including 27 November 2007, subject to the right of the Issuer to close subscription lists before such date in the case of over-subscription. The Bond Issue is being made to the general public in Malta and applications may be obtained from and are to be lodged with Authorised Intermediaries during the Offer Period.

The Issuer intends to enter into a number of conditional subscription agreements, in terms of which the investors would bind themselves to subscribe and purchase, and the Issuer would be bound to allot to such investors, such number of the Bonds as in aggregate does not exceed fifty per cent (50%) of the Bonds on offer. These agreements will be subject, *inter alia*, to the admission to listing of the Bonds by the Listing Authority.

The terms and conditions applicable to any Application for Bonds are set out in the Terms and Conditions of Application contained in Annex I (Part II) of this Prospectus.

The Bond Issue will be fully underwritten by Bank of Valletta p.l.c., (the "Underwriter") in terms of an agreement dated 7 November 2007 between the Issuer and the Underwriter.

During the Offer Period, applications for subscription to the Bonds may be made through any of the Authorised Intermediaries whose names are set out in Annex III of this Prospectus.

8.3 Expenses of the Bond Issue

Professional fees, costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar and underwriting fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue, are estimated not to exceed Lm171,720 or €400,000, and shall be borne by the Issuer.

The overall amount of the underwriting commission payable to the Underwriter and of the placing commission payable to the institutional investors and financial intermediaries entering into conditional subscription agreements in terms of section 19.3 of Part B(ii) of this Prospectus will not exceed Lm53,126 or €123,750.

9. Additional Information

9.1 Share Capital

The Issuer has an authorised share capital of €100,000,000 divided into 50,000,000 Ordinary 'A' shares of €1 each and 50,000,000 Ordinary 'B' shares of €1 each. The Issuer has an issued share capital of €48,002,000 divided into 24,001,000 Ordinary 'A' shares of €1 each, fully paid up, and 24,001,000 Ordinary 'B' shares of €1 each, fully paid up. CPHCL holds 24,001,000 Ordinary 'A' shares of €1 each, NREC holds 19,200,800 Ordinary 'B' shares of €1 each and LPTACC holds 4,800,200 Ordinary 'B' shares of €1 each.

9.2 Memorandum and Articles of Association

The Memorandum and Articles of Association of the Issuer (C 37513), described in section 15.2 of Part B(i) of this Prospectus, are registered with the Registry of Companies and are available for inspection during the lifetime of this Prospectus at the registered office of the Issuer and at the Registrar of Companies of the Malta Financial Services Authority.

10. Documents Available for Inspection

For the duration period of this Prospectus the following documents shall be available for inspection at the registered address of the Issuer:

(a) Memorandum and Articles of Association;
(b) Audited Consolidated Financial Statements of the Issuer for the financial year ended 31 December 2006;
(c) Audited Consolidated Financial Statements of the Issuer for the period 1 January 2007 to 31 August 2007;
(d) Consolidated Projected Financial Statements of the Issuer for the period 1 September 2007 to 31 December 2014;
(e) Audited Financial Statements of the Principal Subsidiary for the financial year ended 31 December 2005;
(f) Audited Financial Statements of the Principal Subsidiary for the financial year ended 31 December 2006;
(g) Audited Financial Statements of the Principal Subsidiary for the period 1 January 2007 to 31 August 2007; and
(h) Architects' Valuation Report of the Palm City Residences Project.

Part B(i) – INFORMATION ABOUT THE ISSUER

1. Risk Factors

You should carefully consider the following matters, as well as the other information contained in this Prospectus, before making any investment decision with respect to the Issuer.

1.1 Forward-looking statements

This Document and the documents incorporated herein by reference or annexed hereto, particularly but not limited to the Consolidated Projected Financial Statements referred to in paragraph 4.1(c) below and appended to this Prospectus as Annex V, contain forward-looking statements that include, among others, statements concerning the Issuer's strategies and plans relating to the attainment of its objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may involve predictions of future circumstances.

Investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", or similar phrases. These forward-looking statements are inherently subject to a number of risks, uncertainties, and assumptions. Important factors that could cause actual results to differ materially from the expectations of the Issuer's Directors include those risks identified under the heading "Risk Factors", and elsewhere in the Prospectus. If any of the risks described were to materialise, they could have a serious effect on the Issuer's financial results, trading prospects and the ability of the Issuer to fulfill its obligations under the securities to be issued. Accordingly, the Issuer cautions the reader that these forward looking statements are subject to risks and uncertainties that could cause actual events or results to differ from those expressed or implied by the statements and no assurance is given that the future results or expectations will be achieved.

1.2 Considerations relating to the business of the Issuer

General

The Issuer was incorporated in December 2005 and started trading shortly thereafter. The Issuer's operating history, on which the Issuer and its prospects may be evaluated, is accordingly relatively limited. Furthermore, the Issuer is subject to the risks and the difficulties frequently encountered by companies in the early stages of their development.

The Issuer's close association with its shareholders (long-established players in the real estate, property and development markets in a number of foreign countries including Libya) should however, contribute towards mitigating the risks inherent in the Issuer's own limited trading record, and this Prospectus is designed to provide the prospective investor with sufficient information about the Issuer's shareholders to enable such investor to make an informed judgment as to the business of the Issuer.

Political and Economic Risk

The Group's business activities over the coming years, and particularly during the years 2008-2010, will be focused on and aimed at the acquisition of real estate properties in Libya for the purpose of development into offices, retail malls and residential units. Accordingly, the Group is susceptible to the political and economic trends that may from time to time be felt in or by Libya. Negative political or economic factors and trends in or affecting Libya, particularly those having an effect on trade and consumer demand respectively, would have a negative impact on the business of the Group.

However, the experience of the Corinthia Group, particularly through the development and operation of the Bab Africa Hotel in Tripoli, and of NREC, particularly through its unique competences in the development and management of retail malls and in the operation of logistics and warehousing centres worldwide, combined with the fact that Libya is emerging from political isolation following the lifting of US- and UN-imposed sanctions, is expected to lessen the risks inherently associated with the Libyan market.

Emerging Market

The Group will be investing in an emerging market. Accordingly there are certain risk factors which require careful consideration by prospective investors since these are peculiar to such an investment and are not usually associated with investment in the more developed capital markets of Western Europe, North America and Japan.

Further to the risk set out in the preceding section entitled Political and Economic Risk, the prospective investor should note that emerging markets present economic and political conditions which differ from those of the more developed markets, could possibly present less social, political and economic stability, and could render investment in such markets more risky than investments in more developed markets. As an emerging market, the Libyan market may tend to undergo substantial political, economic and social reform, and the implications and consequences of reform may not be entirely clear at the outset. The consequences may be profound, and accordingly prospective investors should take into account the unpredictability associated thereto.

The value of the Issuer's investment may be affected by uncertainties, such as political and diplomatic developments, social and economic instability, as well as changes in government policies, taxation, high inflation, higher interest rates, exchange control and rules on expropriation, nationalisation and/or confiscation of assets.

The Libyan legal and judicial system does not, in various aspects, reflect the level of refinement in jurisprudence reached in the more developed civil and common law jurisdictions, and accordingly the Group may face difficulties in enforcing its legal rights pursuant to the investments made in Libya.

Businesses in emerging markets may not be operating in a market-oriented economy as known in more developed markets.

Property Development

The main pillar of the Group's business consists of the acquisition, development and running of real estate projects in Libya. Property development projects are subject to a number of specific risks – the risk of cost overruns, the risk of insufficiency of resources to complete, the risk of rental transactions not being effected at the prices and the tempo envisaged, the risk of higher interest costs, and the risk of erosion of revenue generation. If these risks were to materialise, they would have an adverse impact on the Issuer's revenue generation, cash flows and financial performance.

The projections of the companies forming part of the Group are based, to a substantial extent, on the Palm City Residences Project being completed within a specific timeframe. Were completion to be delayed, this would have a negative impact on the financial position of the Group, including the Issuer.

Furthermore, the Group is subject to various counter-party risks, including the risk of counter-parties, such as contractors and sub-contractors engaged in the demolition, excavation, construction and finishing of developments in which the Group may be involved, and prospective lessors and/or purchasers defaulting on their obligations with the Group. Such parties (which may include both third parties as well as related 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.

Financing Future Growth

In the near future, the Issuer is expected to incur significant debt in connection with prospective real estate acquisitions and development projects. On finalisation of the Palm City Residences Project the Issuer is expected to have a debt to equity ratio of 1.4 : 1.

Substantial borrowings under bank credit facilities are expected to be at variable interest rates, which could cause the Issuer to be vulnerable to increases in interest rates. The agreements regulating the Issuer's bank debt, including those funding the development of the Palm City Residences Project impose and are likely to impose significant operating restrictions and financial covenants on the Issuer. These restrictions and covenants 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.

Although the amount of debt funding of the Issuer is expected to increase due to its acquisition strategy, it is expected that the debt to equity ratio of the Issuer will be maintained at prudent levels, and to this end the Issuer already has plans to raise further equity capital to be able to continue to fund its future growth and investments. A substantial portion of the Issuer's cash flows will be required to make principal and interest payments on the Issuer's debt, including the Bonds.

Reliance on the Corinthia Group and NREC

The Issuer will be relying heavily on the contacts and expertise of the Corinthia Group and NREC, as its principal shareholders, to identify and secure prospective investment opportunities for the attainment of its strategic and investment objectives. Despite the benefits attributable to such reliance on its shareholders, no assurance can be given that the Issuer or its shareholders will be able to use such contacts and expertise to identify and secure suitable investments.

The involvement of CPHCL and NREC in the Issuer is considered to be an important factor for the Issuer's success, and for reasons such as those set out in the preceding paragraph, the dilution of their interest in the Issuer could, if it were to occur, have an adverse effect on the Issuer. Although CPHCL and NREC have undertaken, save in the event of a court order, not to dispose of their shareholdings in the Issuer for at least one (1) year from the date the Bonds are authorised as admissable to listing on the Alternative Companies List, there can be no assurance that CPHCL or NREC will not, at any time following the lapse of the said one (1) year period, dispose of or significantly dilute their respective interest, direct or indirect, in the Issuer.

Exchange Rate Risk

The Issuer's overseas operations are exposed, in the case of transactions not denominated in Euro, to foreign currency risk on transactions, receivables and borrowings that are denominated in a currency other than the Euro. As a result, exchange gains and losses arise on the realisation of amounts receivable and the settlement of amounts payable in foreign currencies.

1.3 Considerations relating 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 advisers, the following risk factors (not listed in order of priority) and other investment considerations, together with all the other information contained in the Prospectus.

Risks Relating to the Bonds

The value of investments can rise or fall, and past performance is not necessarily indicative of future performance. If in need of advice, you should consult a licensed stockbroker or an investment adviser licensed under the Investment Services Act, Cap. 370 of the Laws of Malta.

Prior Ranking Charges

For the purposes of part funding the Palm City Residences Project, the Principal Subsidiary has secured a syndicated loan facility amounting to €55 million. Pursuant to the terms of issue of the said facility, the property of the Principal Subsidiary is subject to a land charge. The Bonds constitute general, direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu*, without any priority or preference, with all other present and future unsecured and unsubordinated obligations of the Issuer, and accordingly in terms of priority shall rank subsequent to the said facility.

Reliance on Operations of Principal Subsidiary

The timely payment of interest payable on the Bonds by the Issuer would be negatively conditioned by unforeseen negative trends affecting the operations of the Principal Subsidiary and by delays in the completion of the Palm City Residences Project which could significantly impinge on the Principal Subsidiary's cash flow. In view of this risk, however, the estimated cash flow generation by the Issuer in the first year of operation of the Project is expected to cover interest costs by 2.8 times, and this ratio is expected to increase significantly in the following years of operation of the Project.

Trading and Liquidity

There is currently no trading record in respect of the Bonds, as there has never been a public market for the Bonds prior to the offering contained in the Prospectus. Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Alternative Companies List once the Bonds are authorised as admissible to listing by the Listing Authority. The Alternative Companies List is a second-tier market, which is a market designed primarily for companies to which a higher investment risk than that associated with established companies tends to be attached. A prospective investor should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and consultation with his or her own independent financial adviser.

The liquidity of the market depends on, amongst others, factors beyond the Issuer's control such as the willingness or otherwise of potential buyers and sellers of the Bonds. The effect that the investors' decisions may have on the trading market would consequently affect the trading value of the Bonds. Other factors over which the Issuer has no control include the time remaining for maturity of the Bonds, the outstanding amount of the Bonds, and the level, direction and volatility of market interest rates generally.

There can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. There can be no assurance, also, that an investor will be able to re-sell his/her Bonds at or above the Bond Offer Price.

2. Identity of Directors, Advisers and Auditors of the Issuer

The Directors of the Issuer, whose names are set out hereunder, have been advised and assisted in the drafting and compilation of the document by the persons mentioned hereunder under the sub-heading "Advisers to the Issuer".

Directors

Alfred Pisani	Chairman
Jamil Sultan Alessa	Vice Chairman
Mustafa T. Mohamed Khattabi	Non-Executive Director
Musaed Al Saleh	Non-Executive Director
Joseph Fenech	Non-Executive Director
Khalil E. A. M. Alabdullah	Non-Executive Director

The Company Secretary of the Issuer is Reginald A. Cuschieri.

ALL OF THE DIRECTORS OF THE ISSUER, WHOSE NAMES APPEAR ABOVE (THE "DIRECTORS"), ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS PROSPECTUS. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS OF THE ISSUER (WHO HAVE ALL TAKEN REASONABLE CARE TO ENSURE SUCH IS THE CASE), THE INFORMATION CONTAINED IN THIS PROSPECTUS IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. THE DIRECTORS ACCEPT RESPONSIBILITY ACCORDINGLY.

Advisers to the Issuer

Legal Counsel on the Bond Issue:	Camilleri Preziosi Level 3, Valletta Buildings, South Street Valletta – VLT 1103 – MALTA
Legal Counsel to the Issuer:	Guido de Marco & Associates 9, Britannia House Level 2, Old Bakery Street Valletta – VLT 1450 – MALTA
Sponsoring Stockbroker:	Charts Investment Management Service Limited 18A, 3rd Floor, Europa Centre Floriana – FRN 1400 – MALTA
Auditors & Reporting Accountants:	Grant Thornton Grant Thornton House, Princess Elizabeth Street Ta' Xbiex – XBX 1104 – MALTA Grant Thornton is a firm of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Professions Act, 1979 (Cap. 281, Laws of Malta).
Manager, Registrar & Underwriter:	Bank of Valletta p.l.c. BOV Centre, Cannon Road St. Venera – SVR 9030 - MALTA

3. Offer Statistics and Expected Timetable

3.1 Offer Statistics

Issuer	Mediterranean Investments Holding p.l.c., a company registered in Malta with registration number C 37513;
Amount	The amount not exceeding Lm6,439,500 or €15,000,000 or any proportion of both such Lm and Euro amounts, representing the MTL Bonds and the EUR Bonds, which in aggregate does not exceed the sum of Lm6,439,500 or €15,000,000;
Form	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 Central Securities Depository of the MSE;
ISIN	MT0000371204 with respect to the MTL Bonds; and MT0000371212 with respect to the EUR Bonds;
Denomination	Maltese Liri (Lm) or Euro (€);
Minimum Amount per subscription	Minimum of five hundred Maltese Liri (Lm500) or one thousand Euros (€1,000);
Redemption Date	4 December 2014, subject to Early Redemption at the option of the Issuer, as described herein;
Bond Issue Price	Lm100 for each MTL Bond and €100 for each EUR Bond;
Status of the Bonds	The Bonds shall constitute the general, direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* without any priority or preference with all other present and future unsecured and unsubordinated obligations of the Issuer;
Listing	Application has been made to the Listing Authority for the Bonds to be considered as admissible to listing on the second tier market, and to the MSE for the Bonds to be listed and traded on its Alternative Companies List;
Offer Period	The period between 21 November 2007 and 27 November 2007 (or such earlier date as may be determined by the Issuer in the event of over-subscription) during which time the Bonds are on offer;
Interest	7.5% per annum;
Yield	The gross yield calculated on the basis of the interest, the Bond Issue Price and the Redemption Value on maturity, is 7.5% per annum;
Interest Payment Dates	4 December of each year between and including each of the years 2008 and the year 2014, unless previously redeemed, 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;
Redemption Value	The par value of the Bonds;
Designated Early Redemption Dates	The Issuer has the option to redeem all or any part of the Bonds at their nominal value on 4 December 2012 and/or 4 December 2013 by giving not less than ninety (90) days advance notice in writing to Bondholders;
Underwriting	The Bond Issue will be fully underwritten by Bank of Valletta p.l.c.;
Manager and Registrar	Bank of Valletta p.l.c.;
Sponsor	Charts Investment Management Service Limited;

Notices	Notices will be mailed to Bondholders at their registered addresses and shall be deemed to have been served at the expiration of twenty-four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at his/her registered address and posted;
Governing Law	The Bonds are governed and shall be construed in accordance with Maltese Law;
Jurisdiction	The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds.

3.2 Expected Timetable

Application Forms Available	14 November 2007
Opening of Subscription Lists	21 November 2007
Closing of Subscription Lists	27 November 2007
Announcement of Basis of Acceptance	04 December 2007
Commencement of interest on the Bonds	04 December 2007
Expected dispatch of allotment advices and refund of unallocated monies	11 December 2007

The Issuer reserves the right to close the offer of the Bonds before 27 November 2007 in the event of over-subscription, in which case, the remaining events set out in the 'Expected Timetable' shall be anticipated in the same chronological order in such a way as to retain the same number of Business Days between the said events.

4. Key Information

4.1 Selected Financial Data, and information on the Issuer's Capitalisation & Indebtedness

The following financial information about the Issuer and Principal Subsidiary is available for inspection as set out in section 18 below of Part B(i) of this Prospectus:

(a) Audited Consolidated Financial Statements of the Issuer for the financial year ended 31 December 2006;
(b) Audited Consolidated Financial Statements of the Issuer for the period 1 January 2007 to 31 August 2007;
(c) Consolidated Projected Financial Statements of the Issuer for the period 1 September 2007 to 31 December 2014 (appended to this Prospectus as Annex V);
(d) Audited Financial Statements of the Principal Subsidiary for the financial year ended 31 December 2005;
(e) Audited Financial Statements of the Principal Subsidiary for the financial year ended 31 December 2006; and
(f) Audited Financial Statements of the Principal Subsidiary for the period 1 January 2007 to 31 August 2007.

