

PROSPECTUS DATED 27 JUNE 2008

## UNITED FINANCE p.l.c

Issue of

€10,000,000 6.75% Bonds 2014-2016 of a nominal value of €100 per Bond issued at Par  
or in the case of exercise of Over-allotment option

€12,000,000 6.75% Bonds 2014-2016 of a nominal value of €100 per Bond issued at Par

United Finance p.l.c. (the "Issuer") is hereby offering to investors in Malta €10 million 6.75 per cent Bonds due 2014-2016 having a nominal value of €100 each (the "Bonds"). The Bonds will, unless previously purchased and cancelled, be redeemed at any date between 30 June 2014 and 30 June 2016, as the Issuer may determine, on giving not less than sixty (60) days notice (see "Terms and Conditions of the Bonds"). Interest on the Bonds will become due and payable annually in arrears on the 30 June at the rate of 6.75 per cent per annum. The first interest payment on the Bonds shall become due and payable on the 30 June 2009. In the event that during the Offer Period the Issuer receives applications for Bonds in excess of the first €10 million Bonds, the Issuer has the option to increase the Bonds in issue to an aggregate amount of €12 million (the "Over-allotment Option"). The net proceeds from the Bonds will be used to re-finance the bonds issued by the Issuer on 13 September 2000 and which will be maturing for redemption on 31 October 2008 (the "Maturing Bonds") and shall apply further proceeds of the Bond Issue for the financing of the Group's general corporate funding purposes, including the funding of new investments by United Group Limited or other companies forming part of the Group. (See "Purpose of the Issue & Use of Proceeds").

This document is a prospectus issued in accordance with the provisions of Chapter 6 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 United Finance p.l.c. (the "Issuer"), as well as information about the securities for which application has been made for admission to trading on the Malta Stock Exchange. The Bonds (as defined herein) are being issued and offered through intermediaries whether for their own account or for the account of underlying customers or for future distribution.

APPLICATION HAS BEEN MADE TO THE LISTING AUTHORITY FOR THE BONDS TO BE CONSIDERED AS ADMISSIBLE TO LISTING ON A REGULATED MARKET. IN ADDITION, APPLICATION HAS ALSO BEEN MADE TO THE BOARD OF DIRECTORS OF THE MALTA STOCK EXCHANGE FOR THE BONDS TO BE ADMITTED TO THE OFFICIAL LIST UPON ISSUE AND ALLOCATION TO INVESTORS AND INTERMEDIARIES. DEALINGS ARE EXPECTED TO COMMENCE ON THE EXCHANGE ON THE 28 JULY 2008.

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

Manager, Registrar &  
Underwriter

Legal Counsel

Sponsoring Stockbroker



CAMILLERI PREZIOSI  
ADVOCATES



Approved by the Directors

C. Gatt Baldacchino

E. Gatt Baldacchino

S. Gatt Baldacchino

F. J. Vassallo

J. Bonello

## IMPORTANT INFORMATION

THIS DOCUMENT CONSTITUTES A PROSPECTUS AND CONTAINS INFORMATION ON AN ISSUE BY UNITED FINANCE P.L.C. (THE "ISSUER") OF €10,000,000 BONDS 2014 – 2016 OF A NOMINAL VALUE OF €100, ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 6.75 PER CENT PER ANNUM. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 30 JUNE 2016 UNLESS THE BONDS ARE PREVIOUSLY RE-PURCHASED, CANCELLED OR REDEEMED. THE ISSUER SHALL REDEEM THE BONDS ON THE REDEMPTION DATE FALLING IN 2016, OR SHALL EXERCISE THE OPTION TO REDEEM ALL OR ANY PART OF THE BONDS ON ANY DATE BETWEEN 30 JUNE 2014 AND 30 JUNE 2016 AS THE ISSUER MAY DETERMINE, BY GIVING NOT LESS THAN SIXTY (60) 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 THE 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 & COMPANY SECRETARY", 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, 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 ADVISORS.

**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 HOWEVER 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 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.

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 VALUES DISPLAYED IN MALTESE LIRA (LM) THROUGHOUT THIS PROSPECTUS HAVE BEEN INCLUDED FOR INFORMATION PURPOSES ONLY.

ALL THE ADVISORS TO THE ISSUER NAMED IN THE PROSPECTUS UNDER THE HEADING "ADVISORS TO THE ISSUER" ON PAGE 8 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 ADVISOR LICENSED UNDER THE INVESTMENT SERVICES ACT, CAP. 370 OF THE LAWS OF MALTA.

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## DEFINITIONS

In this document the following words and expressions shall bear the following meanings except where the context otherwise requires

<b>Act</b>	the Companies Act, Cap. 386 of the Laws of Malta;
<b>Applicant</b>	a person holding Maturing Bonds at the Cut-Off Date applying for Bonds by completing an Application Form, or any person subscribing for Bonds through payment of the required cash consideration to an Authorised Intermediary, as the case may be;
<b>Application Form</b>	the form of application for subscription of the Bonds issued by the Issuer to persons holding Maturing Bonds at the Cut-Off Date, a specimen of which is set out in Annex II of this Prospectus;
<b>Authorised Intermediaries</b>	the banks, financial institutions, stockbrokers and other persons referred to in Annex III of this Prospectus;
<b>Bond(s)</b>	the €10,000,000 bonds of a face value of €100 per bond redeemable on the Redemption Date or, at the option of the Issuer, on a Designated Early Redemption Date, bearing interest at the rate of 6.75% per annum and redeemable at their nominal value; or in the case of over-subscription by investors and the exercise by the Issuer of the Over-allotment Option, such higher value of bonds as in aggregate would not exceed €12,000,000 in value of bonds issued pursuant to this Prospectus;
<b>Bondholder</b>	a holder of Bonds;
<b>Bond Issue</b>	the issue of the Bonds;
<b>Bond Offer Price</b>	the price of €100 per Bond;
<b>Business Day</b>	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
<b>Cut-Off Date</b>	close of business on 27 June 2008;
<b>Designated Early Redemption Date</b>	any date between 30 June 2014 and 30 June 2016 as the Issuer may determine on giving not less than sixty (60) days notice;
<b>Directors or Board</b>	the directors of the Issuer whose names and addresses are set out under the heading "Identity of Directors, Advisors and Auditors of the Issuer";
<b>Euro or €</b>	the lawful currency of the Republic of Malta;
<b>Group or United Group</b>	the Issuer, as well as the companies in which United Group Limited has a controlling interest, including United Automobile Limited (C-5845), United Garage Limited (C-3032), United Motor Company Limited (C-4742), United Retail Limited (C-36776), United Department Stores Limited (C-39811), United Assets Limited (C-27053) and Gatt Estates Limited (C-4171);
<b>Interest Payment Date</b>	30 June of each year between and including each of the years 2009 and 2016, 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;

<b>Issue Date</b>	10 July 2008
<b>Issuer or the Company</b>	United Finance p.l.c., a public limited liability Company registered in Malta with Company number C-26598, having its registered office at United House, 66, Gzira Road, Gzira, Malta;
<b>Listing Authority</b>	the Malta Financial Services Authority, as appointed in terms of the Financial Markets Act, 1990 (Cap. 345 of the Laws of Malta);
<b>Listing Rules</b>	the listing rules of the Listing Authority;
<b>Malta Stock Exchange or MSE</b>	the Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act, 1990 (Cap. 345 of the Laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta, and bearing Company registration number C-42525;
<b>Manager, Registrar &amp; Underwriter</b>	HSBC Bank Malta p.l.c.;
<b>Maturing Bonds</b>	the Lm4,000,000 (equivalent, for information purposes only, to €9,317,494) 6.75% Bonds due to mature on 31 October 2008 issued by the Issuer pursuant to a prospectus dated 13 September 2000;
<b>Memorandum and Articles of Association</b>	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;
<b>Offer Period</b>	the period between 10 July 2008 and 17 July 2008 (or such earlier date as may be determined by the Issuer in the event of over-subscription and the exercise or waiver by all holders of Maturing Bonds of their right of preference in the allocation of the Bonds) during which time the Bonds are on offer;
<b>Over-allotment Option</b>	the option of the Issuer to increase the Bond Issue by a maximum of an additional €2,000,000 6.75% Bonds 2014-2016 as detailed in Part D of this Prospectus in the event of over-subscription of the Bond Issue;
<b>Prospectus</b>	this document in its entirety;
<b>Redemption Date</b>	30 June 2016 (subject to the Issuer's option to redeem all or any part of the Bonds on a Designated Early Redemption Date);
<b>Redemption Value</b>	the nominal value of each Bond;
<b>Regulation</b>	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;
<b>United Group Limited</b>	United Group Limited, a Company registered in Malta with Company number C-10233, having its registered office at 66, Gzira Road, Gzira GZR1638, Malta.

## 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, ADVISORS AND AUDITORS OF THE ISSUER

#### 1.1 DIRECTORS & COMPANY SECRETARY

Carmen Gatt Baldacchino "The Pines" Triq Hans Christian Andersen, San Pawl tat-Targa, Naxxar	Non-Executive Director and Chairperson
Edmund Gatt Baldacchino "Villa Harruba", Trejjet San Luqa, San Pawl tat-Targa, Naxxar	Executive Director
Simon Gatt Baldacchino "Fairmont", Trejjet San Luqa, San Pawl tat-Targa, Naxxar	Executive Director
Francis J. Vassallo "El-Puente", Triq V. Boron, San Pawl tat-Targa, Naxxar	Non-Executive Director
James Bonello 11, "Casa Nova", Upper Gardens, Swieqi	Non-Executive Director
Godwin Spiteri "The Mustard Seed", Triq Salvu Bonanno, San Gwann	Company Secretary

#### 1.2 ADVISORS TO THE ISSUER

<b>Legal Counsel to the Issuer and the Group</b>	Camilleri Preziosi Level 3, Valletta Buildings, South Street, Valletta VLT 1103, Malta.
<b>Sponsoring Stockbroker</b>	Charts Investment Management Service Limited Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913, Malta.



<b>Financial Advisors</b>	KPMG Certified Public Accountants Portico Buildings, Marina Street, Pieta PTA 9044, Malta.
<b>Manager, Registrar &amp; Underwriter</b>	HSBC Bank Malta p.l.c. 233, Republic Street, Valletta VLT 1116, Malta.

### 1.3 STATUTORY AUDITORS

Auditors	KPMG Certified Public Accountants Portico Buildings, Marina Street, Pieta PTA 9044, Malta.
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KPMG 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).

## 2. OFFER STATISTICS AND EXPECTED TIMETABLE

### 2.1 BRIEF OVERVIEW OF OFFER STATISTICS

The Bond Issue, which shall be in part underwritten (up to the amount of €5,000,000) by HSBC Bank Malta p.l.c., is for an amount not exceeding €10,000,000 subject to increase to an aggregate of €12,000,000 in the event of exercise by the Issuer of the Over-allotment Option, or any proportion of such amount, representing Bonds. The Bonds shall accrue interest at the rate of six point seven five per cent (6.75%) per annum. The Bonds shall be redeemed at their nominal value on the Redemption Date or the Designated Earlier Redemption Date.

In terms of an agreement dated 26 June 2008 between the Issuer and HSBC Bank Malta p.l.c. (the "Underwriter"), the Underwriter agreed to purchase such number of Bonds remaining outstanding at the close of the Offer Period up to an aggregate of 50% of the Offer of €10,000,000 Bonds (that is, the amount of €5,000,000) at the Bond Offer Price, provided that a minimum value of €5,000,000 in Bonds would have been subscribed by investors during the Offer Period.

**Your attention is drawn to Part D of this Prospectus for a more detailed explanation of the Terms and Conditions of the Offer.**

### 2.2 EXPECTED TIMETABLE

Application Forms mailed to holders of Maturing Bonds as at Cut-Off Date	30 June 2008
Opening of Subscription Lists	10 July 2008
Closing of Subscription Lists	17 July 2008
Announcement of Basis of Acceptance	24 July 2008
Commencement of interest on the Bonds	24 July 2008
Expected dispatch of allotment advice and refund of unallocated monies	24 July 2008

The Issuer reserves the right to close the offer of the Bonds before 17 July 2008 in the event of over-subscription and the exercise or waiver by all holders of Maturing Bonds of their right of preference in the allocation of the Bonds, 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.

### 3. KEY INFORMATION

#### 3.1 SELECTED FINANCIAL INFORMATION

The 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 year ended 31 December 2007. The audited financial statements of the Issuer for the financial periods ended 31 December 2006 and 31 December 2005 are also available for inspection. There were no significant changes to the financial or trading position of the Issuer since the end of the financial period ended on 31 December 2007.

Extracts from the audited financial statements of the Issuer for the three financial years ended 31 December 2005 to 2007 are set out below. These financial statements have been prepared in Maltese lira (LM)<sup>1</sup>.

#### Income Statement Extracts

For the years ended 31 December	2007	2006	2005	2007	2006	2005
	€000	€000	€000	Lm000	Lm000	Lm000
Interest receivable and similar income	907	818	953	389	351	409
Interest payable and similar charges	(653)	(651)	(650)	(280)	(280)	(279)
Other income	27	11	14	12	5	6
Mngt fees payable to group company	(37)	(37)	(37)	(16)	(16)	(16)
Other operating expenses	(31)	(22)	(28)	(13)	(9)	(12)
<b>Profit before taxation</b>	<b>213</b>	<b>119</b>	<b>252</b>	<b>92</b>	<b>51</b>	<b>108</b>
Income tax expenses	(25)	(36)	24	(11)	(16)	10
<b>Profit for the year</b>	<b>188</b>	<b>83</b>	<b>276</b>	<b>81</b>	<b>35</b>	<b>118</b>
Earnings per share (cents)	18c8	8c3	27c6	8c1	3c5	11c8

<sup>1</sup> Amounts shown in Euro have been converted from the Maltese lira amounts at the fixed conversion rate of €1 = Lm 0.4293.

**Balance Sheet Extracts**

As at 31 December	2007	2006	2005	2007	2006	2005
	€000	€000	€000	Lm000	Lm000	Lm000
Investment property	3,848	3,822	3,741	1,652	1,641	1,606
Available-for-sale financial assets	2,307	2,391	1,691	990	1,026	726
Loans receivable	2,268	2,338	2,419	974	1,004	1,038
<b>Total non-current assets</b>	<b>8,423</b>	<b>8,551</b>	<b>7,851</b>	<b>3,616</b>	<b>3,671</b>	<b>3,370</b>
Trade and other receivables	5,054	4,309	5,570	2,170	1,850	2,391
Taxation recoverable	2	2	2	1	1	1
Cash at bank and in hand	418	846	209	179	363	90
<b>Total current assets</b>	<b>5,474</b>	<b>5,157</b>	<b>5,781</b>	<b>2,350</b>	<b>2,214</b>	<b>2,482</b>
<b>Total assets</b>	<b>13,897</b>	<b>13,708</b>	<b>13,632</b>	<b>5,966</b>	<b>5,885</b>	<b>5,852</b>
Interest bearing borrowings	9,298	9,274	9,251	3,992	3,981	3,972
Deferred tax liabilities	462	459	449	198	197	192
<b>Total non-current liabilities</b>	<b>9,760</b>	<b>9,733</b>	<b>9,700</b>	<b>4,190</b>	<b>4,178</b>	<b>4,164</b>
Trade and other payables	556	196	165	239	84	71
<b>Total current liabilities</b>	<b>556</b>	<b>196</b>	<b>165</b>	<b>239</b>	<b>84</b>	<b>71</b>
<b>Total liabilities</b>	<b>10,316</b>	<b>9,929</b>	<b>9,865</b>	<b>4,429</b>	<b>4,262</b>	<b>4,235</b>
<b>Total equity</b>	<b>3,581</b>	<b>3,779</b>	<b>3,767</b>	<b>1,537</b>	<b>1,623</b>	<b>1,617</b>
<b>Total equity and liabilities</b>	<b>13,897</b>	<b>13,708</b>	<b>13,632</b>	<b>5,966</b>	<b>5,885</b>	<b>5,852</b>

**3.2 REASONS FOR THE BOND ISSUE AND USE OF PROCEEDS**

The net proceeds from the Bonds shall be used by the Issuer principally to re-finance the redemption of the LM4,000,000 (€9,317,494) 6.75% Bond issued on 13 September 2000, which bond issue is due for redemption in full on 31 October 2008.

The remaining balance of the Bond Issue shall be applied to increase the financing of each of:

- (i) United Automobile Limited ("UAL"), a member of the United Group, to its customers, by acquiring from UAL existing or future bills of exchange drawn or to be drawn by UAL on said customers, with recourse to UAL; and
- (ii) the financing of the leasing operations conducted and to be conducted by United Garage Limited ("UGL"), another Group Company, by on-lending such proceeds to UGL to cover the amounts disbursed by it for the acquisition of motor vehicles for leasing to its customers against a pledge in favour of the Issuer on receivables under the relevant lease contracts. UGL will remain the principal debtor for any monies advanced to it by the Issuer.

In the event that the Issuer exercises the Over-allotment Option, the proceeds thereof shall be applied for the general corporate funding purposes of the Group.

Any amounts of the Bond proceeds remaining unutilised by the Company for any of the above purposes or pending utilisation for any of the above mentioned purposes shall be invested by the Company in quality listed securities and any investment of the Group that may arise from time to time.

### **3.3 ALLOCATION PREFERENCE**

The principal reason for the Bond Issue is the re-financing of Maturing Bonds issued by the Issuer on 13 September 2000. Those persons holding Maturing Bonds at the Cut-Off Date who would be entitled to the redemption proceeds on their holdings of Maturing Bonds on 31 October 2008, shall be given preference in the allocation of Bonds in the event that upon application, they contractually bind themselves to settle the consideration for Bonds by way of transfer to the Issuer of Maturing Bonds held at the Cut-Off Date rather than by way of cash consideration. Reference should be made to the Terms and Conditions of Application set out in Part II of Annex I of this Prospectus for full details of the expected allocation preference that shall be granted to such Applicants.

### **3.4 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 11 of Part B of the Prospectus, which you are strongly advised to review, if necessary with the assistance of your own financial and other professional advisors, 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 fulfill its obligations under the Bonds to be issued.

#### **3.4.1 FORWARD-LOOKING STATEMENTS**

This Prospectus contains forward-looking statements that include, among others, statements concerning the Issuer’s future operations and plans, its working 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, which could cause actual results to differ materially from the Directors’ expectations. 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.

#### **3.4.2 CONSIDERATIONS RELATING TO THE BUSINESS OF THE ISSUER**

##### ***Reliance on the Group***

Although the diversified business portfolio of the United Group provides a natural hedge against downtrends in any one particular sector of its business activities, such diversification exposes the Group to risks which are not particular to any one industry sector. At present, transactions carried out with two particular Group companies, United Automobiles Limited (UAL) and United Garage Limited (UGL), constitute the majority of that part of the Issuer’s business which may be said to be reliant on the continued operation of Group companies. In both cases, however, the investment made in these particular Group companies is secured, as explained in section 15.2.1 of Part C of this Prospectus.