There have been no significant changes to the financial or trading position of the Issuer since the end of the financial period to which the last Audited Consolidated Financial Statements referred to in paragraph (b) above relate.

There have been no significant changes to the financial or trading position of the Principal Subsidiary since the end of the financial period to which the last Audited Financial Statements referred to in paragraph (f) above relate.

Extracts from the Audited Consolidated Financial Statements for the year ended 31 December 2006, together with the extracts from the Audited Consolidated Financial Statements for the period 1 January to 31 August 2007, and the extracts from the Unaudited Consolidated Projected Financial Statements for the period 1 September to 31 December 2007, are set out below:

Income Statement Extracts

	1 Jan - 31 Dec 2006 Audited € '000s	1 Jan - 31 Aug 2007 Audited € '000s	1 Jan - 31 Dec 2007 Forecast [1] € '000s
Operating losses	(125)	(204)	(359)
Interest and related costs	-	-	(94)
Other income	459	312	312
Profit/(loss) before tax	334	108	(141)
Taxation	(92)	(52)	(52)
Profit/(loss) after tax	242	56	(193)

Balance Sheet Extracts

	31 Dec 2006 Audited € '000s	31 Aug 2007 Audited € '000s	31 Dec 2007 Forecast € '000s
Non-Current Assets	28,694	35,918	62,915
Current Assets	20,293	13,980	729
Total **Assets**	48,987	49,898	63,644
Equity	48,244	48,300	48,052
Non-Current Liabilities	-	-	14,607
Current Liabilities	743	1,598	985
Total Equity and Liabilities	48,987	49,898	63,644

Cash Flow Extracts

	1 Jan - 31 Dec 2006 Audited € '000s	1 Jan - 31 Aug 2007 Audited € '000s	1 Jan - 31 Dec 2007 Forecast [1] € '000s
Net cash from/(used in) operating activities	544	374	(6)
Net cash used in investing activities	(4,425)	(11,010)	(34,219)
Net cash from/(used in) financing activities	24,002	(52)	14,552
Net increase/(decrease) in cash and cash equivalents	20,121	(10,688)	(19,673)
Cash and cash equivalents at the beginning of period	-	20,121	20,121
Cash and cash equivalents at the end of period	20,121	9,433	448

[1] Includes actual audited results for the period 1 January to 31 August 2007 and forecast figures for the period 1 September to 31 December 2007.

4.2 Reasons for the Bond Issue and Use of Proceeds

Out of the net proceeds raised from the Bond Issue, Lm4.3 million, or €10 million, will be utilised to partly fund the construction and completion cost of the Palm City Residences Project, a seaside gated complex in Janzour, Libya, which is expected to commence operations by the beginning of 2009. A detailed description of the Palm City Residences Project is found in section 5.2.1 below of this Prospectus. The balance of the net proceeds from the Bond Issue will be allocated to the funding of other projects earmarked by the Group for investment in the near future.

Palm City Residences Project financing

The financing of the Palm City Residences Project, which in total is estimated to cost in the region of €110 million, will be funded through a combination of equity, shareholders' loans, bank finance and a part of the Bond proceeds. To this end, the Issuer has to date injected into the Project €39.8 million (Lm17.1 million) by way of equity and shareholders' loans, and will inject a further loan of €5.2 million (Lm2.2 million). In addition, as indicated in the preceding paragraph, the amount of €10 million (Lm4.3 million) out of the net proceeds from the Bond Issue shall be granted by way of loan by the Issuer to the Principal Subsidiary for the purpose of partly funding construction and completion costs related to the Project.

The Principal Subsidiary has secured a syndicated loan facility amounting to €55 million for a significant part funding of the Palm City Residences Project. The loan facility is subject to standard conditions of the international markets for project financing of this nature. One such condition is that the bank funding will be considered as end finance for the Project and accordingly only the last €55 million of the Project's cost will be funded by the banks. To this end, part of the proceeds from the Bond will be used for the purpose of funding such part of the Project cost as may be necessary, for the banks to release the availability of the bank facilities.

Funding required for the purposes of the Project will be sourced in the manner stipulated below:

	€ millions
Share Capital Injection	24
Shareholders' Loan	21
Bank Loans	55
Proceeds from Bond Issue	10
	110

Future projects

The balance of the net proceeds from the Bond Issue will be allocated as follows:

– 80% to the general corporate funding purposes of the Group, including, *inter alia*, the funding of initial development and design costs for other projects being planned by the Issuer or its associated companies for the future. In view of the commercial sensitivity of the plans for future investment which are currently still in planning stage, the Issuer shall only be in a position to provide information publicly at the opportune moment; and

– the remaining 20% to the Issuer's capital contribution for the acquisition by its associate company Agility (Libya) Logistics (described in section 5.2.3 below of Part B(i) of this Prospectus) of the site identified for the relocation of its operations, and for the construction of new headquarters and warehousing facilities on the site.

The Directors consider that the proceeds anticipated to be raised by the Bond Issue, together with the Issuer's asset base and other sources of finance available to it, will prove adequate to meet the demands of the Issuer's operations during the current and subsequent financial year, by which time the Palm City Residences Project is expected to be completed, ready for operation and generating its own independent income.

4.3 Expectations emanating from the Palm City Residences Project

The Group expects that up to 70% of the Palm City Residences Project should be rented out by the time it reaches completion stage towards the end of 2008. This projection is based not only on the demand considerations for facilities of this type in Libya, but also on discussions currently underway with prospective tenants, with whom negotiations are, in a number of cases, at an advanced stage.

The projected historical cost of the Palm City Residences Project, once complete, is expected to amount to €110 million. This amount includes: costs related to construction and completion of fully-furnished and fitted-out residential units, and financing costs. The Directors are reasonably confident that in view of the high standard of project management and control deployed in the construction, development and maintenance of the Project, coupled with the regular updating of estimated costs to completion, the final cost of the Project should not significantly exceed the overall budgeted parameters. Furthermore, the Directors, on the basis of advice received and current market conditions, are of the view that the projected costs are reasonable, and that any potential cost overruns can be contained within the contingency built into the Group's estimates.

On the basis of the computations reported in the experts' valuation set out in Annex IV of this Prospectus, the value of the Project as at the date of the valuation is estimated at €56 million. The open market value of the Palm City Residences Project on maturity, which is expected to take place between the second and third year of operation (2010 – 2011), is estimated at €160 million. In this respect, it is relevant to note that the projected rental revenue of the 408 luxury apartments forming part of the Project, which will be offered for five to seven year leases, amounts to *circa* €24.7 million per annum, if, as expected, 95% of the units are rented out by the Project's second year of operation (2010).

In the absence of unforeseen circumstances and subject to there being no material adverse changes in circumstances, the Directors are of the view that the cash flows generated by the Palm City Residences Project will be sufficient to cover both interest payments and the redemption of the Bonds on maturity, placing the Issuer in a position to generate adequate cash flows to repay the Bonds on maturity, as illustrated in the Consolidated Projected Financial Statements of the Issuer for the period 1 September 2007 to 31 December 2014 as set out in Annex V of this Prospectus.

4.4 Interest of Natural and Legal Persons involved in the Bond Issue

As at the date of this Prospectus, the Directors of the Group are officers of the corporate shareholders, and as such are susceptible to conflicts arising between the potentially diverging interests of the said groups and the Group. No private interests or duties unrelated to the Group have been disclosed by the Directors and the Principal Subsidiary's management which may or are likely to place any of them in conflict with any interests in, or duties towards, the Group. The Audit Committee has the task to ensure that any potential conflicts of interest are resolved in the best interests of the Group.

5. Information about the Issuer

5.1 Historical Development of the Issuer

5.1.1 Introduction

The Issuer, which was formed on 12 December 2005 as Mediterranean Investments Holding Limited, was set up as a private limited liability company and subsequently converted, on 6 November 2007, into a public limited liability company, and is now named Mediterranean Investments Holding p.l.c. The Issuer, which is registered and domiciled in Malta in terms of the Act with company registration number C 37513, has its registered office at 22, Europa Centre, Floriana, FRN 1400, Malta. The telephone number of the registered office is 00356 2123 3141.

5.1.2 Principal Objects of the Issuer

The principal object of the Issuer, which is limited to activities outside Malta and to such other acts as are or may be necessary for its operations from Malta, is to acquire and develop real estate opportunities in North Africa, including opportunities with respect to retail outlets, shopping malls, office and commercial buildings, resident gated compounds, housing, build-operate-transfer, governmental projects and conference centres.

5.2 Overview of the Issuer's Business

5.2.1 The Palm City Residences Project

In line with its principal objects set out in section 5.1.2 above, the Issuer, through its Principal Subsidiary, is in the process of completing the Palm City Residences Project, which is a 408-unit compound that includes residences ranging from one-bedroom apartments to four-bedroom semi-detached villas. The development, located in Janzour, Libya, and which occupies a 133,824 square metre area enjoying a 1 km shorefront, will create a village-type environment offering a range of amenities and leisure facilities that include a supermarket, a variety of retail shops, a laundry, health clinic and a number of catering outlets and cafes.

Discussions have been ongoing with numerous blue-chip companies and a number of oil-related servicing companies which have long been operating in Libya and others who are new entrants to the market. These companies employ a large number of expatriates working in Libya. The current shortage of supply of quality residential accommodation providing adequate service levels, maintenance and security creates significant opportunities for the Palm City Residences Project to position itself as a leader in the market for expatriate residential accommodation with a high level product offering quality residential accommodation and facilities.

The Property

The experts' valuation of the Palm City Residences Project referred to in section 4.3 above of this Prospectus for the purposes of Listing Rule 14.4 is appended to this Prospectus as Annex IV. As detailed therein, substantial progress has been registered in the construction of the Palm City Residences Project, which is by now in an advanced stage of construction. The due date for completion and for the commencement of its operation is earmarked for end 2008. The Principal Subsidiary will continue to be responsible for the operation of the residences after the Project's completion.

The Land

CPHCL holds legal title to the land on which the Palm City Residences Project is being constructed by virtue of a 99-year lease agreement dated 5 July 2006.

Pursuant to a Build-Operate-Transfer Agreement entered into by and between CPHCL and the Principal Subsidiary, with effect from 6 July 2006 the Principal Subsidiary has been engaged by CPHCL to finalise the construction of the Project in accordance with the specifications agreed upon between CPHCL and the Principal Subsidiary. All costs and expenses related to the completion of the Project's construction and development shall be borne by the Principal Subsidiary.

In consideration of the costs to be disbursed by the Principal Subsidiary for the completion of the Project's construction and development, following such completion, the Principal Subsidiary will operate the Project for a specified period of 65 years. Throughout the said term, the Principal Subsidiary will operate the residences at its own risk and for its own benefit. Accordingly any losses incurred, any expenses (including maintenance of the site and buildings), or any profits made out of the operation of the Project, will be for the account of the Principal Subsidiary. All revenues generated through the leasing out of accommodation facilities forming part of the Project shall be retained by the Principal Subsidiary, enabling it to obtain compensation for the expenses incurred by it for the construction and development of the Project and to make a reasonable return on its investment.

Upon expiry of this 65-year term, the Principal Subsidiary is under the obligation to transfer the operation of the Project to CPHCL, and from that point in time the benefit of revenue generated and the risks associated with the running of the Project shall be transferred to CPHCL.

5.2.2 *Project Management*

Through its 30% holding in QP qpm-projacs Limited, a company registered on 10 October 2006 under the laws of Malta with company registration number C 39712 and having its registered office at 22, Europa Centre, Floriana FRN 1400 Malta, the Issuer is also actively involved in the field of project management, providing project management services to third parties who are engaged in the construction and development of real estate properties in Libya. QP qpm-projacs Limited will be tendering for a number of projects in the near future.

The other parties to this joint venture, Projacs International (Bahrain) and QPM Limited, have for several years been involved in project management throughout Europe, the Middle East and Africa, ensuring that QP qpm-projacs Ltd and its management team are in an ideal position to identify suitable projects requiring total project management solutions which this company offers.

5.2.3 *Supply Chain Logistics*

The Issuer has a 10% holding in Agility (Libya) Limited, a company registered on 18 September 2007 under the laws of Malta with company registration number C 42384 and having its registered office at 22, Europa Centre, Floriana FRN 1400 Malta. This company was set up by Global Logistics For General Trading and Contracting Co. W.L.L., a Kuwaiti company of which NREC is a major shareholder, with the object of providing supply chain logistics to retail and wholesale operators that wish to outsource the following kind of services to experts in this field: warehousing; freight forwarding; logistical transportation; customs clearance; project logistics; oil and gas field logistics; chartering and heavy lifting; terminaling and bunkering; overland transportation of bulk chemicals and petroleum products; liquids logistics; hazardous material logistics; refinery plant maintenance; marine services; ports management; ground-handling and airport services; catering and catering logistics; business process outsourcing; security services; fairs and exhibition freight and management; metal recycling; trade finance; information technology consultancy; and solutions services.

The supply chain logistics market within Libya affords substantial opportunities for improvement and this company is well placed to offer the services required in improving the efficiency and effectiveness of the practices in this field. Identification of potential sites for the centralisation of these operations is underway and acquisition of a site to fulfil this objective is expected to be finalised by end 2007. The completion of this development project is expected to take place by mid-2009.

Agility (Libya) Limited has been set up as a branch of an already hugely successful business within the NREC group of companies providing such supply chain services to a number of industries in 450 locations worldwide. Global Logistics For General Trading and Contracting Co. W.L.L., the 90% shareholder in Agility (Libya) Limited, is 30% owned by NREC.

5.2.4 *Principal Investments*

Subsequent to 31 August 2007 (the date of the last published audited financial statements), the Principal Subsidiary entered into the following principal investments:

19 September 2007	€2.9million	Supply and installation of UPVC;
25 September 2007	€1.0million	Construction of: site boundary wall; main pool and deck area; six substations; sewage treatment plant; and five sewage depots;
30 September 2007	€2.2million	Supply and installation of main 33Kv substation and five 11Kv substations.

5.3 Principal Markets and Competition

The acquisition, development and running of real estate projects in Libya, together with the provision of project management and supply chain logistics services, are the principal markets in which the Issuer's business activities are focused. The Issuer does not command a monopoly in any one of these markets and accordingly faces competition from other players also tapping into each of these fields in the emerging Libyan market.

6. Organisational Structure

The Issuer is 50% owned by CPHCL, 40% owned by NREC and 10% owned by LPTACC.

The Issuer is the sole shareholder of the Principal Subsidiary, and has a 10% holding in Agility (Libya) Limited and a 30% holding in QP qpm-projacs Limited.

The Issuer is party to a management and support services agreement (the "MSS Agreement") with CPHCL in connection with the provision by CPHCL of management services at the strategic level of the Issuer's business, enabling the Issuer to benefit from the experience and expertise of CPHCL in the operation of its business and to implement a highly efficient and cost-effective construction programme which is expected to be reflected in a substantial increase in the market value of the Group's real estate properties.

The MSS Agreement also ensures that the Issuer is in a position to sustain its streamlined organisational structure at the top executive and central administrative level, by having continued and guaranteed access to the top executive staff and support personnel of the Corinthia Group. The agreement has a term of three years and will expire on 1 October 2010. In terms of the current agreement, in consideration for the support services afforded by CPHCL, the Issuer shall pay CPHCL a fixed annual fee of €200,000 adjusted for inflation at 5% per annum. The Directors believe that this is a reasonable charge to the Issuer, particularly in the light of the benefits enjoyed by the Issuer pursuant to the MSS Agreement, which include:

- the commitment of an executive team with over 30 years' experience of successfully operating in Libya;
- an experienced, motivated, proven and loyal local and foreign senior management team of international calibre with an average of over ten years' service;
- a team of well-qualified and dynamic young professionals, fuelling the potential for future growth;
- an effective monitoring system assuring controls on standards and performance;
- a long experience in developing and managing properties planned and built to exacting standards with equally high standards demanded on maintenance resulting in high quality, well maintained assets;
- corporate strength through a long-term policy of diversification into construction, project management and other service ventures.

7A. Trend Information

There have been no material adverse changes to the prospects of the Issuer since the date of its last published financial statements.

At the time of publication of this Prospectus, the Issuer considers that generally it shall be susceptible to the political and economic risks associated with Libya and the normal business risks associated with the industries in which it is involved, and, barring unforeseen circumstances particularly in the political and economic sphere, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of its business, at least with respect to the current financial year.

The following is an overview of the factors and trends expected in the key areas of operation of the Issuer in the foreseeable future, divided into three distinct phases, as follows:

Phase 1: 2008 - 2010 – the focus of the Issuer throughout these three years will be on development. This is not limited merely to the Palm City Residences Project, but also to other projects in which the Group may be involved in the near future. Although a number of such projects have already been identified, at the date of issuing this Prospectus the Group is not in possession of sufficient information to enable the Issuer to provide reliable projections.

As a result of the impetus directed at development throughout this initial phase, before the end of 2009 the Group is not expected to be in a position to generate significant income streams from the projects in which it is or would by then be involved in, which projects would still be under development up to that time. On the other hand, investments such as the Palm City Residences Project are expected to experience considerable growth during this time period, with maturity arising after 2010.

In terms of project management and ancillary services offered by QP qpm-projacs Limited, it is expected that considerable growth will be registered in this period, depending, however, on the Issuer's business.

With respect to Agility (Libya) Limited, although operations would have commenced in 2008, it would not as yet be performing at its optimum level.

Generally, this period will be characterised, on the one hand, by substantial investment, increases in debt funding and low income streams, and on the other hand, by significant progress in the acquisition and development of projects, which is expected to generate substantial income streams in the following phase.

Phase 2: 2011 - 2013 – this period will be characterised by a reduced level of capital investments and an increased level of operating returns. During this time period, the Issuer's share capital is planned to be listed on a reputable stock exchange in order to allow the general public to partake in its then-existing as well as potential successes. The funds generated by this planned listing will serve principally to reduce the debt of the Issuer and to fund future growth.

During this phase QP qpm-projacs Ltd is expected to consolidate the growth registered in the previous phase, resulting in substantial increases in business from third party contracts.

Agility (Libya) Limited operations are expected to reach optimum level during this phase, leading to considerable increases in its business and profitability.