In view of the fact that the Group's business activities are all concentrated in and aimed at the Maltese market, the Group is highly susceptible to the economic trends that may from time to time be felt in Malta. Negative economic factors and trends in Malta having an effect on consumer demand could have a negative impact on the business of the Group.

### **3.4.3 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 advisor licensed under the Investment Services Act, Cap. 370 of the Laws of Malta.

#### ***Prior Ranking Charges***

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.

#### ***Reliance on Operations of Group Members***

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 companies forming part of the Group.

#### ***Trading and Liquidity***

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 investors' decisions may have on the trading market could 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.

## **4. INFORMATION ABOUT THE ISSUER**

### **4.1 HISTORICAL DEVELOPMENT**

The Issuer, which was formed on 26 June 2000 with the name United Finance p.l.c., is a public limited liability Company registered and domiciled in Malta in terms of the Act with Company registration number C-26598. The Issuer's registered office is at United House, 66 Gzira Road, Gzira GZR 1638, Malta. The telephone number of the registered office is 00356 21314633.

### **4.2 BUSINESS OVERVIEW**

The Issuer acts as a finance Company for the Group, principally by assuming the credit risk evaluation of accounts receivable.

The following is a description of the business undertaken by the Issuer with each Group Company:

- ***Business with United Automobile Limited ("UAL")***

UAL is responsible for the importation and servicing of motor vehicles and the sale of parts and accessories. UAL has the sole distributorship for the Opel and SAAB brands, enjoys a fully equipped service centre, retains wholesale stock of parts and accessories and undertakes a wide distribution of parts and accessories to independent outlets in Malta.

The Issuer factors bills of exchange payable to UAL, with recourse to UAL. The bills of exchange are endorsed by UAL to the Issuer that will pay to UAL the face amount of each bill of exchange less any unaccrued interest. As endorsee, the Issuer is entitled to claim payment of the bill of exchange from the acceptor thereof, that is the customer, on the maturity date of the bill of exchange. The bills of exchange are endorsed in favour of the Issuer "WITH RECOURSE", thus the Issuer enjoys a right of recourse for payment of the bills of exchange against UAL. Endorsements of bills of exchange between the Issuer and UAL will be made "WITHOUT PROTEST", meaning that in the event of non-payment of a bill of exchange the Issuer need not protest the bill in the form required by law in order for it to retain its right of recourse against UAL.

UAL pays the Issuer a fee of 1.5 per cent on the value of all bills of exchange factored by the Issuer, for management and administrative services provided in connection with collection of receivables and credit control. In addition, and subject to availability, the Issuer may make other short-term advances to UAL for its working capital requirements.

- ***Business with United Garage Limited ("UGL")***

UGL owns and operates one of the largest fleets of saloon and commercial vehicles in Malta and is a leader in the car rental, leasing and fleet management industry. Since 1961, UGL has operated the Hertz Rent-a-Car franchise for the Maltese Islands. In the early 1990's, UGL diversified its activities into car leasing, which it operates under the *Hertz Leasing* brand.

In its ordinary course of business, UGL enters into contracts with customers for the lease of motor vehicles for terms ranging between 3 and 6 years. Vehicles are purchased by UGL and subsequently leased to the customer. Accordingly, UGL funds the capital outlay for the purchase of the vehicle to be leased to the customer and receives periodic rental payments from customers in the medium to longer term. UGL funds this maturity mismatch principally through financing. Pursuant to a loan facility agreement entered into between the Issuer and UGL, the Issuer shall make such funding available against the pledge by UGL in favour of the Issuer of all rental payments receivable from the leasing arrangements and a pledge on insurance policies for the leased vehicles. The loan made available to UGL will bear interest at rates which are in line with the then prudent market rates in the Euro, subject to a minimum of 0.75% margin over the cost of funding of the Bonds. A copy of the loan agreement dated 12 September 2000 is available for inspection by potential investors.

The Issuer shall retain full rights of repayment against UGL so that UGL's liability to pay the loan is not discharged until full payment of each advance is made. In the event of default by the customers of UGL, the latter will remain liable to effect payment to the Issuer in full.

- **Other Members of the Group**

- ◊ **Gatt Estates Limited** – is a property holding Company which does not conduct any trading or business activities.
- ◊ **United Motor Company Limited** – operates the CAA road towing and road assistance service.
- ◊ **United Retail Limited** – operates a chain of fashion outlets under franchise from OASIS and PRINCIPLES in Sliema, Valletta and Gozo.
- ◊ **United Department Stores Limited** – is franchisee for the Maltese Islands of the Debenhams brand and will operate a department store at The Point Shopping Centre in Sliema, Malta, due to open in Autumn 2009.

## 5. TREND INFORMATION

### 5.1 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 subject to the normal business risks associated with the industries in which the Group 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 the Issuer and the business of the Group, 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 17 of Part C of this Prospectus.

#### **Key Activities**

The key activity of the Issuer is, and will continue to be, to finance the working capital requirements of the United Group, principally of its member companies UAL and UGL. Where the financing requirements of UAL and UGL do not require the full application of the Bond proceeds, the Issuer will also undertake financing of the investment in the companies Pender Ville Limited and Pendergardens Limited (in respect of the Pendergardens development) and the operations of United Department Stores Limited (in respect of the Debenhams Department Store).

- **Pendergardens** – a prestigious self-contained development in St. Julian's, Malta offering all the amenities of a metropolitan centre, yet with all the comforts and security of an exclusive community.
- **Debenhams Department Store** - a department store at The Point Shopping Centre in Tigne', Sliema (due to open in Autumn 2009) operated by United Department Stores Limited, the franchisee for the Debenhams brand in the Maltese Islands. Debenhams has a strong presence in key product categories including womenswear, menswear and homeware.

Furthermore, the Issuer may seek to apply excess cash to the working capital and short-term financing requirements of other Group companies within the Group.

**Trading Prospects**

The Issuer's main objective, as a finance Company for the United Group, is to effectively and efficiently manage the financing requirements of the Group's working capital. In this context the Issuer's trading prospects are intimately related to the performance of UAL, UGL and other Group members, and limited to the extent of their respective financing requirements.

**6. MANAGEMENT AND EMPLOYEES****6.1 DIRECTORS**

The Issuer is managed by a Board of Directors consisting of a minimum of four and a maximum of five members, which is entrusted with the administration and management of the Issuer. The principal function of the Board is to establish policy for the Issuer and to appoint all executive officers and other key members of management. The Directors may transact all business of whatever nature of the Issuer not expressly reserved by the Memorandum and Articles of Association to the shareholders in general meeting or by any provision contained in any law for the time being in force.

**6.2 REMUNERATION OF DIRECTORS**

In terms of the Memorandum and Articles of Association, the maximum limit of aggregate emoluments of the Directors is to be established by the shareholders in general meeting. Within that limit the Directors shall have the power to vote remuneration to themselves or any number of their body. Any increases in the maximum limit of Directors' aggregate emoluments have to be approved by the general meeting.

**6.3 EMPLOYEES**

As at date of prospectus, the Issuer had no employees.

**6.4 MAJOR SHAREHOLDERS**

United Automobile Limited (C-5845) currently owns 88% of the share capital of the Issuer, and United Group Limited (C-10233) owns the remaining 12% of the share capital of the Issuer.

**6.5 RELATED PARTY TRANSACTIONS**

The Issuer has entered into loans with its major shareholders and other companies forming part of the Group. All such loans are entered into at commercial rates of interest after being approved by the Board of Directors on the recommendation of the Issuer's Audit Committee.

**7. FINANCIAL INFORMATION****7.1 FINANCIAL INFORMATION**

The audited financial statements of the Issuer for each of the financial years ended on 31 December 2005, 2006 and 2007 are available for inspection as set out in section 10 below of Part A of this Prospectus.

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 financial statements referred to above relate.



## **8. DETAILS OF THE BOND ISSUE**

### **8.1 ADMISSION TO TRADING**

Application has been made to the Listing Authority for the admissibility of the Bonds to listing on a Regulated market. In addition application has also been made to the Malta Stock Exchange for the Bonds to be admitted to trading on the Official List. The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 25 July 2008 and trading is expected to commence on 28 July 2008.

### **8.2 PLAN FOR DISTRIBUTION**

The Issuer is making an offering of Bonds to the holders of Maturing Bonds whose names appear on the register of the Maturing Bonds on the Cut-Off Date, and to Authorised Intermediaries for subscription by other investors.

The Bonds will be available for subscription during the Offer Period commencing on 10 July 2008 up to and including 17 July 2008, subject to the right of the Issuer to close subscription lists before such date in the case of over-subscription and the exercise or waiver by all holders of Maturing Bonds of their right of preference in the allocation of the Bonds.

The Issuer will be entering into conditional subscription agreements with a number of Authorised Intermediaries for the subscription of the Bonds whereby it will bind itself to allocate Bonds to such investors upon closing of subscription lists. These agreements will be subject, *inter alia*, to the admission to trading of the Bonds on the Official List of the Malta Stock Exchange.

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.

In terms of an agreement dated 26 June 2008 between the Issuer and HSBC Bank Malta p.l.c. (the "Underwriter"), the Underwriter agreed to purchase such number of Bonds remaining outstanding at the close of the Offer Period up to an aggregate of 50% of the Offer of €10,000,000 Bonds (that is, the amount of €5,000,000) at the Bond Offer Price, provided that a minimum value of €5,000,000 in Bonds would have been subscribed by investors during the Offer Period.