Phase 3: 2014 - 2016 – the final phase of this three-stage programme is expected to be characterised by mature income streams of the Palm City Residences Project and other projects in which the Group is involved, ensuring that return on investment is stabilised at an above average level. Additionally, further growth in income and profitability streams of QP qpm-projacs Limited and Agility (Libya) Limited is expected, adding to the profitability and cash flow generation of the Issuer and its associate companies.

The projected nine-year trends detailed in this section may be significantly conditioned by the timing of the projects in which the Issuer and its associate companies will be involved throughout this period.

7B. Forecasts

Construction and Development

The overall construction and financing expenditure on the Palm City Residences Project is expected to amount to approximately €110 million as detailed below:

	€ '000s
Consideration for development works, obtaining of all permits, design and engineering works carried out by CPHCL prior to transfer to PCL (the BOT Agreement)	**24,000**
Construction Expenditure	
Pre-construction expenses	1,119
Construction	19,311
Plant and Machinery	11,070
Finishing and Fixtures	12,501
Furnishing and Equipment	23,268
Landscaping	845
Other related expenses	250
Contingency	2,082
	70,446
Professional Fees	9,159
	79,605
Financing Costs	
Interest due to Banks	3,850
Bond Interest	1,125
Other Financing Costs	1,300
	6,275
Total Costs	**109,880**

Rental Revenue

The Project features 408 luxury units which will vary in size from one-bedroom apartments to four-bedroom detached villas. These are expected to have a net floor area (including terraces) of 93,227 square metres. The following table illustrates the average projected rental price per unit applicable in relation to the different types of units which will be offered for five to seven year rentals:

Unit Type	**Number of units**	**Average monthly rental value per unit €**	**Total annual rental income €**
Studio Apartments	24	2,200	633,600
Two-Bedroom Apartments	95	3,175	3,619,500
Two-Bedroom Maisonettes	52	3,465	2,162,160
Three-Bedroom Apartments	44	4,830	2,550,240
Three-Bedroom Terraced Houses	140	6,255	10,508,400
Bungalows	46	6,835	3,772,920
Villas with Pool	7	10,710	899,640
	408	4,932	24,146,460
Commercial and F&B Concessions	4	12,499	599,952
Total Potential Rental Income			**24,746,412**

The Directors anticipate that 95% of these units will be rented out by 2010 which is the second year of operation.

The projected financial performance of the Issuer for the period 1 September 2007 to 31 December 2014 is set out in the Consolidated Projected Financial Statements appended hereto as Annex V and available for inspection as per section 18 of Part B(i) of this Prospectus.

8. Working Capital

The Directors, having made due and careful enquiry, are of the opinion that the working capital available to the Issuer and its subsidiaries will be sufficient for their requirements at least for the next twelve (12) months.

9. Management

9.1 The Board of Directors of the Issuer

The Issuer is managed by a Board of Directors consisting of six members, which is entrusted with the overall direction, administration and management of the Issuer. The Board consists in its entirety of Non-Executive Directors. The responsibility of the Directors is a collective one, although within the structure of a unitary board, the main functions of the Directors are in practice complementary.

Meetings of the Board of Directors are held at the registered office of the Issuer.

The Board of Directors is entrusted with the Issuer's day-to-day management, and is responsible for the identification and execution of new investment opportunities and the funding of the Issuer's acquisitions. All proposed acquisitions of the Issuer are brought to the Board for approval. The Board is also responsible for ensuring the establishment of the appropriate management contracts of the Issuer's properties in the case of operational properties, and the negotiating and awarding of project contracts in the case of the development of new properties.

All the members of the Audit Committee are non-executive directors.

9.1.1 Curriculum Vitae of the Directors of the Issuer

The following are short curriculum vitae of the Directors:

Alfred Pisani: Mr. Pisani is the founder of the Corinthia Group and has been the Chairman and Chief Executive Officer since the inception of Corinthia in 1962. He was responsible for the construction of the Group's first hotel, the Corinthia Palace in Attard. He has led the Corinthia Group from a one hotel company to a diversified group having significant interests in Malta and overseas. Such interests vary from equity participations, management or both in several geographical areas and include interests in three hotels in Malta, five hotels in Turkey, two hotels in Hungary, nine hotels in the Czech Republic, two hotels in Portugal and one each in Libya, The Russian Federation and Tunisia. Mr. Pisani is the Chairman and Chief Executive Officer of International Hotel Investments p.l.c., a Maltese listed company forming part of the Corinthia Group. Mr. Pisani is also the Chairman and CEO of the Issuer.

Jamil Sultan Alessa: Mr. Sultan is one of Kuwait's most prominent businessman and entrepreneurs. He is the founder and Chairman of the Sultan Center which is the largest publicly listed retail company in Kuwait. Mr. Sultan has served on many of the largest Kuwaiti corporations and organisations including, amongst others, Agility and the Kuwaiti Chamber of Commerce. He is currently the Vice Chairman and Managing Director of NREC, the largest publicly listed real estate company in Kuwait.

Mustafa T. Mohamed Khattabi: Mr. Khattabi is the holder of a master's degree in engineering, and is the former Chairman of the Electricity Corporation in Tripoli. In 1982 he joined the Libyan Arab Foreign Investment Company (LFICO) and in 1984 moved to Malta, where he chaired the Jerma Palace Management Committee for ten years. He later moved to Tripoli as General Manager of the Participation Department of LFICO, managing and supervising all investments. In 1997 he was appointed Chairman of the Libyan Arab African Investment Company, responsible for investment in Africa. In 2004 he moved to Egypt to manage LFICO's tourism investments in the country, which include Sheraton Cairo, Hilton Hurghada as well as participation in Conrad, Marriott and Hilton Sharm El-Sheikh. Mr. Khattabi is currently the Chairman of LFICO and also sits on the Board of Directors of International Hotel Investments p.l.c., a Maltese listed company forming part of the Corinthia Group.

Musaed Al Saleh: Mr. Al Saleh has over ten years' of experience in the investments, real estate and banking fields in emerging markets. He is currently the Vice Chairman and CEO of the National Projects Holding Company in Kuwait. He also serves on the following boards; Solidarity, Dubai Recycling Park Advisory Board, Capital Industries & Investments Advisory Board, Young Presidents' Organization MENA Board. He is also a partner in the Musaed Al Saleh group of companies, a prominent merchant family in Kuwait.

Joseph Fenech: Mr. Fenech is a Fellow of the Chartered Association of Certified Accountants of the United Kingdom and a Fellow of the Malta Institute of Accountants. Mr. Fenech joined the Corinthia Group in 1980 after having spent a number of years as senior auditor with a local auditing firm. His first appointment was as Group Accountant responsible for all financial and accounting matters of the Corinthia Group operations. Mr. Fenech is the Managing Director of International Hotel Investments p.l.c., a Maltese listed company forming part of the Corinthia Group, and is also the Managing Director of the Issuer.

Khalil E. A. M. Alabdullah: Mr. Alabdullah has over 25 years' experience managing various Kuwaiti companies. He is currently the General Manager of NREC, and is also the Chairman of National Projects Holding Company in Kuwait and the President of the Kuwait Maastricht Business School, a non-profit organisation and the only University offering MBA degrees in Kuwait.

Alfred Pisani, Mustafa T. Mohamed Khattabi and Joseph Fenech have their business address at 22, Europa Centre, Floriana FRN 1400 Malta.

Jamil Sultan Alessa, Musaed Al Saleh and Khalil E. A. M. Alabdullah have their business address at P.O. Box 64585, Shuwaikh, B 70456, Kuwait.

9.2 Remuneration of Directors

In terms of the Memorandum and Articles of Association, the Directors shall be paid such amount of remuneration as may be so agreed by an extraordinary resolution of the shareholders of the Issuer. Since the date of the Issuer's formation, no extraordinary resolution has been taken for this purpose.

9.3 Loans to Directors

There are no loans outstanding by the Issuer to any of its Directors, nor any guarantees issued for their benefit by the Issuer.

9.4 Removal of Directors

A Director may, unless he resigns, be removed by the shareholder appointing him or by an ordinary resolution of the shareholders as provided in section 140 of the Act.

9.5 Powers of Directors

By virtue of the Memorandum and Articles of Association of the Issuer, the Directors are empowered to transact all business which is not by the Articles or by the Act expressly reserved for the shareholders in general meeting. The powers of the Directors of the Issuer are better described in section 15.2 below.

9.6 Employees

As at 15 October 2007, the Group, through the Principal Subsidiary, had 32 employees.

10. Management Structure and Shareholding

10.1 Management Structure of the Issuer

The Issuer does not require an elaborate management structure, particularly at this stage of development. The Issuer's main line of business is the ownership and operation of real estate properties rented out as offices, retail space and/or residential purposes in Libya. The Directors believe that the current organisational structure is adequate for the current activities of the Issuer. The Directors will maintain this structure under continuous review to ensure that they meet the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

Furthermore, it is intended that the Issuer will in due course set up its own Business Development Unit with the aim of seeking new investment opportunities in accordance with the Issuer's objectives and strategies, at which point the management structure of the Issuer may be altered accordingly.

The Directors have appointed Alfred Pisani as the Chairman of the Issuer. Pursuant to the terms of the MSS Agreement detailed in section 6 above, the Board of Directors receives administrative and management support from CPHCL.

10.2 Management Structure of the Principal Subsidiary

The board of the Principal Subsidiary is, within the strategic parameters established by the Board of the Issuer, autonomous in the determination of the appropriate policies for the projects controlled thereby. It has its own management structure and employees that are responsible for implementing the policies and directions of the board directing the day-to-day operations of such subsidiary. The Principal Subsidiary's board reports on performance and operations to the Board of its parent company, the Issuer.

The management of the Principal Subsidiary is composed of:

Simon Naudi	Chairman
Reuben Xuereb	Managing Director
Ali Bani	Director
Musaed Al Saleh	Director

Simon Naudi: Mr. Naudi joined the Corinthia Group in a senior executive role in 1998, and was appointed to the board of International Hotel Investments p.l.c., a Maltese listed company forming part of the Corinthia Group, in 2005. He has since been responsible for this company's corporate strategy, including business development, particularly in the fields of hotel and real estate acquisitions and project developments. Mr. Naudi acts as chairman on the board of the Principal Subsidiary.

Reuben Xuereb: Mr. Xuereb joined the Corinthia Group in early 2005 in an executive role, and has since been actively involved in introducing investors to the Corinthia Group. Having worked in the Middle East with one of the largest finance houses and investment groups based in Bahrain, he has specialised in real estate investment structures and is responsible for corporate strategy and business development of the Issuer. Mr. Xuereb heads the project team involved in the Palm City Residences Project.

Ali Bani: Mr. Bani joined the Corinthia Group in 2002 as a director on the board of Corinthia Construction (Overseas) Limited, and was eventually appointed on the board of directors of the Principal Subsidiary. Mr. Bani was recently appointed as Chairman and CEO of the Arab Union Construction Company, a company in which he occupied several posts including that of project manager of the 30-storey Al Fateh Tower Building, head of the Projects Department as well as head of the Construction Department.

Musaed Al Saleh: vide section 9.1.1 above of Part B(i) of this Prospectus.

10.3 Future Development of the Management Structures

The Directors believe that at the current stage of the Issuer's development, the organisational structure of the Issuer will, at top management level, seek the support, experience and expertise afforded by virtue of the MSS Agreement detailed in section 6 above. This is expected to enable the Issuer to make significant savings on costs in the recruitment of top executives and support staff in the shorter to medium term, until the Issuer is closer to entering its mature stage and its revenue generation could sustain an independent executive team. With further acquisitions and economies of scale, the Issuer would eventually be better placed to sustain a top management structure which will no longer require the resources provided pursuant to said MSS Agreement.

At the subsidiary level, the Directors believe that the current organisational structure is adequate and shall continue to develop it on the same model adopted so far. The Directors will maintain this structure under continuous review to ensure that they meet the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

10.4 Shareholders of the Issuer

As further detailed in section 15.1 below, CPHCL currently owns 50% of the share capital of the Issuer, NREC holds 40% of the share capital whereas LPTACC holds the remaining 10%. In terms of the Memorandum and Articles of Association of the Issuer, CPHCL is entitled to appoint three Directors, whereas the remaining three Directors are appointed by NREC and LPTACC in a joint capacity. During the first three years from the formation of the Issuer, the right to nominate the Chairman of the Board vests with CPHCL, whereas NREC and LPTACC will jointly have the right to appoint the Chairman of the Board in the second three-year term. Save for any amendments to the Memorandum and Articles of Association of the Issuer that may from time to time be made to such effect, the three-year term rotation policy will be maintained throughout the period that the Issuer is validly constituted.

11. Audit Practices

11.1 Audit Committee

The Audit Committee's primary objective is to assist the Board in fulfilling its responsibilities: in dealing with issues of risk, control and governance; and review the financial reporting processes, financial policies and internal control structure. The Committee oversees the conduct of the internal and external audit and acts to facilitate communication between the Board, management, the external auditors and the internal audit team.

The Board has set formal terms of reference of the Audit Committee that establish its composition, role and function, the parameters of its remit as well as the basis for the processes that it is required to comply with. The Audit Committee is a sub-committee of the Board and is directly responsible and accountable to the Board. The Board reserves the right to change these terms of reference from time to time.

Briefly, the Audit Committee is expected to deal with and advise the Board on:

(a) its monitoring responsibility over the financial reporting processes, financial policies and internal control structures;

(b) maintaining communications on such matters between the Board, management, the independent auditors and the internal auditors; and

(c) preserving the Issuer's assets by understanding the Issuer's risk environment and determining how to deal with those risks.

In addition, the Audit Committee also has the role and function of scrutinising and evaluating any proposed transaction to be entered into by the Issuer and a related party, to ensure that the execution of any such transaction is at arm's length and on a commercial basis and ultimately in the best interests of the Issuer.

Joseph Fenech, a Non-Executive Director, acts as chairman of the Audit Committee, whilst Khalil E. A. M. Alabdullah acts as a member, and Alfred Fabri acts as secretary.

11.2 Internal Audit

The role of the internal audit team is to carry out systematic risk-based reviews and appraisals of the operations of the Issuer (as well as of the subsidiaries and associates from time to time thereof) for the purpose of advising management and the Board, through the Audit Committee, on the efficiency and effectiveness of internal management policies, practices and controls. This function is expected to promote the application of best practices within the Issuer's organisational structure.

The internal audit team reports directly to the Audit Committee.

11.3 Property Audit

Property audits carried out by QPM, a subsidiary of the Corinthia Group, will commence as soon as a property in which the Group has invested is operative. These audits, which are unannounced, comprise a full review of each property twice a year when a physical inspection of the building and the assets is undertaken by experienced engineers. A detailed report is submitted to the owners including a review of the maintenance systems and quality of the maintenance works and recommendations on the replacement of plant and equipment.

12. Corporate Governance

The Issuer supports the Code of Principles of Good Corporate Governance (the "Code") originally issued by the Malta Stock Exchange which now forms part of the Listing Rules.

The Board undertakes to ensure that the Issuer acts in compliance with the requirements of the Code to the extent that this is considered complementary to the size, nature and operations of the Issuer.

13. Historical Financial Information

The historical financial information about the Issuer and the Principal Subsidiary is available for inspection as set out in section 18 below.

There have been no significant changes to the financial or trading position of the Issuer since the end of the financial period to which the last Audited Consolidated Financial Statements referred to in section 18(c) below of Part B(i) of this Prospectus relate.

14. Litigation

There is no current litigation against or otherwise involving the Issuer, including actual or pending legal or arbitration proceedings, which the Directors consider could have significant effects on the Group's financial position or profitability.

15. Additional Information

15.1 Share Capital

The Issuer has an authorised share capital of €100,000,000 divided into 50,000,000 Ordinary 'A' shares of €1 each and 50,000,000 Ordinary 'B' shares of €1 each. The Issuer has an issued share capital of €48,002,000 divided into 24,001,000 Ordinary 'A' shares of €1 each, fully paid up, and 24,001,000 Ordinary 'B' shares of €1 each, fully paid up. CPHCL holds 24,001,000 Ordinary 'A' shares of €1 each, NREC holds 19,200,800 Ordinary 'B' shares of €1 each and LPTACC holds 4,800,200 Ordinary 'B' shares of €1 each.

Since incorporation, the Issuer allotted shares as detailed in the following table:

Date of allotment	No. of Shares	Shareholder	Consideration
Initial share capital, issued on 12 December 2005	1,000 Ordinary 'A' shares	CPHCL	€1,000 in cash
Initial share capital, issued on 12 December 2005	1,000 Ordinary 'B' shares	NREC	€1,000 in cash
16 March 2006	24,000,000 Ordinary 'A' shares	CPHCL	Capitalisation of shareholder's loan
21 February 2006	24,000,000 Ordinary 'B' shares	NREC	€24,000,000 in cash

On 13 October 2007, 4,800,200 Ordinary 'B' shares of €1 each were transferred by NREC to LPTACC.

In terms of the Memorandum and Articles of Association of the Issuer, the Board of Directors may be authorised, by the members by extraordinary resolution in general meeting or by a resolution in writing executed by or on behalf of each member who would have been entitled to vote on it if it had been proposed at a general meeting, to exercise the power of the Issuer to allot shares to the amount of the authorised but unissued share capital of the Issuer for the time being (or for such other amount as the authority may state), and the Board of Directors may allot, grant options over, or otherwise dispose of, such shares to such persons on such terms and in such manner as they think fit.

In terms of the Issuer's Memorandum and Articles of Association, no issue of shares in the Issuer shall take place where such issue would dilute a substantial interest of the shareholders of the Issuer without prior approval of the shareholders in general meeting.

It is not expected that shares in the Issuer shall be issued during the next financial year, whether fully or partly paid up, in consideration for cash or otherwise.

There is no capital of the Issuer which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option.

15.2 Memorandum and Articles of Association

(a) Objects

The Memorandum and Articles of Association of the Issuer (C 37513) is registered with the Registry of Companies. The main objects for which the Issuer is constituted, which are limited to activities outside Malta and to such other acts as are or may be necessary for its operations from Malta, are to directly and indirectly acquire and develop real estate opportunities in North Africa, including without limitation, opportunities with respect to retail outlets, shopping malls, office and commercial buildings, resident gated compounds, housing, build-operate-transfer, governmental projects and conference centres. Clause 4 of the Memorandum of Association contains the full list of objects of the Issuer. A copy of the Memorandum and Articles of Association of the Issuer may be inspected during the lifetime of this Prospectus at the registered office of the Issuer and at the Registrar of Companies of the Malta Financial Services Authority.