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, a 1% selling commission, and other miscellaneous expenses in connection with this Bond Issue, are estimated not to exceed €220,000, or in the case of the exercise of the over-allotment option €240,000, 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 Authorised intermediaries entering into conditional subscription agreements in terms of section 28 of Part D will not exceed €132,500.

## **9. ADDITIONAL INFORMATION**

### **9.1 SHARE CAPITAL**

The Issuer has an authorised share capital of €2,329,373 divided into 1,000,000 ordinary shares of €2.329373 each. The Issuer has an issued share capital of €2,329,373 divided into 1,000,000 ordinary shares of €2.329373 each, fully paid up. United Group Limited holds 119,999 ordinary shares of €2.329373 each and United Automobile Limited holds 880,001 ordinary shares of €2.329373 each.

### **9.2 MEMORANDUM AND ARTICLES OF ASSOCIATION**

The Memorandum and Articles of Association of the Issuer (C-26598), described in section 24.2 of Part C 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 Registry of Companies at the Malta Financial Services Authority.

## **10. DOCUMENTS AVAILABLE FOR INSPECTION**

### **10.1 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) Loan Facility Agreement entered into by and between the Issuer and United Garage Limited and dated 12 September 2000;
- (c) Audited Financial Statements of the Issuer for the financial year ended 31 December 2007;
- (d) Audited Financial Statements of the Issuer for the financial year ended 31 December 2006;
- (e) Audited Financial Statements of the Issuer for the financial year ended 31 December 2005.

## PART B—RISK FACTORS

### 11. 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.

#### 11.1 FORWARD-LOOKING STATEMENTS

This Document and the documents incorporated herein by reference or annexed hereto 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.

#### 11.2 CONSIDERATIONS RELATING TO THE BUSINESS OF THE ISSUER

##### *Reliance on the Group*

The Issuer forms part of the United Group, which has a diversified business portfolio with activities as varied as car sales & after-sales service, car hire & leasing, retail and property holdings. At present, transactions carried out with two particular Group companies, United Automobiles Limited (UAL) and United Garage Limited (UGL), constitute the majority of that part of the Issuer's business which may be said to be reliant on the continued operation of Group companies. In both cases, however, the investment made in these particular Group companies is secured, as explained in section 15.2.1 of Part C of this Prospectus.

The diversification of the Group's business interests provides a natural hedge against downtrends in any one particular sector of its business activities, but on the other hand exposes the Group to risks which are not particular to any one industry sector.

The United Group's business activities are all concentrated in and aimed at the Maltese market. Accordingly, the Group is highly susceptible to the economic trends that may from time to time be felt in Malta. Negative economic factors and trends in Malta, particularly those having an effect on consumer demand, could have a negative impact on the business of the Group.

#### 11.3 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 advisors, the following risk factors (not listed in order of priority) and other investment considerations, together

with all the other information contained in the Prospectus.

***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 advisor licensed under the Investment Services Act, Cap. 370 of the Laws of Malta.

***Prior Ranking Charges***

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.

***Reliance on Operations of Group Members***

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 companies forming part of the Group.

***Trading and Liquidity***

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.

## PART C—INFORMATION ABOUT THE ISSUER

### 12. IDENTITY OF DIRECTORS, ADVISORS 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 under the sub-heading “Advisors to the Issuer”.

#### 12.1 DIRECTORS & COMPANY SECRETARY

Carmen Gatt Baldacchino “The Pines” Triq Hans Christian Anderson, San Pawl tat-Targa, Naxxar	Non-Executive Director and Chairperson
Edmund Gatt Baldacchino “Villa Harruba”, Trejjet San Luqa, San Pawl tat-Targa, Naxxar	Executive Director
Simon Gatt Baldacchino “Fairmont”, Trejjet San Luqa, San Pawl tat-Targa, Naxxar	Executive Director
Francis J. Vassallo “El-Puente”, Triq V. Boron, San Pawl tat-Targa, Naxxar	Non-Executive Director
James Bonello 11, “Casa Nova”, Upper Gardens, Swieq	Non-Executive Director
Godwin Spiteri “The Mustard Seed”, Triq Salvu Bonanno, San Gwann	Company Secretary

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.

#### 12.2 ADVISORS TO THE ISSUER

<b>Legal Counsel to the Issuer:</b>	Camilleri Preziosi Level 3, Valletta Buildings, South Street, Valletta VLT 1103 Malta.
<b>Sponsoring Stockbroker:</b>	Charts Investment Management Service Limited Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913 Malta.
<b>Financial Advisors:</b>	KPMG Certified Public Accountants Portico Buildings, Marina Street, Pieta PTA 9044 Malta.

**Manager, Registrar  
& Underwriter:**

HSBC Bank Malta p.l.c.  
233, Republic Street,  
Valletta VLT 1116 Malta.

**12.3 STATUTORY AUDITORS****Auditors:**

KPMG  
Certified Public Accountants  
Portico Buildings, Marina Street,  
Pieta PTA 9044 Malta.

KPMG 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).

**13. OFFER STATISTICS AND EXPECTED TIMETABLE****13.1 OFFER STATISTICS**

Issuer	United Finance p.l.c., a public limited liability Company registered in Malta with registration number C-26598;
Amount	The amount not exceeding €10,000,000, subject, or in the event of over-subscription by investors and the exercise by the Issuer of the Over-allotment Option, to such amount increasing to €12,000,000 in aggregate value of Bonds issued pursuant to this Prospectus;
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	MT0000131210;
Denomination & Nominal Value	One hundred Euros (€100) per Bond;
Minimum Amount per subscription	One thousand Euros (€1,000);
Redemption Date	30 June 2016, subject to early redemption at the option of the Issuer, as described herein;
Bond Issue Price	€100 for each Bond;
Status of the Bonds	The Bonds will constitute the general, direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank <i>pari passu</i> 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 Malta Stock Exchange, and to the MSE for the Bonds to be listed and traded on its Official List;
Offer Period	The period between 10 July and 17 July 2008 (or such earlier

	date as may be determined by the Issuer in the event of over-subscription and the exercise or waiver by all holders of Maturing Bonds of their right of preference in the allocation of the Bonds) during which time the Bonds are on offer;
Interest	Six point seven five per cent (6.75%) per annum;
Yield	The gross yield calculated on the basis of the interest, the Bond Issue Price and the Redemption value on maturity, is six point seven five per cent (6.75%) per annum;
Interest Payment Dates	30 June of each year between and including each of the years 2009 and 2016, 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 any date between 30 June 2014 and 30 June 2016, as the Issuer may determine, on giving not less than sixty (60) days notice;
Allocation Preference	Applications made by persons holding Maturing Bonds at the Cut-Off Date completing an Application Form and stating that the consideration for the Bonds applied for shall be settled by way of transfer to the Issuer of Maturing Bonds, shall be for the par value of the Maturing Bonds being transferred to the Issuer rounded upwards to the nearest one hundred Euro (€100), and shall be given preference over applications for Bonds made for cash consideration through subscription with an Authorised Intermediary, to the extent of the Maturing Bonds to be so transferred;
Manager, Registrar and Underwriter	HSBC Bank Malta p.l.c.;
Underwriting	In terms of an agreement dated 26 June, 2008 between the Issuer and HSBC Bank Malta p.l.c. (the "Underwriter"), the Underwriter agreed to purchase such number of Bonds remaining outstanding at the close of the Offer Period up to an aggregate of 50% of the Offer of €10,000,000 Bonds (that is, the amount of €5,000,000) at the Bond Offer Price, provided that a minimum value of €5,000,000 in Bonds would have been subscribed by investors during the Offer Period;
Sponsoring Stockbroker	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.

### 13.2 EXPECTED TIMETABLE

Application Forms mailed to holders of Maturing Bonds as at Cut-Off Date	30 June 2008
Opening of Subscription Lists	10 July 2008
Closing of Subscription Lists	17 July 2008
Announcement of Basis of Acceptance	24 July 2008
Commencement of interest on the Bonds	24 July 2008
Expected dispatch of allotment advice and refund of unallocated monies	24 July 2008

The Issuer reserves the right to close the offer of the Bonds before 17 July 2008 in the event of over-subscription and the exercise or waiver by all holders of Maturing Bonds of their right of preference in the allocation of the Bonds, 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.

## 14. KEY INFORMATION

### 14.1 SELECTED FINANCIAL INFORMATION

Extracts from the audited financial statements of the Issuer for the three financial years ended 31 December 2005 to 2007 are set out below. These financial statements have been prepared in Maltese lira (LM)<sup>1</sup>.

#### Income Statement Extracts

For the years ended 31 December	2007	2006	2005	2007	2006	2005
	€000	€000	€000	Lm000	Lm000	Lm000
Interest receivable and similar income	907	818	953	389	351	409
Interest payable and similar charges	(653)	(651)	(650)	(280)	(280)	(279)
Other income	27	11	14	12	5	6
Mngt fees payable to group company	(37)	(37)	(37)	(16)	(16)	(16)
Other operating expenses	(31)	(22)	(28)	(13)	(9)	(12)
<b>Profit before taxation</b>	<b>213</b>	<b>119</b>	<b>252</b>	<b>92</b>	<b>51</b>	<b>108</b>
Income tax expenses	(25)	(36)	24	(11)	(16)	10
<b>Profit for the year</b>	<b>188</b>	<b>83</b>	<b>276</b>	<b>81</b>	<b>35</b>	<b>118</b>
Earnings per share (cents)	18c8	8c3	27c6	8c1	3c5	11c8

<sup>1</sup> Amounts shown in Euro have been converted from the Maltese lira amounts at the fixed conversion rate of €1 = Lm0.4293.