(b) Voting Rights & Restrictions

The holders of shares in the Issuer are entitled to vote at meetings of the shareholders of the Issuer on the basis of one vote for each share held.

(c) Appointment of Directors

At present, in terms of the Memorandum and Articles of Association, the Board shall consist of six (6) Directors, who are appointed as follows:

- the holders of ordinary 'A' shares shall have the right to appoint three (3) Directors to the Board; and
- the holders of ordinary 'B' shares shall have the right to appoint three (3) Directors to the Board.

(d) Powers of Directors

The Directors are vested with the management of the Issuer, and their powers of management and administration emanate directly from the Memorandum and Articles of Association and the law. The Directors are empowered to act on behalf of the Issuer and in this respect have the authority to enter into contracts, sue and be sued in representation of the Issuer. In terms of the Memorandum and Articles of Association they may do all such things that are not by the Memorandum and Articles of Association reserved for the Issuer in general meeting.

Directors may not vote on any proposal, issue, arrangement or contract in which they have a material interest.

The amount of remuneration payable to the Directors is, in terms of the Memorandum and Articles of Association, to be established by an extraordinary resolution of the shareholders.

In terms of the Memorandum and Articles of Association, the Board of Directors may exercise all the powers of the Issuer to borrow money and give security therefor, as they think fit.

There are no provisions in the Memorandum and Articles of Association regulating the retirement or non-retirement of Directors over an age limit.

16. Material Contracts

Since its inception, the Group has entered into the following material contracts in the ordinary course of its business:

Date	Value	Summary
15 November 2005	€1.5million	Architectural and interior design
30 November 2005	€4.3million	Project and construction management
30 November 2005	€1.3million	Cost consultancy and mechanical & electrical consultancy
17 May 2006	€5.4million	Carrying out of civil works
06 November 2006	€13.8million	Carrying out of structural works
16 March 2007	€8.2million	Installation of machinery, heat ventilation and air-conditioning equipment
19 September 2007	€2.9million	Supply and installation of UPVC
25 September 2007	€1.0million	Construction of site boundary wall, main pool and deck area, six substations, sewage treatment plant and five sewage depots
30 September 2007	€2.2million	Supply and installation of main 33Kv substation and five 11Kv substations
02 October 2007 with effect from 06 July 2006	€24 million	Build-Operate-Transfer Agreement

Save for what is otherwise disclosed in this document the Group has not entered into any other material contract which is not in the ordinary course of its business.

17. Third Party Information and Statement by Experts

Save for the Architects' valuation report appended hereto as Annex IV and available for inspection as set out in section 18 below, the independent financial assessment of earnings relied upon by the Architects in arriving at the valuation and the Accountants' report on the Consolidated Projected Financial Statements of the Issuer as set out in Annex V and available for inspection as set out in section 18 below, this Prospectus does not contain any statement or report attributed to any person as an expert.

The Architects' valuation report dated 3 October 2007 has been included in the form and context in which it appears with the authorisation of DeMicoli and Associates of 8/5 Portomaso Tower, Portomaso PTM 01, Malta and PricewaterhouseCoopers of 167, Merchants Street, Valletta, Malta. The Accountants' report dated 3 October 2007 has been included in the form and context in which it appears with the authorisation of Grant Thornton of Grant Thornton House, Princess Elizabeth Street, Ta' Xbiex, XBX 1104, Malta. None of the foregoing experts has any beneficial interest in the Issuer.

The Issuer confirms that the Architects' valuation report dated 3 October 2007 and the Accountants' report dated 3 October 2007 have been accurately reproduced in this Prospectus, and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

Section 8.00 of the valuation includes a reconciliation of the valuation estimate with the relative amount set out in the Issuer's latest published Audited Consolidated Financial Statements referred to in section 18(c) below of Part B(i) of this Prospectus.

18. Documents Available for Inspection

For the duration period of this Prospectus the following documents shall be available for inspection at the registered address of the Issuer:

(a) Memorandum and Articles of Association;
(b) Audited Consolidated Financial Statements of the Issuer for the financial year ended 31 December 2006;
(c) Audited Consolidated Financial Statements of the Issuer for the period 1 January 2007 to 31 August 2007;
(d) Consolidated Projected Financial Statements of the Issuer for the period 1 September 2007 to 31 December 2014;
(e) Audited Financial Statements of the Principal Subsidiary for the financial year ended 31 December 2005;
(f) Audited Financial Statements of the Principal Subsidiary for the financial year ended 31 December 2006;
(g) Audited Financial Statements of the Principal Subsidiary for the period 1 January 2007 to 31 August 2007; and
(h) Architects' Valuation Report of the Palm City Residences Project.

Part B(ii) – INFORMATION ABOUT THE BONDS

19. Details of the Bond Issue

19.1 The Issuer is making an offering of Bonds for subscription to the general public of the MTL Bonds and the EUR Bonds, to be issued at par and redeemable on the Redemption Date or at the Issuer's option on any of the Early Designated Redemption Dates.

19.2 The Bonds will be available for subscription during the Offer Period commencing on 21 November 2007 up to and including 27 November 2007, subject to the right of the Issuer to close Subscription Lists before such date in the case of over-subscription. The Bond Issue is being made to the general public in Malta and applications may be obtained from and shall be lodged with Authorised Intermediaries during the Offer Period.

19.3 The Issuer intends to enter into a number of conditional subscription agreements, in terms of which institutional investors and other financial intemediaries would bind themselves to subscribe and purchase, and the Issuer would be bound to allot to such institutional investors and other financial intemediaries, such number of the Bonds, as the case may be, as in aggregate does not exceed fifty per cent (50%) of the Bonds on offer. These agreements will be subject, *inter alia*, to the admission to listing of the Bonds by the Listing Authority.

19.4 The terms and conditions applicable to any Application for Bonds are set out in the Terms and Conditions of Application contained in Annex I (Part II) of this Prospectus.

19.5 The Bond Issue will be fully underwritten by Bank of Valletta p.l.c., (the "Underwriter") in terms of an agreement dated 7 November 2007 between the Issuer and the Underwriter.

20. Information concerning the Securities

20.1 Description and Type of Securities

Once issued, the Bonds shall constitute the unconditional debt obligations of the Issuer that bind the Issuer to pay to Bondholders interest on each Interest Payment Date and the nominal value of the Bonds on the Redemption Date or any of the Designated Early Redemption Dates, as the case may be. The MTL Bonds shall be issued at a nominal value of Lm100 per Bond and the EUR Bonds shall be issued at a nominal value of €100 per Bond.

The Bonds have been created in terms of the Act. The Bonds will be issued in uncertificated form, and following admission of the Bonds to the Alternative Companies List of the Malta Stock Exchange, the Bonds shall be held in book-entry form by the Central Security Depository of the Malta Stock Exchange.

The MTL Bonds shall be denominated in Maltese Liri, whereas the EUR Bonds shall be denominated in Euros.

Subject to the admission to listing of the Bonds to the Alternative Companies List of the Malta Stock Exchange, the MTL Bonds and the EUR Bonds are expected to be assigned the following ISIN codes respectively: MT0000371204 and MT000371212.

20.2 Status

The Bonds shall constitute the general, direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* without any priority or preference with all other present and future unsecured and unsubordinated obligations of the Issuer.

20.3 Terms and Conditions of Issue

The full terms and conditions of the issue of the Bonds are contained in Annex I (Part I) to this Prospectus.

20.4 Interest

The Bonds shall accrue interest at the rate of 7.5% per annum payable annually on 4 December of each year. Interest shall accrue as from 4 December 2007. The first Interest Payment Date shall be 4 December 2008.

20.5 Maturity & Redemption

The Bonds shall become due for final redemption on 4 December 2014. The Issuer reserves the right to redeem the Bonds or any part of the Issue at any time prior to the stated maturity on either of the Interest Payment Dates falling in 2012 and/or 2013. Redemption of the Bonds shall be made at the face value of the Bonds. In addition, the Issuer reserves the right to purchase from the market at any time after issue, Bonds for cancellation.

20.6 Public Offer

The Bonds shall be issued and offered to the general public in Malta as well as to Authorised Intermediaries either for their own account or on behalf of investors represented by such Intermediaries. The Issuer shall not, unless due notice in writing is given to it, verify the relations existing between an Intermediary and its client and shall only and at all times recognise as a Bondholder the person registered as such in the register of bonds held for this purpose.

20.7 Authorisations

The issue of the Bonds was authorised by the Issuer's Board of Directors by resolution dated 5 September 2007. The Listing Authority authorised the Bonds as admissible to listing on the Alternative Companies List of the Malta Stock Exchange pursuant to the Listing Rules by virtue of a letter dated 7 November 2007. The Bonds are being created as debt instruments of the Issuer under the Act.

20.8 Expected Date of Issue of the Bonds

The expected date of Issue of the Bonds is 21 November 2007.

20.9 Redenomination of MTL Bonds

Upon the Euro becoming the legal currency of the Republic of Malta on 1 January 2008, the MTL Bonds will automatically be redenominated in Euro and the amount of each MTL Bond will be converted at the irrevocable fixed rate of exchange in accordance with any applicable law or guidelines. Thereafter, for the purposes of the Bond Issue made according to the terms laid out in this Prospectus the MTL Bonds will be treated in all respects as EUR Bonds. Accordingly, upon such occurrence, all references in this Prospectus to MTL Bonds will be interpreted to mean EUR Bonds.

20.10 Exchange Controls

It is the responsibility of investors wishing to apply for the Bonds to inform themselves as to the applicable legal requirements of including any requirements relating to exchange control (whether in terms of the External Transactions Act, Cap. 233, Laws of Malta or otherwise) in Malta and in the countries of their nationality, residence or domicile.

The obligation to comply with any applicable exchange control or other such regulations (such as those relating to external transactions) rests with the investor and not with the Issuer, Manager, Registrar, or any of the Intermediaries.

20.11 Taxation

General

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Bonds, including their acquisition, holding and disposal as well as any income/ gains derived therefrom or made on their disposal. The following is a summary of the anticipated tax treatment applicable to Bondholders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

The information below is based on an interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer at the date of the Prospectus, in respect of a subject on which no official guidelines exist. Investors are reminded that tax law and practice and their interpretation as well as the levels of tax on the subject matter referred to in the preceding paragraph, may change from time to time.

This information is being given solely for the general information of investors. The precise implications for investors will depend, among other things, on their particular circumstances and on the classification of the Bonds from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

Malta tax on Interest

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is otherwise instructed by a Bondholder or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c)(i) of the Income Tax Act, (Cap. 123, Laws of Malta), interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% of the gross amount of the interest, pursuant to article 33 of the Income Tax Act (Cap. 123, Laws of Malta). Bondholders who do not fall within the definition of a "recipient" do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply.

This withholding tax is considered as a final tax and a Maltese resident Bondholder need not declare the interest so received on his income tax return. No person shall be charged to further tax in respect of such income. However tax withheld shall in no case be available to any person for a credit against that person's tax liability or for a refund as the case may be.

In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his income tax return and be subject to tax on it at the standard rates applicable to that person at that time. Additionally in this latter case the Issuer will advise the Inland Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients unless the recipient is a non-resident of Malta. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c) of the Income Tax Act, Bondholders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

European Union Savings Directive

Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Malta Commissioner of Inland Revenue who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the EU Savings Directive 2003/48/EC.

Malta capital gains on transfer of the Bonds

On the assumption that the Bonds would not fall within the definition of "securities" in terms of article 5 of the Income Tax Act, that is, "shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return", no tax on capital gains is chargeable in respect of transfer of the Bonds. In terms of the definition of "securities" under article 5(1) (b) of the Income Tax Act, no Malta tax on capital gains is chargeable in respect of the transfer of the Bonds.

Duty on documents and transfers

In terms of article 50(2) of the Financial Markets Act, (Cap 345, Laws of Malta) as the Bonds constitute securities of a company quoted on a Recognised Investment Exchange, as is the MSE, redemptions and transfers of the Bonds is exempt from Maltese duty on documents and transfers.

INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF BONDS AS WELL AS INTEREST PAYMENTS MADE BY THE ISSUER. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE BONDS AND TO BONDHOLDERS. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO BONDHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.

20.12 Sinking Fund

The Issuer hereby undertakes that as from the end of the financial year ending 31 December 2009, it shall, over a period of five years therefrom, build a sinking fund equivalent to 50% of the value of the issued Bonds, thus creating a cash reserve from its annual surpluses to meet part of the redemption proceeds on the Redemption Date and/or Designated Early Redemption Dates.

The Board of Directors of the Issuer reserves the power with respect to the utilisation of funds allocated to the sinking fund, provided that such funds shall be utilised solely for investing in debt securities or money market instruments or for the purpose of the Issuer buying back Bonds for cancellation in terms of section 20.5 of Part B(ii) of this Prospectus, as may be approved by the Directors of the Issuer from time to time.

21. Admission to Trading

The Bonds are expected to be admitted to the Alternative Companies List of the Malta Stock Exchange with effect from 12 December 2007 and trading is expected to commence on 14 December 2007.

22. Estimated Total Expenses and Estimated Net Proceeds

Professional fees, costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar and other miscellaneous expenses in connection with this Bond Issue, are estimated not to exceed Lm171,720 or €400,000, and shall be borne by the Issuer.

The overall amount of the underwriting commission payable to the Underwriter and of the placing commission payable to the institutional investors and financial intermediaries entering into conditional subscription agreements in terms of section 19.3 of Part B(ii) of this Prospectus will not exceed Lm53,126 or €123,750.

It is estimated that the total net proceeds of the Bond Issue would amount to Lm6,267,780 or €14,600,000.

Part C - ANNEXES

Annex I

Part I – Terms and Conditions of the Bonds

The rights attaching to the Bonds are those set out in the terms and conditions of issue set out in this Annex I, which terms and conditions the Bondholders are hereby deemed to have received knowledge of and to have accepted to be bound by.

1. General

(a) Each MTL Bond and each EUR Bond forms part of a duly authorised issue of registered Bonds of a nominal value of Lm100 each MTL Bond or €100 each EUR Bond, issued by the Issuer at the Bond Offer Price of Lm100 per MTL Bond or €100 per EUR Bond, up to an aggregate principal amount of Lm6,439,500 or €15,000,000 which shall bear interest at the rate of 7.5% per annum (except as otherwise provided under clause 9 “Further Issues” below).

(b) Unless previously purchased and cancelled, the Bonds shall be redeemable at the nominal value on 4 December 2014 or at the option of the Issuer on either 4 December 2012 or 4 December 2013.

2. Form, Denomination and Title

The Bonds will be issued in fully registered form, without coupons, in denominations of any integral multiple of Lm100 or €100, as applicable. The Bonds, and transfer thereof, shall be registered as provided under Clause 8 “Registration, Replacement, Transfer and Exchange” below. A person in whose name a Bond shall be registered shall (to the fullest extent permitted by law) be treated at all times and for all purposes as the absolute owner of such Bond regardless of any notice of ownership or trust.

3. Interest

(a) The Bonds shall bear interest at the rate of 7.5% per annum on the nominal value of the Bond, payable annually in arrears, on 4 December of each year, the first payment becoming due on 4 December 2008 (each such day, an “Interest Payment Date”). Each Bond will cease to bear interest from and including its due date of redemption unless, the Bond is earlier redeemed on a Designated Early Redemption Date or unless upon due presentation, payment of the principal in respect of the Bond is improperly withheld or refused or unless the Issuer defaults in which event interest shall continue to accrue at the rate specified above or at the rate of two per cent (2%) per annum above the European Central Bank re-financing rate whichever is the greater; and

(b) When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated on the basis of a three hundred and sixty (360) day year consisting of twelve (12) months of thirty (30) days each, and, in the case of an incomplete month, the number of days elapsed.

4. Status of the Bonds and Negative Pledge

(a) The Bonds constitute general, direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu*, without any priority or preference, with all other present and future unsecured and unsubordinated obligations of the Issuer.

(b) The Issuer undertakes, for as long as any principal or interest under the Bonds or any of the Bonds remains outstanding, not to create or permit to subsist any Security Interest (as defined below), other than a Permitted Security Interest (as defined below), upon the whole or any part of its present or future assets or revenues to secure any Financial Indebtedness (as defined below) of the Issuer, unless at the same time or prior thereto the Issuer’s indebtedness under the Bonds, shares in and is secured equally and rateably therewith, and the instrument creating such Security Interest so provides.

For the purposes of this Clause and of Clause 7 ("Events of Default") below:

"Financial Indebtedness" means any indebtedness in respect of (A) monies borrowed; (B) any debenture, bond, note, loan stock or other security; (C) any acceptance credit; (D) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance for the acquisition of that asset; (E) leases entered into primarily as a method of raising finance for the acquisition of the asset leased; (F) amounts raised under any other transaction having the commercial effect of borrowing or raising of money; (G) any guarantee, indemnity or similar assurance against financial loss of any person;

"Security Interest" means any privilege, hypothec, pledge, lien, charge or other encumbrance or real right which grants rights of preference to a creditor over the assets of the Issuer;

"Permitted Security Interest" means (A) any Security Interest arising by operation of law; (B) any Security Interest securing temporary bank loans or overdrafts in the ordinary course of business; (C) any other Security Interest (in addition to (A) and (B) above) securing Financial Indebtedness of the Issuer, in an aggregate outstanding amount not exceeding eighty per cent (80%) of the difference between the value of the unencumbered assets of the Issuer and the aggregate principal amount of Bonds outstanding at the time.

Provided that the aggregate Security Interests referred to in (B) and (C) above do not result in the unencumbered assets of the Issuer being less than one hundred and seven point five per cent (107.5%) of the aggregate principal amount of the Bonds still outstanding;

"Unencumbered assets" means assets which are not subject to a Security Interest.

5. Payments

(a) Payment of the principal amount of a Bond will be made in the currency in which that Bond is designated (subject to the measures to be taken in order to effect the redenomination of the MTL Bonds as set out in section 20.9 of Part B(ii) of this Prospectus), to the person in whose name such Bond is registered, with interest accrued to the date fixed for redemption, against surrender of such Bond at the registered office of the Issuer or at such other place in Malta as may be notified by the Issuer by way of a cheque drawn on a bank in Malta.

(b) Payment of interest on a Bond will be made in Euros, irrespective of the currency of the Bond, to the person in whose name such Bond is registered as at the close of business fifteen (15) days prior to the Interest Payment Date, by either of two options (as the Issuer may decide), that is (i) by means of a direct credit transfer into such bank account as the Bondholder may designate from time to time or (ii) by mailing a cheque drawn on a bank in Malta to the Bondholder at such Bondholder's registered address. Such payment shall be effected within seven (7) days of the Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission. In the case of option (ii), the payment of the cheque, if purporting to be duly endorsed, shall be a good discharge to the Issuer.

(c) All payments with respect to the Bonds are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable fiscal or other laws and regulations. In particular, but without limitation, all payments by the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed or levied by or on behalf of the Government of Malta or authority thereof or therein having power to tax.

(d) No commissions or expenses shall be charged to the Bondholders in respect of such payments.

6. Redemption and Purchase

(a) 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 4 December 2014. The Issuer reserves the right to redeem all or any part of the Bond Issue on either of 4 December 2012 or 4 December 2013. The Issuer shall give at least ninety (90) days' notice in writing to all Bondholders of its intention to effect such earlier redemption stating the number of Bonds that it will redeem on that Designated Early Redemption Date and the manner in which it shall select the Bonds for such early redemption.

(b) The Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.

(c) All Bonds so redeemed or 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 if any of the following events ("Events of Default") shall occur:

(i) the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or

(ii) the Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in the terms and conditions of the Bonds and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or

(iii) an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; or

(iv) the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or

(v) the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or

(vi) there shall have been entered against the Issuer a final judgment by a court of competent jurisdiction from which no appeal may be or is taken for the payment of money in excess of one million two hundred fifty thousand Euros (€1,250,000) or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; or

(vii) any default occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness (as defined above) of the Issuer in excess of one million two hundred fifty thousand Euros (€1,250,000) or its equivalent at any time.

8. Registration, Replacement, Transfer and Exchange

(a) A register of the Bonds will be kept by the Issuer at the Central Securities Depository ('CSD') of the MSE, wherein there will be entered the names and addresses of the Bondholders and particulars of the Bonds held by them respectively and a copy of such register will at all reasonable times during business hours be open to inspection at the registered office of the Issuer.

(b) Bonds shall be issued in uncertificated form and shall be maintained in book-entry form at the CSD of the MSE. The Bonds shall accordingly be evidenced by a book-entry in the register of Bondholders held by the CSD. The CSD will issue on an annual basis, or at such other intervals as the Malta Stock Exchange Bye-Laws shall from time to time determine, a statement of holdings to Bondholders evidencing their entitlement to Bonds held in the register kept by the CSD.

(c) A Bond may be transferred only in whole in accordance with the rules and procedures applicable from time to time at the Malta Stock Exchange.

(d) Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the Malta Stock Exchange, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Issuer a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the Bond.

(e) All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.

(f) The cost and expenses of effecting any exchange or registration of transfer or transmission except for the expenses of delivery by 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.

(g) 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 is at liberty, from time to time, without the consent of the Bondholders, to create and issue further bonds, notes or debentures, whether ranking *pari passu* in all respects with or subordinated to the Bonds (or in all respects save for the first payment of interest thereon).

10. Meetings of Bondholders

(a) The Terms and Conditions contained herein may be amended with the approval of Bondholders at a meeting called for that purpose in accordance with the terms hereunder.

(b) 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 by giving such Bondholders not less than fourteen (14) days notice, in writing setting out in the notice the time, place and date set for the meeting and the matters to be discussed thereat.

(c) A meeting of Bondholders shall only validly and properly proceed to business if there is quorum present at the commencement of the meeting. For this purpose a quorum shall be considered present if there are Bondholders present, in person or by proxy, accounting for at least fifty per cent (50%) in nominal value of the Bonds then outstanding.

(d) Once a quorum is declared present by the Chairman of the meeting (who shall be the person who in accordance with the regulations of the Issuer would chair a general meeting of shareholders) the meeting may then proceed to business and the directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that the Terms and Conditions of Issue of the Bonds ought to be amended as proposed by the Issuer. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present.

(e) The voting process shall be managed by the Company Secretary under the supervision and scrutiny of the Auditors of the Issuer.

(f) The proposal placed before a meeting of Bondholders shall only be considered approved if at least seventy-five per cent (75%) in nominal value of the Bondholders present at the meeting shall have voted in favour of the proposal.

(g) Save for the above, the rules generally applicable to the Issuer during general meetings of shareholders shall apply.

11. Bonds held Jointly

In respect of a Bond held jointly by several persons, the joint holders shall nominate one of their number as their representative and his/her name will be entered in the register with such designation. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond so held. In the absence of such nomination and until such nomination is made, the person first named on the register in respect of such Bond shall, for all intents and purposes, be deemed to be the registered holder of the Bond so held.

12. Bonds held Subject to Usufruct

In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed vis-a-vis the Issuer to be the holder of the Bond so held and shall have the right to receive interests on the Bond but shall not, during the continuance of the Bond, have the right to dispose of the Bond so held without the consent of the bare owner.

13. Governing Law and Jurisdiction

(a) The Bonds are governed by and shall be construed in accordance with Maltese law.

(b) Any suit, action or proceeding against the Issuer with respect to a Bond shall exclusively be brought against it in the Maltese Courts.

14. Notices

Notices will be mailed to Bondholders at their registered addresses and shall be deemed to have been served at the expiration of twenty-four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at his registered address and posted.

15. Listing

The Bonds, upon issue and subscription, shall be admitted to the Alternative Companies List of the Malta Stock Exchange, accordingly all the terms and conditions herein contained shall be read in conjunction with the Listing Rules and with Bye-Laws of the Malta Stock Exchange applicable from time to time.

Part II – Terms and Conditions of Application of the Bonds

1. The contract created by the Issuer's acceptance of an Application submitted by the Applicant shall be subject to the terms and conditions set out herein.

2. Subject to all other Terms and Conditions of Application set out in the Prospectus, the Issuer reserves the right to reject, in whole or in part, or to scale down any Application, including multiple or suspected multiple Applications, and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application, which in the opinion of the Issuer is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents. Only original Application Forms will be accepted and photocopies/facsimile copies will not be accepted. If any Application is not accepted, or if any Application is accepted for fewer Bonds than those applied for, then the Applicant shall receive a refund of the price of the Bonds applied for but not allocated, the Application monies or the balance of the amount paid on Application will be returned by the Issuer by cheque in the same currency of the proceeds accompanying the Application, sent by mail at the Applicant's own risk, to the address specified in the Application Form, within five (5) Business Days from the date of final allocation. No interest shall be due on refunds and any risk of loss or gain that may emerge on exchange of refunds from the currency of denomination of the Bonds applied for into the base currency of the Applicant shall be at the charge or for the benefit of the Applicant.

3. In the case of joint Applications, reference to the Applicant in these Terms and Conditions of Application is a reference to each Applicant, and liability therefor is joint and several. Furthermore, as joint Applicants, each Applicant warrants that he/she has only submitted one Application Form in his/her name.

4. Any person, whether natural or legal, shall be eligible to submit an Application, and any one person, whether directly or indirectly, should not submit more than one Application Form. In the case of corporate Applicants or Applicants having separate legal personality, the Application Form must be signed by a person authorised to sign and bind such Applicant. It shall not be incumbent on the Issuer or Registrar to verify whether the person or persons purporting to bind such an Applicant is or are in fact authorised.

5. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interests shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.

6. All Applications for the subscription of Bonds must be submitted on Application Forms within the time limits established herein (refer to Expected Timetable set out Part B(i) section 3.2 of this Prospectus). The minimum subscription of MTL Bonds is Lm500 in value and the minimum subscription of EUR Bonds is €1,000 in value. Applications in excess of the said minimum thresholds must be in multiples of Lm100 or €100, as the case may be. The completed Application Forms are to be lodged with any of the Authorised Intermediaries mentioned in this Prospectus. Unless other arrangements are concluded with the Registrar or the Issuer, all Application Forms must be accompanied by the full price of the Bonds applied for in the currency of designation of the Bonds applied for. Payment may be made either in cash or by cheque payable, to "The Registrar – MIH Bond Issue". In the event that a cheque accompanying an Application Form is not honoured on its first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application Form.

7. By completing and delivering an Application Form you (as the Applicant(s)):

   (a) irrevocably offer to purchase the number of Bonds specified in your Application Form (or any smaller number for which the Application is accepted) at the Bond Offer Price subject to the Prospectus, these Terms and Conditions of Application and the Memorandum and Articles of Association of the Issuer;

   (b) authorise the Registrar and the Directors of the Issuer to include your name or in the case of joint Applications, the first named applicant, in the register of Debentures of the Issuer in respect of the Bonds allocated to you;

   (c) warrant that your remittance will be honoured on first presentation and agree that, if such remittance is not so honoured, you will not be entitled to receive a registration advice, or to be registered in the register of Debentures or to enjoy or receive any rights in respect of such Bonds unless and until you make payment in cleared funds for such Bonds and such payment is accepted by the Issuer (which acceptance shall be made in its absolute discretion and may be on the basis that you indemnify it against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and that, at any time prior to unconditional acceptance by the Issuer of such late delivery of consideration in respect of such Bonds, the Issuer may (without prejudice to other rights) treat the agreement to allocate such Bonds as void and may allocate such Bonds to some other person, in which case you will not be entitled to any refund or payment in respect of such Bonds (other than return of such late payment);

(d) agree that the registration advice and other documents and any monies returnable to you may be retained pending clearance of your remittance and any verification of identity as required by the Prevention of Money Laundering Act 1994 (and regulations made thereunder) and that such monies will not bear interest;

(e) agree that all Applications, acceptances of Applications and contracts resulting therefrom will be governed by, and construed in accordance with Maltese law and that you submit to the jurisdiction of the Maltese Courts and agree that nothing shall limit the right of the Issuer to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law in any court of competent jurisdiction;

(f) warrant that, if you sign the Application Form on behalf of another party or on behalf of a corporation or corporate entity or association of persons, you have due authority to do so and such person, corporation, corporate entity, or association of persons will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake to submit your power of attorney or a copy thereof duly certified by a lawyer or notary public if so required by the Registrar;

(g) agree that all documents in connection with the Issue of the Bonds and any returned monies including refund of all unapplied Application monies will be sent at your risk and may be sent by post at your address (or, in the case of joint applications, the address of the first-named Applicant) as set out in the Application Form in the currency of designation of the Bond;

(h) agree that, having had the opportunity to read the Prospectus, you have and shall be deemed to have had, notice of all information and representations concerning the Issuer and the Issue of the Bonds contained therein;

(i) confirm that in making such Application you are not relying on any information or representation in relation to the Issuer or the issue of the Bonds other than those contained in the Prospectus and you accordingly agree that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;

(j) confirm that you have reviewed and you will comply with the restriction contained in section 8 below and the warning in this section 7;

(k) warrant that you are not under the age of eighteen (18) years or if you are lodging an Application in the name and for the benefit of a minor, warrant that you are the parents or legal guardian/s of the minor;

(l) agree that such Application Form is addressed to the Issuer and that in respect of those Bonds for which your Application has been accepted, you shall receive a registration advice confirming such acceptance;

(m) confirm that in the case of a joint Application the first-named Applicant shall be deemed the holder of the Bonds;

(n) agree to provide the Registrar and/or Issuer as the case may be, with any information which it may request in connection with your Application(s);

(o) agree that Charts Investment Management Service Limited will not, in their capacity of Sponsoring Stockbrokers, treat you as their customer by virtue of your making an Application for the Bonds and that Charts Investment Management Service Limited will owe you no duties or responsibilities concerning the price of the Bonds or their suitability for you;

(p) warrant that, in connection with your Application, you have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your Application in any territory and that you have not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the Bond Issue or your Application;

(q) warrant that if you are a non-resident, any funds forming the Application monies accompanying your Application Form emanate from a foreign source or foreign currency account held in Malta and that all applicable exchange control permits and authorisations have been duly and fully complied with;

(r) represent that you are not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act")) and that you are not accepting the invitation comprised in the Prospectus from within the United States of America, its territories or its possessions, any State of the United States of America or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person, unless you indicate otherwise on the Application Form in accordance with the instructions of the Application Form.

8. The Bonds have not been and will not be registered under the Securities Act and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.

9. No person receiving a copy of the Prospectus or an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to him nor should he in any event use such Application Form, unless, in the relevant territory, such an invitation or Offer could lawfully be made to him or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issues, transfer or other taxes required to be paid in such territory.

10. For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations 2003 as subsequently amended, all Authorised Intermediaries are under a duty to communicate, upon request, all information they hold about clients, pursuant to Articles 1.2(d) and 2.4 of the "Code of Conduct for Members of the Malta Stock Exchange" appended as Appendix IV to Chapter 3 of the Malta Stock Exchange Bye-Laws, irrespective of whether the Authorised Intermediaries are Malta Stock Exchange members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act (Cap. 440, Laws of Malta) for the purposes, and within the terms of, the Malta Stock Exchange's Data Protection Policy as published from time to time.

11. Within five (5) Business Days from the closing of the subscription lists, the Issuer shall determine, and either directly or through the Registrar, announce by way of press release, the basis of acceptance of applications and allocation policy to be adopted.

12. Save where the context requires otherwise, terms defined in the Prospectus bear the same meaning when used in these Terms and Conditions of Application, in the Application Form and in any other document issued pursuant to the Prospectus.

13. Application has been made to the Malta Stock Exchange for the Bonds to be admitted to the Second Tier Market for trading. Applicants shall be informed by mail of the amount allotted further to acceptance of their application. Dealing shall commence upon admission to trading of the Bonds by the MSE, and following notification of the applicants as aforesaid.

14. The Application lists for the Bonds will open at 08:30 hours on 21 November 2007 and will close as soon thereafter as may be determined by the Issuer but not later than 12:00 hours on 27 November 2007.

Annex II – Specimen Application Forms

Mediterranean Investments Holding p.l.c.

Euro15,000,000 (equivalent to Lm6,439,500)
7.5% BONDS 2012 - 2014
APPLICATION FORM - EUR BONDS

Application Number

Please read the notes overleaf before completing this Application Form. **Mark 'X' if applicable.**

APPLICANT (see notes 2 to 6)

A ☐ Non-Resident ☐ Minor (under 18) ☐ Body Corporate/ Body of Persons ☐ CIS-Prescribed Fund

B

TITLE (Mr/Mrs/Ms/ ......)	FULL NAME & SURNAME / REGISTERED NAME		
ADDRESS			
			POSTCODE
MSE A/C NO. (if applicable)	I.D. CARD / PASSPORT / COMPANY REG. NO.	TEL. NO.	MOBILE NO.

C **ADDITIONAL (JOINT) APPLICANTS** (see note 2) (please use additional Application Forms if space is not sufficient)

TITLE (Mr/Mrs/Ms/ ......)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.
TITLE (Mr/Mrs/Ms/ ......)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.

D **MINOR'S PARENTS / LEGAL GUARDIAN/S** (see note 4) (to be completed ONLY if the Applicant is a minor)

I	TITLE (Mr/Mrs/Ms/ ......)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.
II	TITLE (Mr/Mrs/Ms/ ......)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.

E **I/WE APPLY TO PURCHASE AND ACQUIRE** (see notes 7 to 9):

AMOUNT IN FIGURES €	AMOUNT IN WORDS

Mediterranean Investments Holding p.l.c. 7.5% Bonds 2012-2014 (minimum €1,000 (equivalent to Lm429.30) **and in multiples of €100** (equivalent to Lm42.93) **thereafter)** or any smaller amount of Bonds for which this Application may be accepted at the Bond Offer Price, as defined in the Prospectus dated 7 November 2007 (the "Prospectus"), payable in full upon application under the Terms and Conditions as defined in the said Prospectus.

F **RESIDENT - WITHHOLDING TAX DECLARATION** (see note 10) (to be completed ONLY if the Applicant is a Resident of Malta)

☐ I/We elect to have Final Withholding Tax deducted from my/our interest.

☐ I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).

G **NON-RESIDENT - DECLARATION FOR TAX PURPOSES** (see note 11) (to be completed ONLY if the Applicant is a Non-Resident)

TAX COUNTRY		TOWN OF BIRTH	
T I N (Tax Identification Number)		COUNTRY OF BIRTH	
PASSPORT/NATIONAL I.D. CARD	COUNTRY OF ISSUE	NUMBER	ISSUE DATE

☐ I/We am/are **NOT** Resident in Malta but I/we am/are Resident in the European Union.

☐ I/We am/are **NOT** Resident in Malta and I/we am/are **NOT** Resident in the European Union.

H **INTEREST MANDATE** (see note 10) (to be completed if the Applicant wishes to have interest paid directly to a bank account)

BANK	BRANCH	ACCOUNT NUMBER

I **I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions which I/we fully accept. Furthermore, I/we confirm that this is the only Application Form I/we am/are submitting on my/our behalf or on behalf of the company or other entity I/we represent.**

Signature/s of Applicant/s
(Both parents or legal guardian/s are/is to sign if Applicant is a minor)
(All parties are to sign in the case of a joint Application)

Date

AUTHORISED INTERMEDIARY'S STAMP	AUTHORISED INTERMEDIARY'S CODE

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with
the Prospectus dated 7 November 2007

1. The Application Form is to be completed in BLOCK CHARACTERS.

2. Applicants are to insert full personal details in Panel B. In the case of an application by more than one person (including husband and wife) full details of all individuals - including I.D. Card Numbers - must be given in Panels B and C **but the person whose name appears in Panel B shall, for all intents and purposes, be deemed to be the registered holder of the Bond. Interest, redemption proceeds and any refund cheques will be issued in the name of such Bondholder.**

3. Applicants who are Non-Resident in Malta for tax purposes, must indicate their passport number in Panel B, complete Panel G and the relative box in Panel A must also be marked appropriately.

4. In the case of an Applicant who is a minor, the word 'minor' must be indicated in Panel B next to the Applicant's name and the relative box in Panel A must also be marked. A Public Registry birth certificate must be attached to the Application Form. (The birth certificate is not required if the minor already holds securities which are listed on the Malta Stock Exchange (MSE)). The Application Form must be signed by both parents or by the legal guardian/s. (Interest, redemption proceeds and any refund cheques will be made payable to the parent / legal guardian named in Panel DI until such time as the Issuer is notified that the minor named in Panel B has attained the age of eighteen (18) years). The address to be inserted in Panel B is to be that of the parents / legal guardian/s.

5. In the case of a body corporate, the name of the entity, exactly as registered, and the registration number are to be inserted in Panel B. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.