**Balance Sheet Extracts**

As at 31 December	2007	2006	2005	2007	2006	2005
	€000	€000	€000	Lm000	Lm000	Lm000
Investment property	3,848	3,822	3,741	1,652	1,641	1,606
Available-for-sale financial assets	2,307	2,391	1,691	990	1,026	726
Loans receivable	2,268	2,338	2,419	974	1,004	1,038
<b>Total non-current assets</b>	<b>8,423</b>	<b>8,551</b>	<b>7,851</b>	<b>3,616</b>	<b>3,671</b>	<b>3,370</b>
Trade and other receivables	5,054	4,309	5,570	2,170	1,850	2,391
Taxation recoverable	2	2	2	1	1	1
Cash at bank and in hand	418	846	209	179	363	90
<b>Total current assets</b>	<b>5,474</b>	<b>5,157</b>	<b>5,781</b>	<b>2,350</b>	<b>2,214</b>	<b>2,482</b>
<b>Total assets</b>	<b>13,897</b>	<b>13,708</b>	<b>13,632</b>	<b>5,966</b>	<b>5,885</b>	<b>5,852</b>
Interest bearing borrowings	9,298	9,274	9,251	3,992	3,981	3,972
Deferred tax liabilities	462	459	449	198	197	192
<b>Total non-current liabilities</b>	<b>9,760</b>	<b>9,733</b>	<b>9,700</b>	<b>4,190</b>	<b>4,178</b>	<b>4,164</b>
Trade and other payables	556	196	165	239	84	71
<b>Total current liabilities</b>	<b>556</b>	<b>196</b>	<b>165</b>	<b>239</b>	<b>84</b>	<b>71</b>
<b>Total liabilities</b>	<b>10,316</b>	<b>9,929</b>	<b>9,865</b>	<b>4,429</b>	<b>4,262</b>	<b>4,235</b>
<b>Total equity</b>	<b>3,581</b>	<b>3,779</b>	<b>3,767</b>	<b>1,537</b>	<b>1,623</b>	<b>1,617</b>
<b>Total equity and liabilities</b>	<b>13,897</b>	<b>13,708</b>	<b>13,632</b>	<b>5,966</b>	<b>5,885</b>	<b>5,852</b>

**14.2 REASONS FOR THE BOND ISSUE AND USE OF PROCEEDS**

The net proceeds from the Bonds shall be used by the Issuer principally to re-finance the redemption of the LM4,000,000 (€9,317,494) 6.75% Bond issued on 13 September 2000, which bond issue is due for redemption in full on 31 October 2008. For this purpose the Issuer shall apply the amount of €9.3 million. The remaining balance of the Bond Issue shall be applied to increase the financing of each of:

- (i) United Automobile Limited ("UAL"), a member of the United Group, to its customers, by acquiring from UAL existing or future bills of exchange drawn or to be drawn by UAL on said customers, with recourse to UAL; and
- (ii) the financing of the leasing operations conducted and to be conducted by United Garage Limited ("UGL"), another Group Company, by on-lending such proceeds to UGL to cover the amounts disbursed by it for the acquisition of motor vehicles for leasing to its customers against a pledge in favour of the Issuer on receivables under the relevant lease contracts. UGL will remain the principal debtor for any monies advanced to it by the Issuer.

In the event that the Issuer exercises the Over-allotment Option, the proceeds thereof shall be applied for the general corporate funding purposes of the Group, including the part funding of investments in new projects and the re-financing of existing bank borrowing of recent investments, notably the Group's investment in Pender Ville

Limited of approximately €2,234,000, and the forthcoming investment of a further €1,200,000 in United Department Stores Limited. The portion of such investments not covered by the proceeds of the Over-allotment Option, if exercised, will be funded either internally by the Group or through bank financing.

The amounts which the Issuer has identified as required for the purposes set out in paragraphs (i) and (ii) above are estimates based on the past experience of the business in each of those sectors, and on the projected growth in those sectors over the coming years. The actual financing requirements of each of UAL and UGL may be different from the estimates set out above and accordingly the amounts that will be advanced to each of those Group companies could well be less than those estimated. Any amounts of the Bond proceeds remaining unutilised by the Issuer for any of the above purposes or pending utilisation for any of the above mentioned purposes shall be invested by the Issuer in quality listed securities and any investment of the Group that may arise from time to time.

### **14.3 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE BOND ISSUE**

The Directors of the Issuer, with the exception of James Bonello, are also directors of other members of the Group. Francis J. Vassallo is an independent Non-Executive Director of the Issuer notwithstanding that he is a director of United Group Limited. In view of the lender-borrower relationship existing between the Issuer and other members of the Group there may be situations that could give rise to conflicts between the potentially divergent interests of members of the Group. In these situations the directors shall act in accordance with the majority decision of those directors who would not have a conflict in the situation and in line with the advice of outside legal counsel.

No private interests or duties unrelated to the Group which may or are likely to place any of them in conflict with any interests in, or duties towards, the Group, have been disclosed by the Directors.

## **15. INFORMATION ABOUT THE ISSUER**

### **15.1 HISTORICAL DEVELOPMENT OF THE ISSUER**

#### **15.1.1 Introduction**

The Issuer was formed on 26 June 2000 with the name United Finance p.l.c. and is a public limited liability Company registered and domiciled in Malta in terms of the Act with Company registration number C-26598. The Issuer has its registered office at United House, 66, Gzira Road, Gzira GZR 1638, Malta. The telephone number of the registered office is 00356 21314633.

The Issuer has since its inception in the year 2000 acted as a finance Company for the Group, principally by assuming the credit risk evaluation of accounts receivable. This has enabled the Group to retain lower internal costs for the administration of receivables, higher levels of efficiency and more effective customer account collection with better management of customer data. The Issuer believes that increased monitoring and more efficient collection of receivables should have a positive impact on the Group's cash-flow.

In line with its objects and its function within the Group, the Issuer issued its first bond to the general public in Malta in the year 2000 with the aim of funding group operations. The 2000 bonds are due for redemption in October 2008 and the present Bond Issue will in fact be utilised to partly re-finance the 2000 bond issue (section 14.2 above refers).

The remainder of the proceeds raised by the Bond Issue will be used to finance the increased financial requirements of Group operations as well as investment by the Group in new projects. For the purpose of providing the prospective investor with information on the Group, the following section 15.1.2 contains a brief description of

the historical development of the Group.

#### **15.1.2 Historical Development of the Group**

The Group was established some 85 years ago by the late Carmelo Gatt Baldacchino with the formation of the United Motor Company, a transportation Company which soon emerged as a major operator in the field of bus service and chauffeur-driven vehicle services.

With the rapid growth of the tourism industry in Malta in the 1960's, the Company, under the leadership of Carmelo's son, Charles Gatt Baldacchino, soon identified opportunities and diversified its business activities by establishing operations in destination management services, including leisure and excursion services for leading international tour operators. This resulted in the formation of United Travel Agency Limited.

With the continued growth of the tourism industry in Malta and the lack of proper transportation facilities and infrastructure to handle such growth, car rental services were in greater demand. A single member partnership was formed by the aforementioned Charles Gatt Baldacchino in order to meet this demand and benefit from the Group's existing operations in transportation and tourism. The partnership soon became a major operator in the car rental market in Malta and in 1961 was granted the Hertz franchise for Malta, a franchise still held today. In 1975, the partnership was converted to a limited liability Company with the name United Garage Limited ('UGL').

In the early 1980's, United Automobile Limited ('UAL') was formed and was appointed sole representative in Malta of the renowned car manufacturer Adam Opel A.G. In 1991 UAL was also granted the sole distribution rights for the SAAB brand. UAL is still the franchisee of both the Opel and SAAB brands in Malta.

Developments in the Maltese economy in the early 1990's brought about other opportunities for expansion. In 1992, UGL made a significant restructuring of its fleet vehicles and set up a vehicle leasing division to take advantage of the demand, particularly from the corporate market segment, for leasing packages for motor vehicles. With the backing of Hertz Leasing, UGL established a significant presence in the market.

The Group has embarked upon a strategy of diversification of its core business during the past five years. This has seen the Group enter into the retail business with the introduction of a new retail division. This division comprises two companies namely United Retail Limited and United Departments Stores Limited. Each Company was set up to ensure that the Group's vision, to become a leading player in the retail industry in Malta, is achieved. United Retail Limited operates fashion stores under franchise from Oasis and Principles. United Department Stores Limited has been set up to operate under franchise from Debenhams as a department store. In addition, the Group has also made an investment in a major property development project through an investment of 20% in the equity capital of Pender Ville Limited and Pendergardens Limited respectively.

The lower margins in the car sales business over this period and the over-exposure of the Group to that business has encouraged the directors to venture into these other business areas that should provide the Group with a more diversified asset base and revenue streams in the future.

#### **15.1.3 Principal Objects of the Issuer**

The principal object of the Issuer is to carry on the business of a finance and investment Company and in particular, but without prejudice to the generality of the foregoing, the financing or re-financing of the funding requirements of the business of the Group or any of its subsidiaries and/or associated companies.

**15.1.4 Principal Investments of the Issuer**

The Issuer's principal investments as at 31 December 2007, as extrapolated from the audited financial statements for the year ended 31 December 2007, consisted of investment property amounting to €3,847,526<sup>1</sup> and available-for-sale investments amounting to €2,307,396<sup>2</sup>. The investment property consists of land over which a showroom and offices have been erected and a six-storey building housing a two-storey showroom and offices on four floors. The premises, situated at Abate Rigord Street, Ta' Xbiex, are leased partly to a Group Company and partly to third parties.