6. Applicants who hold securities on the Malta Stock Exchange are to indicate their MSE account number. If details shown on this Application Form differ from the existing account details at the MSE, a new MSE account may be opened for this Application.

7. Applications must be for a minimum of €1,000 (equivalent to Lm429.30) and thereafter in multiples of €100 (equivalent to Lm42.93).

8. Applications must be accompanied by the corresponding amount in Euro of the Bonds applied for.

9. Payment in Euro may be made by cheque drawn on a Maltese bank or by a banker's draft, payable to 'The Registrar - MIH Bond Issue'. In the event that cheques accompanying Application Forms are not honoured on their first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application.

10. Only applicants who hold a valid official Maltese Identity Card or Companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have Final Withholding Tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of Final Withholding Tax), but he/she will be obliged to declare interest so received on his/her return. Authorised entities applying in the name of a Prescribed Fund (having indicated their status in the appropriate box in Panel A) will have Final Withholding Tax, currently 10%, deducted from interest payments. Applicants may choose to receive their interest directly in a bank account held locally in Euro and such choice is to be indicated in Panel H.

11. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. European Council Directive 2003/48/EC on the Taxation of Savings Income in the form of interest payments requires all payors established in the EU which pay interest to an individual resident in another EU Member State, to report the interest payment to the tax authorities of the Member State in which the payor is established. If the Applicant's permanent residential address is in an EU Member State or in another country to which the Directive applies (called a "specified territory") then the interest paid will be reported.

12. Subscription Lists will open at 08.30 hours on 21 November 2007 and will close at 12.00 hours on 27 November 2007. The Issuer reserves the right, however, to close the Bond Issue before 27 November 2007 in the event of over-subscription. Any Applications received by the Registrar after the Subscription Lists close will be rejected.

13. Completed Application Forms are to be delivered to the offices of the Issuer, the Registrar or any Authorised Intermediary listed in the Prospectus, during normal office hours. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not received by the closing of the Subscription Lists.

14. The Issuer reserves the right to refuse any Application which appears to be in breach of the terms and conditions of the Bond as contained in the Prospectus.

15. By completing and delivering an Application Form you (as the Applicant(s)):
    a) acknowledge that the Issuer may process the personal data that you provide in the Application Form in accordance with the Data Protection Act 2001;
    b) acknowledge that the Issuer may process such personal data for all purposes necessary for and related to the issue of the Bonds applied for; and
    c) acknowledge that you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. The request must further be signed by yourself, as the Applicant to whom the personal data relates.

16. The Lm equivalents indicated in this Application Form are included at the unalterable and irrevocably fixed conversion rate ("IFCR") between the Euro and the Maltese Lira of €1=Lm0.4293 adopted by the European Council according to the first sentence of Article 1091(4) of the Treaty establishing the European Community and are for information purposes only in accordance with the provisions of the Euro Adoption (Dual Display and Euro Pricing) Regulations (L.N. 4/2007). The target date of 1 January 2008 as the date on which Malta will adopt the Euro and the IFCR were confirmed by the Council of Ministers (ECOFIN) on 10 July 2007.

17. The terms used in this Application Form have the same meaning as that assigned to them in the Prospectus.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult a licensed stockbroker or an investment adviser, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.

MIH

Mediterranean Investments Holding p.l.c.

Lm

Lm6,439,500 (equivalent to €15,000,000)
7.5% BONDS 2012 - 2014
APPLICATION FORM - MTL BONDS

Application Number

Please read the notes overleaf before completing this Application Form. **Mark 'X' if applicable.**

APPLICANT (see notes 2 to 6)

A ☐ Non-Resident ☐ Minor (under 18) ☐ Body Corporate/ Body of Persons ☐ CIS-Prescribed Fund

B

TITLE (Mr/Mrs/Ms/ ......)	FULL NAME & SURNAME / REGISTERED NAME		
ADDRESS			
			POSTCODE
MSE A/C NO. (if applicable)	I.D. CARD / PASSPORT / COMPANY REG. NO.	TEL. NO.	MOBILE NO.

C **ADDITIONAL (JOINT) APPLICANTS** (see note 2) (please use additional Application Forms if space is not sufficient)

TITLE (Mr/Mrs/Ms/ ......)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.
TITLE (Mr/Mrs/Ms/ ......)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.

D **MINOR'S PARENTS / LEGAL GUARDIAN/S** (see note 4) (to be completed ONLY if the Applicant is a minor)

	TITLE (Mr/Mrs/Ms/ ......)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.
I	TITLE (Mr/Mrs/Ms/ ......)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.
II	TITLE (Mr/Mrs/Ms/ ......)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.

E **I/WE APPLY TO PURCHASE AND ACQUIRE** (see notes 7 to 9):

AMOUNT IN FIGURES	AMOUNT IN WORDS
Lm	

Mediterranean Investments Holding p.l.c. 7.5% Bonds 2012-2014 (minimum Lm500 (equivalent to €1,164.69) **and in multiples of Lm100** (equivalent to €232.94) **thereafter)** or any smaller amount of Bonds for which this Application may be accepted at the Bond Offer Price, as defined in the Prospectus dated 7 November 2007 (the "Prospectus"), payable in full upon application under the Terms and Conditions as defined in the said Prospectus.

F **RESIDENT - WITHHOLDING TAX DECLARATION** (see note 10) (to be completed ONLY if the Applicant is a Resident of Malta)

☐ I/We elect to have Final Withholding Tax deducted from my/our interest.

☐ I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).

G **NON-RESIDENT - DECLARATION FOR TAX PURPOSES** (see note 11) (to be completed ONLY if the Applicant is a Non-Resident)

TAX COUNTRY		TOWN OF BIRTH	
T I N (Tax Identification Number)		COUNTRY OF BIRTH	
PASSPORT/NATIONAL I.D. CARD	COUNTRY OF ISSUE	NUMBER	ISSUE DATE

☐ I/We am/are **NOT** Resident in Malta but I/we am/are Resident in the European Union.

☐ I/We am/are **NOT** Resident in Malta and I/we am/are **NOT** Resident in the European Union.

H **INTEREST MANDATE** (see note 10) (to be completed if the Applicant wishes to have interest paid directly to a bank account)

BANK	BRANCH	ACCOUNT NUMBER

I **I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions which I/we fully accept. Furthermore, I/we confirm that this is the only Application Form I/we am/are submitting on my/our behalf or on behalf of the company or other entity I/we represent.**

Signature/s of Applicant/s
(Both parents or legal guardian/s are/is to sign if Applicant is a minor)
(All parties are to sign in the case of a joint Application)

Date

AUTHORISED INTERMEDIARY'S STAMP	AUTHORISED INTERMEDIARY'S CODE

Lm

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with
the Prospectus dated 7 November 2007

1. The Application Form is to be completed in BLOCK CHARACTERS.

2. Applicants are to insert full personal details in Panel B. In the case of an application by more than one person (including husband and wife) full details of all individuals - including I.D. Card Numbers - must be given in Panels B and C **but the person whose name appears in Panel B shall, for all intents and purposes, be deemed to be the registered holder of the Bond. Interest, redemption proceeds and any refund cheques will be issued in the name of such Bondholder.**

3. Applicants who are Non-Resident in Malta for tax purposes, must indicate their passport number in Panel B, complete Panel G and the relative box in Panel A must also be marked appropriately.

4. In the case of an Applicant who is a minor, the word 'minor' must be indicated in Panel B next to the Applicant's name and the relative box in Panel A must also be marked. A Public Registry birth certificate must be attached to the Application Form. (The birth certificate is not required if the minor already holds securities which are listed on the Malta Stock Exchange (MSE)). The Application Form must be signed by both parents or by the legal guardian/s. (Interest, redemption proceeds and any refund cheques will be made payable to the parent / legal guardian named in Panel DI until such time as the Issuer is notified that the minor named in Panel B has attained the age of eighteen (18) years). The address to be inserted in Panel B is to be that of the parents / legal guardian/s.

5. In the case of a body corporate, the name of the entity, exactly as registered, and the registration number are to be inserted in Panel B. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.

6. Applicants who hold securities on the Malta Stock Exchange are to indicate their MSE account number. If details shown on this Application Form differ from the existing account details at the MSE, a new MSE account may be opened for this Application.

7. Applications must be for a minimum of Lm500 (equivalent to €1,164.69) and thereafter in multiples of Lm100 (equivalent to €232.94).

8. Applications must be accompanied by the corresponding amount in Maltese Liri of the Bonds applied for.

9. Payment in Maltese Liri may be made by cheque payable to 'The Registrar - MIH Bond Issue'. In the event that cheques accompanying Application Forms are not honoured on their first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application.

10. Only applicants who hold a valid official Maltese Identity Card or Companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have Final Withholding Tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of Final Withholding Tax), but he/she will be obliged to declare interest so received on his/her return. Authorised entities applying in the name of a Prescribed Fund (having indicated their status in the appropriate box in Panel A) will have Final Withholding Tax, currently 10%, deducted from interest payments. Applicants may choose to receive their interest directly in a bank account held locally in Maltese Liri and such choice is to be indicated in Panel H.

11. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. European Council Directive 2003/48/EC on the Taxation of Savings Income in the form of interest payments requires all payors established in the EU which pay interest to an individual resident in another EU Member State, to report the interest payment to the tax authorities of the Member State in which the payor is established. If the Applicant's permanent residential address is in an EU Member State or in another country to which the Directive applies (called a "specified territory") then the interest paid will be reported.

12. Subscription Lists will open at 08.30 hours on 21 November 2007 and will close at 12.00 hours on 27 November 2007. The Issuer reserves the right, however, to close the Bond Issue before 27 November 2007 in the event of over-subscription. Any Applications received by the Registrar after the Subscription Lists close will be rejected.

13. Completed Application Forms are to be delivered to the offices of the Issuer, the Registrar or any Authorised Intermediary listed in the Prospectus, during normal office hours. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not received by the closing of the Subscription Lists.

14. The Issuer reserves the right to refuse any Application which appears to be in breach of the terms and conditions of the Bond as contained in the Prospectus.

15. By completing and delivering an Application Form you (as the Applicant(s)):
    a) acknowledge that the Issuer may process the personal data that you provide in the Application Form in accordance with the Data Protection Act 2001;
    b) acknowledge that the Issuer may process such personal data for all purposes necessary for and related to the issue of the Bonds applied for; and
    c) acknowledge that you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. The request must further be signed by yourself, as the Applicant to whom the personal data relates.

16. The Euro equivalents indicated in this Application Form are included at the unalterable and irrevocably fixed conversion rate ("IFCR") between the Euro and the Maltese Lira of €1=Lm0.4293 adopted by the European Council according to the first sentence of Article 1091(4) of the Treaty establishing the European Community and are for information purposes only in accordance with the provisions of the Euro Adoption (Dual Display and Euro Pricing) Regulations (L.N. 4/2007). The target date of 1 January 2008 as the date on which Malta will adopt the Euro and the IFCR were confirmed by the Council of Ministers (ECOFIN) on 10 July 2007. When the Euro becomes the legal currency of Malta the Bonds will be automatically redenominated in Euro and conversion from Maltese Lira into Euro shall take place at the IFCR on the date the Euro becomes legal tender in Malta in accordance with any applicable law and/or guidelines.

17. The terms used in this Application Form have the same meaning as that assigned to them in the Prospectus.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult a licensed stockbroker or an investment adviser, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.

Annex III - List of Authorised Intermediaries

Members of the Malta Stock Exchange

ATLAS INVESTMENT SERVICES LTD. Abate Rigord Street, Ta' Xbiex	Tel. 2132 2590	Fax. 2326 5691
BANK OF VALLETTA P.L.C. BOV Centre, Cannon Road, St Venera	Tel. 2131 2020	Fax. 2275 1733
CALAMATTA, CUSCHIERI & CO. LTD. 5th Floor, Valletta Buildings, South Street, Valletta	Tel. 2568 8688	Fax. 2568 8256
CHARTS INVESTMENT MANAGEMENT SERVICE LTD. 18A, 3rd Floor, Europa Centre, Floriana	Tel. 2122 4106	Fax. 2124 1101
CURMI & PARTNERS LTD. Finance House, Princess Elizabeth Street, Ta' Xbiex	Tel. 2134 7331	Fax. 2134 7333
FINANCIAL PLANNING SERVICES LTD. 4, Marina Court, G. Cali Street, Ta' Xbiex	Tel. 2134 4243	Fax. 2134 1202
FINCO TREASURY MANAGEMENT LTD. Level 5, The Mall Complex, The Mall, Floriana	Tel. 2122 0002	Fax. 2124 3280
GLOBALCAPITAL FINANCIAL MANAGEMENT LTD. 120, The Strand, Gzira	Tel. 2134 2342	Fax. 2328 2284
HOGG CAPITAL INVESTMENTS LTD. Regent House, Suite 33, Bisazza Street, Sliema	Tel. 2132 2872	Fax. 2134 2760
HSBC STOCKBROKERS (MALTA) LTD. 233, Republic Street, Valletta	Tel. 2597 2241	Fax. 2597 2494
RIZZO, FARRUGIA & CO. (STOCKBROKERS) LTD. Airways House, 3rd Floor, High Street, Sliema	Tel. 2131 4038	Fax. 2131 0671

continued >

Investment Services Providers

ALL INVEST CO. LTD. Rosewall Bldg, Level 2, Triq Villabate, M'Scala By Pass, Zabbar	Tel. 2180 0919	Fax. 2182 1933
APS BANK LTD. APS House, 24, St Anne Square, Floriana	Tel. 2567 1177	Fax. 2567 1167
CRYSTAL FINANCE INVESTMENTS LTD. 6, Freedom Square, Valletta	Tel. 2122 6190	Fax. 2122 6188
GROWTH INVESTMENTS LTD. Middle Sea House, Floriana	Tel. 2122 6411	Fax. 2124 9811
HSBC BANK MALTA P.L.C. 233, Republic Street, Valletta	Tel. 2597 2209	Fax. 2597 2475
ISLAND FINANCIAL SERVICES LTD. Insurance House, Psaila Street, B'Kara	Tel. 2385 5555	Fax. 2385 5238
JESMOND MIZZI FINANCIAL SERVICES LTD. 67, Flat 3, South Street, Valletta	Tel. 2122 4410	Fax. 2122 3810
LOMBARD BANK MALTA P.L.C. Lombard House, 67, Republic Street, Valletta	Tel. 2124 8411	Fax. 2558 1150
MICHAEL GRECH FINANCIAL INVESTMENT SERVICES LTD. 1, Mican Court, J F Kennedy Square, Victoria, Gozo	Tel. 2155 4492	Fax. 2155 9199
M.Z. INVESTMENT SERVICES LTD. 11, St Rita Street, Rabat	Tel. 2145 3739	Fax. 2145 3407

Annex IV – Architects' Valuation

Palm City
RESIDENCES

Valuation of Palm City
Janzour, Libya

DeMicoli & Associates
Architects

October 2007

Postal Address: 8/5 Portomaso Tower, Portomaso STJ 4011 - Malta.
tel: [+356] 21381500 **fax:** [+356] 21381600 **e-mail:** info@danda.com.mt **web:** www.danda.com.mt

1.00 GENERAL:

1.00 Subject:

This valuation relates to the contractual rights acquired by Palm City Limited by virtue of a Build, Operate and Transfer (BOT) agreement entered into with Corinthia Palace Hotel Company Limited (CPHCL) on 2 October 2007.

By virtue of this BOT agreement Palm City Limited undertook to carry out, at its own expense, the project development that is described in this report. Palm City Limited will be responsible for operating the project on its own account and for its own benefit for a period of 65 years, and during this period will therefore be entitled to all the revenues and profits to be derived from such operation. It shall also be entitled to transfer its rights under the BOT agreement to third parties, with the prior consent of CPHCL, which consent shall not be unreasonably withheld. Following the expiry of the said 65 year period, the operation of the project shall fully vest with CPHCL.

1.01 Project Address:

Sidi Abdul Jalil
Janzour
LIBYA

1.02 Location:

Palm City is located West of Tripoli, on the Mediterranean Coast of Libya, in the village of Janzour. It is 14 km to city centre and 24 km from Tripoli Airport. It lies on the North fringe of Janzour itself. The access road separates the project from the town of Janzour (see map below).

1.03 Party Requesting Valuation:

Mediterranean Investments Holding p.l.c., a company registered in Malta. Mediterranean Investments Holding p.l.c. is 100% shareholder of Palm City Limited.

1.04 Purpose of Valuation and Applicable Standards:

This valuation has been drawn up in connection with a bond issue that shall be made by Mediterranean Investments Holding p.l.c. A copy of this report will be included with the Prospectus, in accordance with the Listing Rules for Property Companies.

The valuation is being carried out in accordance with the recommended practice suggested by the Royal Institute of Chartered Surveyors' (RICS) Appraisal and Valuation Manual and in terms of section 14 of the Listing Rules.

RICS defines market value, by reference to standards drawn up by the International Valuation Standards Committee, as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

This valuation has been drawn up by the undersigned as an external valuer in terms of, and with regard given to, the above definition and to the guidance thereon provided by the same Institute, which in the opinion of the undersigned could be validly applied to the contractual rights which are the subject of this valuation.

1.05 Ownership of Land and Legal Title:

The land on which the project is constructed was acquired under a temporary leasehold title in 2006 by CPHCL.

The lease will expire in 2105. All rent due on the lease up to its expiry has been settled.

The real rights over immovable property conveyed to CPHCL in terms of the lease cannot be assigned to third parties without the consent of the Government of Libya.

The property is subject to the following charge in respect of a loan facility totalling EUR 55 million that has been granted to Palm City Limited:

A Land Charge granted under the Libyan law official contract for mortgage in favour of Gumhouriya Bank, Tripoli Branch as Security Agent for a syndicate of financial institutions comprising ABC International Bank plc, Bawag P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft, Bank of Valletta p.l.c., Gumhouriya Bank, Tunis International Bank.

No draw-downs have to date been made against this facility.

1.06 Conflict of Interest:

I declare that I have no conflicts of interest in effecting this valuation and that the professional indemnity cover of my practice is currently updated.

1.07 Sources of Information:

Information was supplied by the directors, executives and legal advisors of Mediterranean Investments Holding p.l.c. as far as concerns tenure, privileges, charges, burdens and other related matters. Legal opinion has also been obtained to confirm that the BOT contract that is the subject of this valuation is consistent with applicable law, with the conditions of the lease title held by CPHCL and of the legal charges on the property.