Available-for-sale investments consist of fixed interest securities and equity securities listed on the Malta Stock Exchange. For the period from 1 January 2008 to the date of this Prospectus, the Issuer did not acquire or dispose of any available-for-sale investments. The Issuer's management has not made any firm commitments on any material future investments.

**15.2 OVERVIEW OF THE GROUP'S BUSINESS AND THE ISSUER'S INVOLVEMENT THEREIN****15.2.1 Principal activities of the Issuer in its capacity as the finance arm of the Group**

**As indicated in section 15.1.3 above, the Issuer acts as a finance Company for the Group, principally by assuming the credit risk evaluation of accounts receivable. The principal activity of the Issuer is as the finance arm of the Group, and it is intended that the Issuer will retain this as a central feature of its business for the foreseeable future. The following is a description of the business undertaken by the Issuer with each Group company:**

**Business with United Automobile Limited ("UAL")**

UAL was registered as a limited liability Company in Malta on 16 March 1982 with Company registration number C-5845. It is responsible for the importation and servicing of motor vehicles and the sale of parts and accessories. The business of UAL is underpinned by the sole distributorship for both Opel and SAAB brands, which enables UAL to target all sectors of the automobile market in Malta. The Company enjoys a fully equipped service centre to provide clients with a prompt and reliable after-sales service. UAL retains wholesale stock of parts and accessories and undertakes a wide distribution of parts and accessories to independent outlets in Malta to ensure an adequate and efficient supply to Opel and SAAB owners.

The Issuer has been factoring bills of exchange payable to UAL, with recourse to UAL since the year 2000 and intends to continue and increase the volume of this business, which however depends on the volumes of business undertaken by UAL itself. The bills of exchange will be drawn by UAL after a thorough credit check of the prospective customer. The customer will then sign and accept the indebtedness represented by the bill of exchange and will be bound to pay UAL, on maturity, the face amount of the bill of exchange. The obligation of the customer to pay the bills of exchange on their respective maturities emanates from the bill of exchange itself and is entirely autonomous from the contract of sale entered into with UAL for the purchase of the motor vehicle. The bills of exchange will then be endorsed by UAL to the Issuer that will pay to UAL the face amount of each bill of exchange less any unaccrued interest. Endorsement of the bill of exchange will operate so as to transfer the property of the bill of exchange to the endorsee, in this case the Issuer. As endorsee, the Issuer shall be entitled to claim payment of the bill of exchange from the acceptor thereof, that is the customer, on the maturity date of the bill of exchange. In view of the fact that the bills of exchange will be endorsed in favour of the Issuer "WITH RECOURSE", the Issuer will enjoy a right of recourse for payment of the bills of exchange against the drawer thereof, in this case UAL. Endorsements of bills of exchange between the Issuer and UAL will be made "WITHOUT PROTEST", meaning that in the event of non-payment of a bill of exchange the Issuer need not protest the bill in the form required by law in order for it to retain its right of recourse against UAL.

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<sup>1</sup>Lm1,651,743

<sup>2</sup>Lm990,565

The Issuer administers and manages the process of claiming all payments under the bills from customers; it carries out all credit controls and conducts all administrative functions related to the collection of all receivables. This allows UAL to focus all its efforts on sales and provide customers with a more efficient service. UAL is paying the Issuer a fee of 1.5 per cent on the value of all bills of exchange factored by the Issuer, for the management and administrative services provided in connection with collection of receivables and credit control. In addition, and subject to availability, the Issuer may make other short-term advances to UAL for its working capital requirements.

#### **Business with United Garage Limited ("UGL")**

UGL was registered as a limited liability Company in Malta on 3 April 1975 with Company registration number C-3032. UGL today owns and operates one of the largest fleets of saloon and commercial vehicles in Malta and has established itself as a leader in the car rental, leasing and fleet management industry. Since 1961, UGL has operated the Hertz Rent-a-Car franchise for the Maltese Islands, which makes it the oldest Hertz franchisee in Europe. UGL has over the years established a network of strategically located Hertz branded retail outlets at vantage points around Malta, including Malta International Airport and main tourist resorts, thus ensuring a convenient and efficient service to customers.

In the early 1990's, UGL diversified its activities into car leasing, which it operates under the *Hertz Leasing* brand, providing a diversified range of leasing packages. This was a natural extension of the successful activities conducted by UGL in the car-rental and maintenance sector. *Hertz Leasing* is today established as a leading player in the leasing market with the ability to provide customers with a complete fleet management package from fleet planning to its financing, administration, maintenance, insurance and eventual replacement.

The Issuer has been conducting business with the Group's leasing subsidiary, UGL, since the year 2000, and through the proceeds of the 2000 bond issue, the Issuer has been financing the operations of this Company. In its ordinary course of business UGL enters into contracts with customers for the lease of motor vehicles for terms ranging between 3 and 6 years. UGL purchases the vehicle which it subsequently leases to the customer. Accordingly, UGL funds the capital outlay for the purchase of the motor vehicle to be leased to the customer and receives periodic rental payments from customers in the medium to longer term. UGL funds this maturity mismatch principally through financing. The Issuer intends to continue with these operations advancing approximately €2,000,000 to UGL to finance part of UGL's outstanding leases. Pursuant to a loan facility agreement entered into between the Issuer and UGL, the Issuer shall make such funding available against the pledge by UGL in favour of the Issuer of all rental payments receivable from the leasing arrangements and a pledge on insurance policies for the leased vehicles. The loan made available to UGL will bear interest at rates which are in line with the then prudent market rates in the Euro, subject to a minimum of 0.75% margin over the cost of financing the Bonds. A copy of the loan agreement dated 12 September 2000 is available for inspection by potential investors. In addition the Issuer shall retain full rights of repayment against UGL so that UGL's liability to pay the loan is not discharged until full payment of each advance is made. In the event of default by UGL in the repayment of the loan to the Issuer, the latter is entitled to enforce the pledge on all rental payments receivable from the leasing arrangements and seek payment thereof directly from the customers of UGL. UGL has comprehensive insurance cover for all its vehicles covering the vehicles against the risk of damage, fire, theft, loss and other normal risks under standard terms for insurance contracts of this kind.

#### **15.2.2 Principal activities - other members of the Group**

##### **Gatt Estates Limited ("GEL")**

GEL is a property holding Company set up as a limited liability Company in Malta on 11 September 1978 with Company registration number C-4171. GEL does not conduct any trading or business activities. None of the properties owned by GEL are leased to or otherwise occupied or used by any of the Group companies.

**United Motor Company Limited ("UMCL")**

UMCL was set up as a limited liability Company in Malta on 15 November 1979 with Company registration number C-4742. In January 2006, UMCL acquired the CAA road towing and road assistance service. Despite the acquisition being a new venture for the Group, the Group's experience acquired throughout the years in the automotive services sector and the greater synergy with the Group's automotive division, ensures that UMCL's customers are provided with the best possible service.

**United Retail Limited ("URL")**

URL was set up in August 2005 with registration number C-36776 to operate a chain of fashion outlets. It opened its first store, under franchise from OASIS in Tower Road, Sliema in October 2005. Following the successes registered by the first store, another two stores were opened in April 2007. The two new stores were opened under franchise from PRINCIPLES, a British high street fashion wear Company in Tigne Street, Sliema and another in Zachary Street, Valletta. The third PRINCIPLES outlet was opened at the Arkadia Complex in Gozo in November 2007.

**United Department Stores Limited ("UDSL")**

UDSL was set up in October 2006 with registration number C-39811. In 2006, all rights under a franchise agreement awarded in 2004 to United Group Limited by Debenhams, a leading chain of department stores based in the United Kingdom, was assigned to UDSL. Debenhams' key product categories include womenswear, menswear and homeware. UDSL will operate what is considered to be the first department store in Malta. As anchor tenant, UDSL has secured a long term lease for a 2,600 metre squared store at The Point Shopping Centre in Sliema and is due to open in Autumn 2009. UDSL represents one of the pillars in the Group's diversification strategy.

**16. ORGANISATIONAL STRUCTURE****16.1 ORGANISATIONAL STRUCTURE**

The Issuer is 12% owned by United Group Limited, the holding Company of the Group, and 88% owned by UAL, a subsidiary of United Group Limited. Apart from the Issuer and the holding Company, the Group consists of the following companies, all of which were incorporated in Malta:

Name of Company	Issued capital (€)	% held by United Group Limited	Principal activity
United Automobile Limited	221,290	100%	Car franchise dealership (vide sec. 15.2.1)
United Motor Company Limited	6,988	100%	Towing and recovery services (vide sec. 15.2.2)
United Retail Limited	23,293	100%	Fashion Retail (vide sec. 15.2.2)
United Department Stores Limited	46,587	100%	Retail (vide secs. 15.2.2 and 17.1a)
United Garage Limited	331,714	100%	Car Hire & Leasing (vide sec. 15.2.1)
Gatt Estates Limited	10,387	99%	Property Holdings (vide sec. 15.2.2)
Pender Ville Limited	10,092,604	20%	Residential Property Development (vide sec. 17.1a)
Pendergardens Limited	1,514,092	20%	Commercial Property Developments (vide sec. 17.1a)
United Assets Limited	23,293	100%	Manages the Group's Fixed Assets, which include motor vehicles and IT equipment
Euromed Cruises Limited	27,952	50%	Currently in Voluntary Winding-up
G & G Automobile Limited	23,293	100% (beneficial ownership)	Sale of second hand cars (the Company is presently not operational)

## 17. TREND INFORMATION

### 17.1 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 subject to the normal business risks associated with the industries in which the Group 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 the Issuer and the business of the Group, 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.

#### **(a) Key Activities**

As already described above, the key activity of United Finance p.l.c. is, and will continue to be, to finance the working capital requirements of the United Group, principally of its member companies UAL and UGL. In circumstances where the financing requirements of UAL and UGL do not require the full application of the Bond proceeds, the Issuer will also undertake financing of the investment in the companies Pender Ville Limited and Pendergardens Limited (in respect of the Pendergardens development) and the operations of United Department Stores Limited (in respect of the Debenhams Department Store due to open in Autumn 2009).

##### *Pendergardens*

Pendergardens is a prestigious self-contained development covering an area of 18,500 sqm in St. Julian's, Malta, in close proximity of the busy shopping and entertainment areas. The Development will offer all the amenities of a metropolitan centre, yet with all the comforts and security of an exclusive community. The property will be car-free and is planned to surround a large piazza, creating a peaceful and tranquil setting.

The choice of residential properties at Pendergardens will include three-bedroom family units in semi-detached blocks, studio flats, one/two-bedroom apartments, many with open sea, town and country views. Prospective buyers will be given various options on finishes, as proposed by the top local interior designers. There are also 16 plots for detached and semi-detached villas with pool. These plots will be accessed through a private landscaped road. Apart from the Piazza and gardens, a multi-storey car park (of which the top 2 storeys will be exclusively dedicated to Pendergardens' residents), a health and fitness centre and a pool area complement the development.

##### *Debenhams Department Store*

United Department Stores Limited is the Maltese Islands' franchisee for the Debenhams brand, which is due to be represented in Malta with the opening of a department store at The Point Shopping Centre in Tigne', Sliema, in Autumn 2009. Beyond our shores, Debenhams has a strong presence in key product categories including womenswear, menswear, homeware, health and beauty, accessories, lingerie and childrenswear. A unique mix of exclusive own brands (including Debut, Maine New England, Red Herring and Thomas Nash) and third-party brands differentiates Debenhams from its competitors.

Furthermore, the Issuer may seek to apply excess cash to the working capital and short-term financing require-

ments of other companies within the Group. Such financing will be undertaken by the Issuer at arm's length and at commercial rates of interest.

#### **(b) Trading Prospects**

As outlined in section (a) above, the Issuer's main objective, as a finance Company for the United Group, is to effectively and efficiently manage the financing requirements of the Group's working capital. In this context the Issuer's trading prospects are intimately related to the performance of UAL, UGL and other Group members, and limited to the extent of their respective financing requirements.

## **18. MANAGEMENT**

### **18.1 THE BOARD OF DIRECTORS OF THE ISSUER**

The Issuer is managed by a Board of Directors consisting of a minimum of four and a maximum of five members, which is entrusted with the administration and management of the Issuer.

The principal function of the Board is to establish policy for the Issuer and to appoint all executive officers and other key members of management. The powers of the Directors emanate directly from the Memorandum and Articles of Association of the Issuer (section 24.2 below refers) 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 transact all business of whatever nature of the Issuer not expressly reserved by the Memorandum and Articles of Association to the shareholders in general meeting or by any provision contained in any law for the time being in force.

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

#### **18.1.1 Curriculum vitae of the Directors of the Issuer**

The following are short *curriculum vitae* of the Directors:

**Carmen Gatt Baldacchino** is the chairperson of United Group Limited. As wife of the founder of the Group, the late Charles Gatt Baldacchino, she was actively involved in the running of the various companies, and together with her late husband was responsible for the development of the Group from one small garage in Sliema to an organisation employing over 100 people.

**Edmund Gatt Baldacchino** is a director of United Group Limited and the managing director of United Automobile Limited. Between 1990 and 1997 Edmund Gatt Baldacchino assisted the founder of the Group, the late Charles Gatt Baldacchino, in the management of the business. During this time he initiated and directed various expansions and diversification programs which result in the evolution of the United Group to its present level of development. Currently Edmund Gatt Baldacchino serves as CEO of the United Group as well as of the Issuer. He is also chairman of Pender Ville Limited and Pendergardens Limited and director and deputy chairman of Enemalta Corporation and the Mediterranean Oil Bunkering Corporation.

**Simon Gatt Baldacchino** is the managing director of United Garage Limited and a Director of United Group Limited. Simon Gatt Baldacchino took over the running of United Garage Limited in 1993, and during his tenure at United Garage Limited he diversified the Company's business into the car leasing market. Simon Gatt Baldacchino also serves as Chief Operating Officer of the United Group.



**Francis J. Vassallo** graduated B.A.(Hons) Econ. from the University of Malta in 1970. He has occupied several senior positions with Chase Manhattan Bank worldwide between 1971 and 1993. In September 1993 he was appointed Governor of the Central Bank of Malta a position that he held until 1998. During that period Mr. Vassallo served as a Governor of the International Monetary Fund, Governor of the Malta Financial Services Authority, chairman of the Malta Development Corporation and Alternate Governor for Malta at the European Bank for Reconstruction and Development. Mr. Vassallo is a member of the Institute of Directors, London and a Fellow of the Chartered Institute of Bankers. Mr. Vassallo is the President of the consultancy firm Francis J. Vassallo & Associates and the group's trust Company F.J.V Fiduciary Limited. He is also a director of United Group Limited, Altma SICAV, Celsius SICAV and FIMBANK p.l.c. and chairman of BAWAG Malta Bank Limited.

**James Bonello** has held several senior management positions at HSBC Bank Malta p.l.c., including that of Head of Commercial Banking and executive director on the board. He retired from these positions in March 2004 after close to forty years of active service. In 2004, Mr. Bonello was appointed Secretary General of the Malta Bankers' Association, a position which he currently holds on a full time basis. He has served for ten years on the Council of the Institute of Bankers (Malta Centre), also serving as President in his last two years. Mr. Bonello is former President of the Malta Centre of the Institute of Financial Services, and has served for three years as chief executive of the Malta International Business Authority (now the Malta Financial Services Authority).

## **18.2 REMUNERATION OF DIRECTORS**

The maximum limit of aggregate emoluments of the Directors is, in terms of the Memorandum and Articles of Association, to be established by the shareholders in general meeting. Within that limit the Directors shall have the power to vote remuneration to themselves or any number of their body. Any increases in the maximum limit of Directors' aggregate emoluments have to be approved by the general meeting.

Presently, the annual remuneration payable to each Director of the Issuer amounts to €2,330.

## **18.3 LOANS TO DIRECTORS**

At the date of the Prospectus, there are no loans outstanding by the Issuer to any of its Directors, or any guarantees issued for their benefit by the Issuer.

## **18.4 REMOVAL OF DIRECTORS**

A Director may, unless he resigns, be removed at any time by the shareholder appointing him in the same manner as the appointment, or by the Company in general meeting, provided that the Director who is to be removed shall be given the opportunity to make representations to the general meeting at which a resolution for his removal is taken.

## **18.5 POWERS OF DIRECTORS**

By virtue of the Memorandum and Articles of Association of the Issuer, the Directors are empowered to transact all business of the Issuer which is not expressly reserved by the Memorandum and Articles of Association or by any provision contained in any law for the time being in force to be exercised by the Company in general meeting. The powers of the Directors of the Issuer are better described in section 24.2 below.

## **18.6 EMPLOYEES**

As at the date of the Prospectus, the Issuer had no employees.

## **19. MANAGEMENT STRUCTURE AND SHAREHOLDING**

### **19.1 MANAGEMENT STRUCTURE OF THE ISSUER**

The overall management of the Issuer is vested in a Board of Directors consisting of a minimum of four and a maximum of five Directors. In terms of the Memorandum and Articles of Association they may transact all business of whatever nature of the Company not expressly reserved by the Memorandum and Articles of Association to the shareholders in general meeting or by any provision contained in any law for the time being in force.

The Directors may, from time to time, appoint one or more of their body to the office of Chief Executive Officer (CEO). Such an appointment may be for such period not exceeding such Director's term of office as Director and on such terms and conditions as they deem fit. Subject to any agreement entered into in any particular case, the Board may revoke such an appointment. The appointment of a CEO shall be automatically ended if he ceases for any cause to be a Director.

The Directors may entrust to and confer upon a CEO any of the powers exercisable by them upon such terms and conditions and with restrictions as they may think fit and may from time to time revoke, withdraw, alter and vary all or any of such powers.

The Directors have appointed Carmen Gatt Baldacchino as Chairperson and Edmund Gatt Baldacchino as CEO of the Issuer. With respect to the CEO of the Issuer, reference is made to section 18.1.1 above, outlining the principal activities carried out by him in other companies forming part of the Group. As indicated in section 14.3 above, the CEO of the Issuer, being a Director of the Issuer as well as of other members of the Group, may be subject to conflicts between the potentially divergent interests of the Issuer and such members of the Group. The Issuer is not aware of any private interests or duties unrelated to the Group which may or are likely to place the CEO in conflict with any interests in, or duties towards, the Issuer.

### **19.2 SHAREHOLDERS OF THE ISSUER**

As further detailed in section 24.1 below, United Automobile Limited currently owns 88% of the share capital of the Issuer whereas United Group Limited holds the remaining 12%. United Automobile Limited is wholly owned by United Group Limited, except for one share held by United Motor Company Limited (which in turn is owned by United Group Limited except for one share held by United Garage Limited). United Group Limited is owned by Carmen Gatt Baldacchino (who holds 2,448 ordinary shares of a nominal value of €2.329373 per share and 2,000 redeemable preference shares of a nominal value of €0.023293 per share) and Edmund Gatt Baldacchino, Simon Gatt Baldacchino, Josianne Tonna and Dolores Gatt Balacchino who each hold 2,029 ordinary shares of a nominal value of €2.329373 per share.

The manner of appointment of the Board is set out in section 24.2 below.