Other aspects of the valuation have been based upon the detailed knowledge and familiarity of the undersigned with the project; on independent enquiries made on the relevant property market in Libya; and on an independent financial assessment of the earnings expectations from the project that was undertaken by PricewaterhouseCoopers and which was commissioned by Mediterranean Investments Holding p.l.c. for the specific purposes of this valuation.

2.00 PALM CITY SITE:

The site lies between the sea and the main road leading to Tripoli, just north of the town of Janzour. The configuration of the land is rectangular, and the site slopes from the coast in the North upwards towards the road to the South of the site, where the level of the road is about 13 metres above sea level. This slope allows most residential units to have an uninterrupted view of the sea as each unit overlooks the one in front of it. The high rise apartment blocks are located at the higher South end of the site thus having also a clear and unobstructed seaview over the low rise buildings further down the slope towards the sea.

The site commands 1,381 metres of coastline and 123 metres of sandy beach. The overall developable area of Palm City is 133,824 square metres.

2.01 Site Geology:

The site consists of large tracts of sand with irregular rock outcrops in different sections, in a seaside location.

A thorough site investigation was carried out in order to establish the most advantageous manner for foundations. Appropriate methods of construction were used for different buildings to respect the geological constraints and the seaside location, and ensure a durable product.

3.00 ARCHITECTURAL APPRAISAL:

3.01 Market Research:

A thorough market survey was carried out in order to assess whether the right blend of accommodation to suit the expected demand had been established. An appraisal was made of the competing complexes. Meetings were held with a number of prospective tenants to ensure that the product meets their needs and expectations.

Since the commercial embargo was lifted, Libya is witnessing an influx of expatriates who require accommodation, mainly working in the oil sector or construction. The resulting demand coupled with limited supply has seen a rise in the cost of rental accommodation.

3.02 Objectives of the Development:

The objectives of Palm City are to provide:

1. A village-type environment that reinforces scale, and spatial quality of the areas between the buildings.
2. A high standard of accommodation.
3. Managed amenities and maintenance to service the needs of tenants.
4. High standard of utilities.
5. Lush landscaping.
6. The maximisation of seaviews.

3.03 Density:

Total developable area	133,824m²
Building foot print is	42,932m²
Site coverage	32.1%

The beach area between the buildings and the shoreline is not included in the total site area quoted above. The gross area of the site is 171,031m².

3.04 Amenities:

The following amenities will be provided to support the 408 residential units within the project:

1. Piazza:	Supermarket 936m²		
	Parking underground 166 cars		
	Stores		
	Maintenance workshop		
	Administrative offices		
	Staff canteen		
	Clinic		
	Retail shops 1,300m² around the Piazza		
	Children's playground		
2. Beach Club:	Pool 450m² nestled between 2 existing rocky features near the sandy beach		
	Pool grill		66m²
	Restaurant:	Indoor	212m²
		Outdoor	173m²
	Boat storage		259m²
3. Club House:	4 Tennis courts		
	1 'Calcetto' pitch		
	Large turfed outdoor area		
	Indoor pool		
	Squash courts		
	Changing rooms		
	Meeting rooms		
	Storage		

3.05 Construction:

Construction depended upon the nature of the building as well as location and ground bearing capacity. All buildings are designed to be anti-seismic to UBC code zone 2a.

3.06 Logistics:

Besides the customary site offices being provided by the developer, several other amenities were required to be erected and dismantled once project is completed, namely consultants and managers' accommodation, kitchen and canteen, and laundry, first aid, security rooms and ablutions.

3.07 Finishes and Support Infrastructure:

Care has been taken by the developers to ensure a high quality development, with particular attention being given to:

- External finishes, which are designed to be attractive yet hard wearing.
- The quality of all internal finishes, including gypsum rendering, the use of rectified ceramic tiles, air-conditioning, attractive furniture and soft furnishings and a comprehensive suite of high quality home appliances. The Units will be ready to move in upon project completion.
- The completeness of the building services provided, including standard features such as internet connections, satellite TV, telephone lines and irrigation water.
- The provision of lush landscaping that will enhance the buildings and the whole project, creating an oasis-like environment. A sewage treatment plant is planned to provide second class water for the irrigation of all public areas.

- The robustness and self-sufficiency of the basic infrastructural services such as power supply, water and drainage services. Additional care has been taken to ensure as far as possible the regular and uninterrupted supply of all such services, which are all below ground. Five sub-stations are planned, to ensure an adequate spread of the expected load.

- Two large reservoirs will ensure provision of potable water for two days, in case of an interruption of the mains supply.

3.08 Building Permit:

The Palm City development has a valid building permit issued by the Libyan Tourist Development Department on the 20th March 2006 (as per attached letter dated 21st March 2006).

4.00 COMPARABLE VALUES OF LAND AND PROPERTY IN LIBYA:

4.01 The pricing of residential units within gated complexes is generally higher than individual properties in Tripoli. Palm City will offer the advantage of having its grounds secure, with a fence all around the site under constant surveillance with cctv cameras with one main entrance to the South of the Piazza which controls the security of the site. The amenities provided within the site for the residents also enhance the value of the property compared to other values of land and property in Libya, which lack amenities and are not secure.

The finishes, landscaping and sizes of the units will compare well with other properties elsewhere in Libya. The architectural outlook is very attractive and all these characteristics indicate that for similar units, the value in Palm City will be higher than other locations in Libya, including other neighbourhoods in Tripoli itself. As a result of all the amenities and management services provided it is expected that units should command a rental higher than comparable complexes.

4.02 Demand – An equivalent property cannot be easily found in Libya. The development is a controlled secure enclave with all amenities which render the complex self-contained, with bungalows metres away from the shore, and with seaviews to most of the units. Palm City therefore is satisfying this demand.

The developers' expectations from the project, which take account also of negotiations already underway with prospective tenants, reflect this assessment of demand. It is expected that the project will be 70% rented out by its completion, and that full occupancy will be attained by the second to third years of operation.

4.03 Land value – There has been a considerable appreciation of land in Libya in recent years. The rate of appreciation has been in the region of 40% to 80% in the sought after areas and 10% to 20% in the less sought after areas.

5.00 VALUATION AND COST STATEMENT REQUIREMENTS:

5.01 The following valuations are required in terms of the Listing Rules relating to the proposed bond issue:

a) Valuation of the contractual rights appertaining to Palm City Limited in terms of the BOT agreement once the project attains maturity, which is expected relatively quickly within two to three years from completion.

b) Valuation of the same contractual rights immediately following the completion of the project, envisaged in December 2008.

c) Valuation of the same contractual rights as at the date of this report, reflecting the present state of construction of the project.

5.02 The Listing Rules also require a statement of the expected costs of the project, which are summarised below on the basis of their expected historical cost:

	€ million
Consideration for development works, obtaining of all permits, design and engineering works carried out by CPHCL prior to transfer to PCL (the BOT Agreement)	24
Construction and site costs:	
Incurred to date	11
Projected to completion	69
Finance costs to completion	6
Total expected cost once complete	110

5.03 The developers ensure a high standard of project management and control that includes the regular reporting of costs incurred against budget, and the regular updating of the estimate of costs to completion to reflect the latest available data and to include a reasonable level of contingency to cover the risk of delays and cost over-runs. The above data has been extracted from these records.

6.00 VALUATION OF BOT CONTRACTUAL RIGHTS FOR THE COMPLETED PROJECT ONCE MATURE:

6.01 Methodology Adopted

A discounted cash flow methodology has been applied in order to arrive at the valuation of the contractual rights arising under the BOT once the project has been completed and rented out.

This method of valuation takes into account the expected returns from the project and discounts them to present value applying a rate of return designed to meet an investor's likely expectations.

In the absence of comparable market transactions for projects of this nature within Libya, this method of valuation is considered most likely to reflect the value of the complex as a unitary whole.

By way of obtaining additional comfort on the valuation derived above, this exercise has also considered the potential value of the project as an immovable asset independently of the BOT contract that governs it today. For this purpose, an estimate has been made of the revenues that may be generated from selling the various components within the project separately on the open market, through an assessment of comparable properties and transactions.

6.02 Discounted Cash Flow Method at Maturity:

An assessment has been made of the cash flows that are expected to be derived from the project once fully rented, which is expected to occur between the second and third years of operation. This assessment has been made based on current prices and current market conditions.

The Project features 408 luxury units which will vary in size from one-bedroom apartments to four-bedroom detached villas. These are expected to have a net area (including terraces) of 93,227 square metres. The following table illustrates the average projected rental price per unit applicable in relation to the different types of units which will be offered for five to seven year rentals:

Unit Type	Number of units	Average monthly rental value per unit €	Total annual rental income €
Studio Apartments	24	2,200	633,600
Two-Bedroom Apartments	95	3,175	3,619,500
Two-Bedroom Maisonettes	52	3,465	2,162,160
Three-Bedroom Apartments	44	4,830	2,550,240
Three-Bedroom Terraced Houses	140	6,255	10,508,400
Bungalows	46	6,835	3,772,920
Villas with Pool	7	10,710	899,640
	408	4,932	24,146,460
Commercial and F&B Concessions	4	12,499	599,952
Total Potential Rental Income			24,746,412

The Directors anticipate that 95% of these units will be rented out by 2010 which is the second year of operation. The valuation is based on a more prudent take up with 65% of the units assumed to be rented out in 2009, 75% in 2010 and 85% in 2011. The stabilised occupancy rate of 95% is assumed to be achieved by 2012, which is the fourth year of operation.

Allowance has been made for all costs to be incurred in operating and maintaining the property, including landscaping, and the replacements and upgrading that will be required from time to time to furniture, plant, fittings and, where applicable, to building structures.

Projected cash flow surpluses relating to management operations, and not directly related to the real estate component, have been excluded.

The projected cash flows have been discounted to present value applying a discounting rate that takes account of the normal expectations of an investor in a BOT contract of this nature. The exercise has recognised the degree of risk associated with relevant factors such as the current state of completion of the project, the expected costs and timeframes to completion, expected demand, negotiations held to date with prospective tenants, territorial location, and the returns available from alternative investments. Regard has also been given to the nature of the contractual rights that are the subject of this valuation, and to any restrictions relating to it.

On this basis, the value of the contractual rights arising under the BOT once the project has been completed and rented out has been computed at €160 million.

6.03 Valuation Conclusion

On the basis of the computations set out in paragraphs 6.01 and 6.02 above, the open market value of the contractual rights arising under the BOT once the project has been completed and rented out, which is expected to occur between the second and third years of operation (vis 2010 – 2011) has been determined at €160 million.

7.00 VALUE OF THE BOT CONTRACTUAL RIGHTS ON THE PROJECT IMMEDIATELY UPON COMPLETION:

7.01 Value of the BOT contractual rights on the project upon completion is expected to represent the estimated value at project maturity less a percentage deduction due to the following factors:

a) Project completed but snagging in course.
b) Project not fully occupied having consequently a negative impact on cash flows in the interim period; having said this, as already noted above, there is a reasonable expectation that the project should be already 70% rented out by the date of its completion.
c) Period of time elapsed for project to get more known.
d) Period of public assessment of the project.

7.02 Taking account of the projected cash flows from the project during the first two years of operation, reflecting the impacts of the above factors, a discount of 10% has been considered appropriate, resulting in an estimated value of the BOT contractual rights upon completion of €145 million.

8.00 VALUE OF THE PROJECT IN ITS CURRENT STATE:

The open market value of the BOT contractual rights on the project in its current state and at the present date has been determined at €56 million in two ways, on the basis of the assessments already detailed above, such as to attain a fair sharing of the expected development profit between the promoters and a hypothetical purchaser of the contract:

Firstly:

	€
Consideration works carried out by CPHCL prior to transfer to PCL (BOT)	24 m
Adding the cost to date	11 m
Adding profit for development to date	21 m
Value as at 16th September 2007	**56 m**

Secondly:

Considering the estimated value at completion	145 m
Deduct estimated cost to complete	75 m
Deduct carrying cost to completion, remuneration for risk	14 m
Value as at 16th September 2007	**56 m**

9.00 AUTHOR OF VALUATION:

This valuation was drawn up by the firm of Architects and Civil Engineers

DeMicoli and Associates
8/5 Portomaso Tower
Portomaso PTM 01
MALTA

Tel.: [+356] 21381500
Fax: [+356] 21381600
Email info@danda.com.mt
Web site: www.danda.com.mt

10.00 SIGNATORY:

Ray DeMicoli

Ray DeMicoli A. & C. E.

3rd October 2007

Alshams Bureau
Legal Translation & Consultations

مكتب الشمس
للترجمة القانونية والإستشارات

Translated from Arabic
10/05/2007.

Great Socialist People's Libyan Arab Jamahiriya
General People's Committee for Tourism
Tourist Development Department

Date: 21/03/2006.

To: General Manager of Palm City Company

Dear Sir;

With reference to your letter No. (15/2006), dated 19/03/2006, regarding the study and approval of modified architectural drawings related to the palm village project in Janzur.

Therefore, we hereby inform you that the technical committee has approved the project designing drawings in its sixty seventh meeting, on 20/03/2006, in the headquarters of the Tourist Development Department, with noting the satisfaction with the building height. The committee appreciate your distinct efforts in submitting the technical report of the proposed project.

You are kindly request to start the execution of the project as approved.

Thank you for your kind cooperation.

With best regards,,,

Signed and stamped/
Dr. Ali Fares Awida
Secretary of the People's Committee

Cc:

- *Secretary of the General People's Committee for Tourism.*
- *Manager of the Investment Affairs Department.*
- *Manager of the Technical Affairs Department.*
- *Head of the Technical Committee.*
- *Committee's file.*
- *General periodical file.*

Tel : 334 0103 Tel & Fax : 333 8687
Ethadi St (Ex. Emhamed Almagarief) - Tripoli - Libya

هاتف: 334 0103 هاتف وفاكس: 333 8687
شارع التحدي (أمحمد المقريف) سابقاً مقابل مطحن الجندي - طرابلس - ليبيا

الجماهيرية العربية الليبية الشعبية الاشتراكية العظمى
اللجنة الشعبية العامة للسياحة

لا ديمقراطية بدون مؤتمرات شعبية

مصلحة التنمية السياحية

Approval of Drawings & Layout

إشاري رقم : 366-22-3

التاريخ : / /
الموافق : 21/03/1374 و.ر

الأخ/ مدير عام شركة بالم سيتى

بعـد التحيـــــة ،،،

بالإشـــارة إلى رسالتكم رقم (**2006/15**) المؤرخة في 2006.03.19م بشـأن دراسـة واعتماد الرسومات المعمارية المعدلة الخاصة بمشروع قرية النخيل بجنزور .

عليـــه ... نفيدكم بأن اللجنة الفنية قد اعتمدت الرسومات التصميمية للمشروع باجتماعها السابع والستون الموافق 1374.03.20و.ر بمقر مصلحة التنمية السـياحية ، مـع ملاحظـة الاكتفاء بارتفاع المباني ، كما تُثمن اللجنة جهودكم المميزة في تقديم التقرير الفني للمشـروع المقترح .

نأمل البدء في تنفيذ المشروع وفق المعتمد .

شاكرين لكم حسن تعاونكم

والسلام عليكم ورحمة الله وبركاته

د . على فارس عويدة

أمين اللجنة الشعبية

مصلحة التنمية السياحية

- أمين اللجنة الشعبية العامة للسياحة
- مدير إدارة شئون الاستثمار
- مدير إدارة الشئون الفنيـــة
- رئيس اللجنة الفنيـــــــة
- ملـــف اللجنـــة
- الملف الدوري العام
- م.اسماء ح.الجديدى

هاتف : 00218213405112 / 00218213405113 / 00218213405116 فاكس : 00218213405115
صندوق بريد 91871 طرابلس - ليبيا / بريد إلكتروني tipblibya@yahoo.com

Annex V
Consolidated Projected Financial Statements of the Issuer
for the period 1 September 2007 to 31 December 2014

Certified Public Accountants
and Management Consultants

Grant Thornton

The Directors
Mediterranean Investments Holding p.l.c.
22, Europa Centre
Floriana
Malta

3 October 2007

Dear Sirs,

Accountants' report on the consolidated projected financial statements of Mediterranean Investments Holding p.l.c.

We have examined the basis of compilation and the accounting policies accompanying the consolidated projected financial statements of Mediterranean Investments Holding p.l.c. (the "Company") and its subsidiary Palm City Limited (collectively referred to as the "Group") for the period 1 September to 31 December 2007 and for the years ending 31 December 2008 to 2014. The consolidated projected financial statements are set out on pages 67 to 71 of the Prospectus to be dated 7 November 2007 issued by the Group.

Directors' responsibility

It is the directors' responsibility to prepare the consolidated projected financial statements, together with the material assumptions on which they are based, in accordance with the requirements of the Listing Rules issued by the Listing Authority of the Malta Financial Services Authority and EU Regulation EC809/2004.

Accountants' responsibility

It is our responsibility to form an opinion as to whether the consolidated projected financial statements, so far as the accounting policies and calculations are concerned, have been properly compiled on the basis adopted by the directors of the company. It is our responsibility to provide the opinion required by listing rule 17.27.2.2 of the Listing Rules and by Annex IV item 9.2 of EU Regulation EC809/2004.

Since the consolidated projected financial statements and the assumptions on which they are based relate to the future they may be affected by unforeseen events. The variation between projected and actual results may be material. We are not required to express, nor do we express, any opinion on the possibility of achievement of the results set out in the consolidated projected financial statements or on the validity of the underlying assumptions on which they are based.

Grant Thornton House
30, Princess Elizabeth Street
Ta' Xbiex XBX 1104
Malta
T (+356) 21344751, 21344685,
21344821/2, 21320134-6
F (+356) 21331161
W www.gtmalta.com

Member of Grant Thornton International

Grant Thornton

Work performed

Our work included an evaluation of the procedures undertaken by the directors in compiling the consolidated projected financial statements and the consistency of the consolidated projected financial statements with the accounting policies adopted by the Group.

We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with reasonable assurance that the consolidated projected financial statements, so far as the accounting policies and calculations are concerned, have been properly compiled on the basis stated.

Actual results are likely to be different from those shown in the consolidated projected financial statements since anticipated events frequently do not occur as expected and the variation may be material.

Opinion

In our opinion:

(i) the consolidated projected financial statements have been properly compiled on the basis of the underlying assumptions; and

(ii) have been prepared on a basis consistent with the accounting policies normally adopted by the Group.

We emphasise that the consolidated projected financial statements are not intended to, and do not, provide all the information and disclosures necessary to give a fair presentation of the results and financial position of the Group in accordance with International Financial Reporting Standards.

This opinion is solely intended to be relied upon by you for the purposes of the Prospectus to be dated 7 November 2007. Readers are cautioned that the consolidated projected financial statements may not be appropriate for purposes other than that described above. We accept no responsibility to any other person in respect of, arising out of, or in connection with, our work.

Mark Bugeja

For and on behalf of Grant Thornton
Certified Public Accountants

Grant Thornton House
Princess Elizabeth Street
Ta' Xbiex XBX 1104
Malta

Summary of significant assumptions and accounting policies

Introduction

Mediterranean Investments Holding Limited was set up on 12 December 2005. The shareholders have resolved to convert the company into a public company. Accordingly the consolidated projected financial statements have been prepared for Mediterranean Investments Holding p.l.c. and its subsidiary, Palm City Limited, (the "Group") for the period 1 September to 31 December 2007 and years ending 31 December 2008 to 2014 and are set out on pages 69 to 71. These consolidated projected financial statements and the assumptions set out below are the sole responsibility of the directors of Mediterranean Investments Holding p.l.c.

The consolidated projected financial statements have been based on unaudited financial information for the Group for the period 1 September to 31 December 2007 and the years ending 31 December 2008 to 2014.

The consolidated projected financial statements are based on stated assumptions which the directors believe to be reasonable. These assumptions, which include hypothetical assumptions, have been based on the nature and size of the intended level of operations and reflect current economic conditions and price levels adjusted, where applicable, to take into account the projected level of inflation. The directors have exercised due care and diligence in adopting these assumptions.

The date of completion of these consolidated projected financial statements is 15 September 2007 and the stated assumptions are judgements made at that date. The assumptions disclosed herein are those that the directors believe are significant to the consolidated projected financial statements.

Actual results are likely to be different from those indicated in the consolidated projected financial statements because events and circumstances frequently do not occur as expected and those differences may be material.

Bases of preparation

The bases of preparation relating to the environment in which the Group operates and which underlie the consolidated projected financial statements are the following:

- The Group will not significantly change the manner in which it conducts its business.
- The Group will continue to enjoy the confidence of its suppliers and its bankers.
- The goodwill and reputation enjoyed today by the shareholders will be transferred as a synergistic benefit to the Group, thereby creating the necessary market confidence in the latter's offering to generate the revenue targets set out in the enclosed projections.
- The Group will continue to enjoy good relations with its employees and their representatives.
- There will be no material adverse change in the level of economic activity in Libya and the general competitive environment in those sectors in which the Group operates in Libya.
- The bases on which the commercial banks set their interest rates will not change materially throughout the forecast period.
- There will be no material cost overruns on budgeted capital expenditure.
- The bases and rates of taxation in Libya, both direct and indirect, will not change materially.
- There will be no significant fluctuations in exchange rates during the period under consideration.
- The rate of inflation will not exceed that experienced in the last few years.

The Group

The consolidated projected financial statements cover the current activities of the Group. The subsidiary company included in the consolidated projected financial statements is Palm City Limited, which is 100% owned by Mediterranean Investments Holding p.l.c.

Mediterranean Investments Holding p.l.c. also holds shares in two associate companies, QP qpm – projacs Limited and Agility (Libya) Limited.

Significant accounting policies

The significant accounting policies for the Group are set out in the audited financial statements for the period ended 31 August 2007. Where applicable, these accounting policies, in so far as they relate to recognition and measurement criteria, have been consistently applied in the preparation of these consolidated projected financial statements.

Summary of significant assumptions

1. Consolidated projected profit and loss accounts

Revenue
Revenue represents rental income generated by Palm City Limited, which has been projected as follows:

	Maximum potential revenue in 2009
	€
Rental of accommodation	24,146,400
Lease of commercial and food and beverage concessions	600,000
	24,746,400

Leasing charges will increase by 5% per annum. Management anticipates an average occupancy rate of 75% for the accommodation units in 2009, increasing to 95% as from 2010. The commercial areas are assumed to be fully leased out as from 2009.

Direct costs and general operating overheads
Direct costs and general operating overheads have been projected on the bases of management's experience in Libya and take into account anticipated changes in activity levels that may be required to achieve the forecast results.

Depreciation
Depreciation has been provided for in accordance with the Group's accounting policy on depreciation.

Exchange gains/losses
No provision for gains or losses on foreign exchange transactions has been made in these projections.

Interest payable
Interest payable on the syndicated loan facility has been calculated at 2.5% over 3 month EURIBOR rate until the project is certified complete. Thereafter the rate has been calculated at 2% over 3 month EURIBOR.

Interest payable on the bonds has been calculated at 7.5% per annum.

2. Consolidated projected balance sheets

Investment property
Investment property is being revalued to fair value on the basis of an open market valuation of the project at completion in 2009 and on maturity in 2011. These valuations were carried out by Ray Demicoli A & C.E.

3. Consolidated projected cash flow statements

Credit allowed
Settlement of trade debtor balances has been assumed to be effected within the normal credit terms granted to tenants.

Credit received
Settlement of trade creditor balances has been assumed to be effected within the normal credit terms allowed by creditors.

Payments for fixed assets
It is assumed that acquisitions of fixed assets projected in the forecasts will be paid for in the year of purchase.

Bank loan advances and repayment of bank loans
Advances from bank loans and bank loan repayments during the period under consideration have been projected on the basis of contractual agreements with the respective banks.

Conclusions

The directors believe that the assumptions on which the profit forecasts are based are reasonable. The directors further believe that, in the absence of unforeseen circumstances outside their control, the working capital available to the Group will be sufficient for the carrying out of its business.

Approved by the board of directors on 3 October 2007 and signed on its behalf by:

Alfred Pisani
Chairman

Musaed Al Saleh
Director

Consolidated projected financial statements
for the period 1 September 2007 to 31 December 2014

Profit and loss accounts

	8 mths ending 31 Aug 2007 Audited €	4 mths ending 31 Dec 2007 Estimated €	2007 Forecast €	2008 Forecast €	2009 Forecast €	2010 Forecast €	2011 Forecast €	2012 Forecast €	2013 Forecast €	2014 Forecast €
Rental Income	-	-	-	-	18,709,800	24,716,034	25,951,836	27,249,427	28,611,899	30,042,494
Direct Costs										
Payroll and Related Costs	-	-	-	-	1,067,400	1,120,770	1,176,809	1,235,649	1,297,431	1,362,303
Contribution	-	-	-	-	17,642,400	23,595,264	24,775,027	26,013,778	27,314,468	28,680,191
General Operating Overheads										
Administration and General										
Payroll and Related Costs	-	-	71,584	84,000	329,600	346,080	363,384	381,553	400,631	420,662
Other Expenses	58,934	29,830	17,180	18,038	726,947	763,295	801,460	841,532	883,609	927,790
Sales and Marketing Expenses	134,335	66,805	201,140	215,250	185,000	89,250	93,713	98,398	103,318	108,484
Repairs and Maintenance										
Payroll and Related Costs	-	-	-	-	622,000	653,100	685,755	720,043	756,045	793,847
Other Expenses	-	-	-	-	1,885,392	1,935,331	2,032,098	2,133,703	2,240,388	2,352,405
Energy and Water	-	-	-	-	400,000	420,000	441,000	463,050	486,203	510,513
Operating Profit/(Loss)	(193,269)	(96,635)	(289,904)	(317,288)	13,493,461	19,388,208	20,357,617	21,375,499	22,444,274	23,566,490
CPHCL Management Fee	-	(50,000)	(50,000)	(202,500)	(212,625)	(165,375)	-	-	-	-
Associate Share of Profit	(33,718)	-	(33,718)	-	-	-	19,950	57,230	93,170	51,900
EBITDA	(226,987)	(146,635)	(373,622)	(519,788)	13,280,836	19,222,833	20,377,567	21,432,729	22,537,444	23,618,390
Depreciation	(2,042)	(1,021)	(3,063)	(3,063)	(59,744)	-	-	-	-	-
Amortisation of Intangible Asset	(8,759)	(3,509)	(12,268)	(7,584)	-	-	-	-	-	-
Fair Value Adjustment - Property	-	-	-	-	34,619,151	-	15,000,000	-	-	-
Amortisation of Bond Issue Costs	-	(3,702)	(3,702)	(44,729)	(48,311)	(52,177)	(56,357)	(60,870)	(65,744)	(64,660)
Interest Receivable	345,698	-	345,698	131,061	216,161	210,191	273,947	373,659	630,391	932,339
Interest Payable	-	(93,750)	(93,750)	(1,125,000)	(4,700,000)	(4,199,500)	(3,699,000)	(3,198,500)	(2,698,000)	(1,031,250)
Profit/(Loss) before Taxation	107,910	(248,617)	(140,707)	(1,569,103)	43,308,093	15,181,347	31,896,157	18,547,018	20,404,091	23,454,819
Taxation	(51,855)	-	(51,855)	403,561	(7,065,140)	(1,874,850)	(5,025,828)	(2,431,948)	(3,423,128)	(3,934,378)
Profit/(Loss) after Taxation	56,055	(248,617)	(192,562)	(1,165,542)	36,242,953	13,306,497	26,870,329	16,115,070	16,980,963	19,520,441
Retained Earnings/(Losses) Brought Forward	242,181	298,236	242,181	49,619	(1,115,923)	35,127,030	48,433,527	75,303,856	91,418,926	108,399,889
Retained Earnings/(Losses) Carried Forward	298,236	49,619	49,619	(1,115,923)	35,127,030	48,433,527	75,303,856	91,418,926	108,399,889	127,920,330

Consolidated projected financial statements
for the period 1 September 2007 to 31 December 2014

Balance sheets

	31 Aug 2007 Audited €	31 Dec 2007 Forecast €	31 Dec 2008 Forecast €	31 Dec 2009 Forecast €	31 Dec 2010 Forecast €	31 Dec 2011 Forecast €	31 Dec 2012 Forecast €	31 Dec 2013 Forecast €	31 Dec 2014 Forecast €
Assets									
Property, Plant and Equipment	35,334,607	62,120,897	59,744	-	-	-	-	-	-
Investment Properties	-	-	109,911,513	144,997,245	144,997,245	159,997,245	159,997,245	159,997,245	159,997,245
Investments in Associates	103,739	320,286	326,095	616,540	674,629	694,579	751,809	834,979	871,879
Intangible Assets	981	-	-	-	-	-	-	-	-
Lease Prepayment	478,460	474,165	466,581	-	-	-	-	-	-
Total Non-Current Assets	**35,917,787**	**62,915,348**	**110,763,933**	**145,613,785**	**145,671,874**	**160,691,824**	**160,749,054**	**160,832,224**	**160,869,124**
Deferred Taxation	-	-	423,220	-	-	-	-	-	-
Other Receivables	4,495,877	161,507	161,507	161,507	161,507	161,507	161,507	161,507	161,507
Bond Sinking Fund	-	-	-	500,000	1,500,000	3,000,000	5,000,000	7,500,000	-
Cash In Hand	9,484,587	567,022	6,105,208	4,202,850	4,306,709	4,890,621	5,792,306	13,227,230	25,889,741
Total Current Assets	**13,980,464**	**728,529**	**6,266,715**	**4,864,357**	**5,968,216**	**8,052,128**	**10,953,813**	**20,888,737**	**26,051,248**
Total Assets	**49,898,251**	**63,643,877**	**117,453,868**	**150,478,142**	**151,640,090**	**168,743,952**	**171,702,867**	**181,720,961**	**186,920,372**
Equity									
Issued Capital	48,002,000	48,002,000	48,002,000	48,002,000	48,002,000	48,002,000	48,002,000	48,002,000	48,002,000
Accumulated Results	298,236	49,619	(1,115,923)	35,127,030	48,433,527	75,303,856	91,418,926	108,399,889	127,920,330
Total Equity	**48,300,236**	**48,051,619**	**46,886,077**	**83,129,030**	**96,435,527**	**123,305,856**	**139,420,926**	**156,401,889**	**175,922,330**
Liabilities									
Bank Borrowings	-	-	47,300,000	37,921,949	25,825,742	13,184,967	-	-	-
Bonds	-	14,607,153	14,651,881	14,700,191	14,752,368	14,808,726	14,869,595	-	-
Total Non-Current Liabilities	**-**	**14,607,153**	**61,951,881**	**52,622,140**	**40,578,110**	**27,993,693**	**14,869,595**	**-**	**-**
Bank Borrowings	-	-	7,700,000	7,700,000	7,700,000	7,700,000	7,700,000	-	-
Overdraft	51,650	119,195	-	-	-	-	-	-	-
Bonds	-	-	-	-	-	-	-	14,935,340	-
Trade Payables	-	250,000	300,000	748,350	774,685	813,419	854,090	896,794	941,634
Other Payables	1,546,365	615,910	615,910	615,910	615,910	615,910	615,910	615,910	522,160
Total Current Liabilities	**1,598,015**	**985,105**	**8,615,910**	**9,064,260**	**9,090,595**	**9,129,329**	**9,170,000**	**16,448,044**	**1,463,794**
Deferred Taxation	-	-	-	5,662,712	5,535,858	8,315,074	8,242,346	8,871,028	9,534,248
Total Liabilities	1,598,015	15,592,258	70,567,791	67,349,112	55,204,563	45,438,096	32,281,941	25,319,072	10,998,042
Total Equity and Liabilities	49,898,251	63,643,877	117,453,868	150,478,142	151,640,090	168,743,952	171,702,867	181,720,961	186,920,372

Consolidated projected financial statements
for the period 1 September 2007 to 31 December 2014

Cash flow statements

	8 mths ending 31 Aug 2007 Audited	4 mths ending 31 Dec 2007 Estimated	2007 Forecast	2008 Forecast	2009 Forecast	2010 Forecast	2011 Forecast	2012 Forecast	2013 Forecast	2014 Forecast
	€	€	€	€	€	€	€	€	€	€
Cash Flow From Operating Activities										
Net Profit/(Loss) Before Taxation	**107,910**	**(248,617)**	**(140,707)**	**(1,569,103)**	**43,308,094**	**15,181,346**	**31,896,158**	**18,547,018**	**20,404,091**	**23,454,818**
Adjustments for										
Depreciation	2,042	1,021	3,063	3,063	59,744	-	-	-	-	-
Interest Payable	-	93,750	93,750	1,125,000	4,700,000	4,199,500	3,699,000	3,198,500	2,698,000	1,031,250
Interest Receivable	-	-	-	(131,061)	(216,161)	(210,191)	(273,947)	(373,659)	(630,391)	(932,339)
Other Adjustments	(9,066)	7,211	(1,855)	(4,368)	(34,570,842)	52,178	(14,963,593)	3,640	(27,425)	12,760
Operating Profit before Working Capital Changes	100,886	(146,635)	(45,749)	(576,469)	13,280,835	19,222,833	20,357,618	21,375,499	22,444,275	23,566,489
Working Capital Changes										
Operating Debtors	(541,137)	541,137	-	-	-	-	-	-	-	-
Operating Creditors	814,298	(774,205)	40,093	50,000	448,350	26,335	38,734	40,671	42,704	44,840
Net Cash from Operating Activities	**374,047**	**(379,703)**	**(5,656)**	**(526,469)**	**13,729,185**	**19,249,168**	**20,396,352**	**21,416,170**	**22,486,979**	**23,611,329**
Cash Flow from Investing Activities										
Payments for Tangible Fixed Assets	(11,000,105)	(22,992,311)	(33,992,416)	(43,946,742)	-	-	-	-	-	-
Payments for the Acquisition/ Formation of Subsidiaries	(10,000)	(216,547)	(226,547)	(5,809)	(290,445)	(58,089)	-	-	-	-
Dividend Income	-	-	-	-	-	-	-	-	10,000	15,000
Interest Received	-	-	-	111,402	183,737	178,662	232,855	317,610	535,832	792,488
Net Cash from Investing Activities	**(11,010,105)**	**(23,208,858)**	**(34,218,963)**	**(43,841,149)**	**(106,708)**	**120,573**	**232,855**	**317,610**	**545,832**	**807,488**
Cash Flow from Financing Activities										
Proceeds from/(Repayment of) Bank Loans	-	-	-	55,000,000	(9,378,051)	(12,096,207)	(12,640,775)	(13,184,967)	(7,700,000)	-
Proceeds from/(Repayment of) Bonds	-	14,603,450	14,603,450	-	-	-	-	-	-	(15,000,000)
Interest Paid	-	-	-	(4,975,000)	(4,700,000)	(4,199,500)	(3,699,000)	(3,198,500)	(2,698,000)	(1,125,000)
Tax Paid	(51,855)	-	(51,855)	-	(946,784)	(1,970,175)	(2,205,520)	(2,448,628)	(2,699,887)	(3,131,306)
Net Cash from Financing Activities	**(51,855)**	**14,603,450**	**14,551,595**	**50,025,000**	**(15,024,835)**	**(18,265,882)**	**(18,545,295)**	**(18,832,095)**	**(13,097,887)**	**(19,256,306)**
Net (Decrease)/Increase in Cash and Cash Equivalents	**(10,687,913)**	**(8,985,111)**	**(19,673,024)**	**5,657,382**	**(1,402,358)**	**1,103,859**	**2,083,912**	**2,901,685**	**9,934,924**	**5,162,511**
Cash and Cash Equivalents at the beginning of period	20,120,850	9,432,937	20,120,850	447,826	6,105,208	4,702,850	5,806,709	7,890,621	10,792,306	20,727,230
Cash and Cash Equivalents at the end of period	**9,432,937**	**447,826**	**447,826**	**6,105,208**	**4,702,850**	**5,806,709**	**7,890,621**	**10,792,306**	**20,727,230**	**25,889,741**
Represented by										
Cash available generally	9,432,937	447,826	447,826	6,105,208	4,202,850	4,306,709	4,890,621	5,792,306	13,227,230	25,889,741
Bond Sinking Funds	-	-	-	-	500,000	1,500,000	3,000,000	5,000,000	7,500,000	-
Cash and Cash Equivalents at the end of period	**9,432,937**	**447,826**	**447,826**	**6,105,208**	**4,702,850**	**5,806,709**	**7,890,621**	**10,792,306**	**20,727,230**	**25,889,741**

Mediterranean Investments Holding p.l.c.

22, Europa Centre, Floriana FRN 1400 Malta