In terms of the Memorandum and Articles of Association, the Board shall consist of a minimum of four and a maximum of five, who are appointed as follows:

- (a) a shareholder holding not less than 20 per cent of the issued share capital of the Issuer having voting rights, or a number of shareholders who between them hold not less than 20 per cent of the issued share capital of the Issuer having voting rights, shall be entitled to appoint one Director for every such 20 per cent holding, by letter addressed to the Issuer.
- (b) any shareholder who does not qualify to appoint Directors in terms of paragraph (a) above, and who has not aggregated his holdings with those of other shareholders for the purposes of appointing a Director or Directors, shall be entitled to participate and vote in an election of Directors to take place once in every year at the annual general meeting of the Issuer.

Shareholders entitled to appoint Directors in terms of (a) above shall not be entitled to participate in the election of Directors in terms of paragraph (b) above.

In terms of the Code of Principles of Good Corporate Governance (section 21 below refers), the minority shareholder is granted the right to call special meetings on matters of importance to the Company (unless such meeting was not already called) or to raise matters of importance to the attention of the Board, and in case of conflicts between minority shareholders and controlling shareholders resulting in deadlock, recourse to arbitration is available. Furthermore, in line with the Code, the aforementioned process of appointment of Directors is transparent and conducted at properly constituted general meetings where the views of the minority can be expressed.

As explained in the following section, the Issuer shall not enter into any transaction with members of the United Group unless previously scrutinised and evaluated by the Issuer's Audit Committee, which committee consists of a majority of independent and Non-Executive Directors.

## **20. AUDIT PRACTICES**

### **20.1 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 in reviewing the financial reporting processes, financial policies and internal control structure of the Company. The Committee oversees the conduct of external audits and acts to facilitate communication between the Board, management and the external auditors.

The Board has set formal terms of establishment and the 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) monitoring the integrity of the financial statements issued by the Company, as well as the internal control structures (including the appropriateness and security of computer systems being utilised), the financial reporting process (ensuring that the recommendations made by external auditors are implemented in a timely manner) and financial policies of the Company;
- (b) maintaining communications on such matters between the Board, management and the external auditors;
- (c) preserving the Issuer's assets by understanding the Issuer's risk environment and determining how to deal with those risks;
- (d) the appointment of the external Auditor and the approval of the remuneration and terms of engagement thereof following appointment by the shareholders in general meeting.

Furthermore, pursuant to its terms of reference, the Audit Committee is charged with the monitoring and review of, *inter alia*:

- (a) the Company's internal financial control systems;
- (b) the external audit functions, including the external auditor's independence, objectivity and effectiveness;
- (c) the information upon which the management bases its decision to consider the business as a going concern;

- (d) the accounting policies adopted and assumption made;
- (e) whether the Company's financial statements compare well with the industry norm;
- (f) the Company's annual and interim financial statements, and evaluate the completeness of the financial information presented and investigate any significant variances from previous years;
- (g) the adherence to laws and regulations and compliance with the Listing Rules;
- (h) the financial performance of related companies, in relation to any outstanding borrowings the latter may have with the Company; and
- (i) the Company's tax position.

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.

Francis J. Vassallo, a Non-Executive Director, acts as chairman of the Audit Committee, whilst Edmund Gatt Baldacchino (an Executive Director) and James Bonello (a Non-Executive Director) act as members, and Godwin Spiteri acts as secretary. Audit Committee meetings are also attended by a member of the external auditors.

## **21. CORPORATE GOVERNANCE**

### **21.1 CORPORATE GOVERNANCE**

The Board shall take such measures as are necessary in order for the Issuer to comply with the requirements of the Code of Principles of Good Corporate Governance (the "Code") to the extent that this is considered appropriate in the context of the extent and nature of its business.

## **22. HISTORICAL FINANCIAL INFORMATION**

### **22.1 HISTORICAL FINANCIAL INFORMATION**

This document makes reference to the financial statements of the Issuer for the financial years ended 31 December 2005, 31 December 2006 and 31 December 2007. The financial statements referred to have been audited by KPMG and copies thereof are available for inspection as set out in Section 27 of Part C of this Prospectus.

There is no significant change in the financial or trading position of the Issuer which occurred since the end of the financial period to which the audited financial statements for the year ended 31 December 2007 relate.

## **23. LITIGATION**

### **23.1 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 Issuer's or Group's financial position or profitability.

## 24. ADDITIONAL INFORMATION

### 24.1 SHARE CAPITAL

The Issuer has an authorised share capital of €2,329,373 divided into 1,000,000 ordinary shares of €2.329373 each. The Issuer has an issued share capital of €2,329,373 divided into 1,000,000 ordinary shares of €2.329373 each, fully paid up. United Group Limited holds 119,999 ordinary shares of €2.329373 each and United Automobile Limited holds 880,001 ordinary shares of €2.329373 each.

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

DATE OF ALLOTMENT	NUMBER OF	SHAREHOLDER	CONSIDERATION
Initial share capital, issued on 26 June 2000	49,999 ordinary shares	United Group Limited	€116,466.34 <sup>1</sup> in cash
Initial share capital, issued on 26 June 2000	1 ordinary share	United Automobiles Limited	€2.33 <sup>2</sup> in cash
6 September 2000	70,000 ordinary shares	United Group Limited	€163,056.14 <sup>3</sup> in cash
6 September 2000	880,000 ordinary shares	United Automobiles Limited	Acquisition of a block of buildings in Ta' Xbiex as per deed in the records of Notary Dr. Pierre Attard of 6 September 2000

In terms of the Memorandum and Articles of Association of the Issuer, subject to the provisions of the Act and any relevant resolution of the Company in general meeting, the Board of Directors may offer, allot, grant options over or otherwise dispose of all shares from time to time unissued, at such times and on such terms as they think proper.

It is not expected that shares in the Issuer will 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.

### 24.2 MEMORANDUM AND ARTICLES OF ASSOCIATION

#### (a) Objects

The Memorandum and Articles of Association of the Issuer (C-26598) is registered with the Registry of Companies.

The principal object of the Issuer is to carry on the business of a finance and investment Company and in particular, but without prejudice to the generality of the foregoing, the financing or re-financing of the funding requirements of the business of United Group or any of its subsidiaries and/or associated companies. Clause 3 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.

<sup>1</sup>Lm49,999

<sup>2</sup>Lm1

<sup>3</sup>Lm70,000

**(b) Voting Rights and 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.

Unless provided otherwise in the relative terms of issue, holders of preference shares have the right to attend general meetings but do not have the right to vote at general meetings except on a resolution: for the purpose of reducing the capital of the Issuer; or for the purpose of winding up of the Issuer; or for the purpose of any proposal submitted to the meeting which directly affects their rights and privileges; or for the purpose of affecting the dividend on preference shares when the dividend on their shares is in arrears for more than six months. In such cases, each preference share shall carry one vote.

**(c) Appointment of Directors**

In terms of the Memorandum and Articles of Association, the Board shall consist of a minimum of four and a maximum of five Directors, who are appointed as follows:

- a) a shareholder holding not less than 20 per cent of the issued share capital of the Issuer having voting rights, or a number of shareholders who between them hold not less than 20 per cent of the issued share capital of the Issuer having voting rights, shall be entitled to appoint one Director for every such 20 per cent holding, by letter addressed to the Issuer.
- b) any shareholder who does not qualify to appoint Directors in terms of paragraph (a) above, and who has not aggregated his holdings with those of other shareholders for the purposes of appointing a Director or Directors, shall be entitled to participate and vote in an election of Directors to take place once in every year at the annual general meeting of the Issuer.

Shareholders entitled to appoint Directors in terms of (a) above shall not be entitled to participate in the election of Directors in terms of paragraph (b) above.

**(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 transact all business of whatever nature of the Issuer which is not by the Memorandum and Articles of Association reserved for the shareholders in general meeting or by any provision contained in any law for the time being in force.

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

The maximum limit of aggregate emoluments of the Directors is, in terms of the Memorandum and Articles of Association, to be established by the shareholders in general meeting. Within that limit the Directors shall have the power to vote remuneration to themselves or any number of their body. Any increases in the maximum limit of Directors' aggregate emoluments have to be approved by the general meeting. The Directors may also vote pensions, gratuities or allowances on retirement, to any Director who has held any other salaried office with the Issuer or to his widow or dependants - however any such proposal shall have to be approved by the shareholders in general meeting.

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, subject to the limit established in the Articles of Association and the overriding authority of the shareholders in general meeting to change, amend, restrict and/or otherwise modify such limit and the Directors' borrowing powers.

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

## **25. MATERIAL CONTRACTS**

### **25.1 MATERIAL CONTRACTS**

Save for what is otherwise disclosed in sections 6.5 of Part A and 15.2 of Part C, the Issuer has not entered into any other material contract which is not in the ordinary course of its business.

## **26. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS**

### **26.1 THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS**

This Prospectus does not contain any statement or report attributable to any person as an expert.

## **27. DOCUMENTS AVAILABLE FOR INSPECTION**

### **27.1 DOUCMENTS 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) Loan Facility Agreement entered into by and between the Issuer and United Garage Limited and dated 12 September 2000;
- (c) Audited Financial Statements of the Issuer for the financial year ended 31 December 2007;
- (d) Audited Financial Statements of the Issuer for the financial year ended 31 December 2006;
- (e) Audited Financial Statements of the Issuer for the financial year ended 31 December 2005.

## PART D—INFORMATION ABOUT THE BONDS

### 28. DETAILS OF THE BOND ISSUE

#### 28.1 DETAILS OF THE BOND ISSUE

##### *Distribution of the Bonds*

The Offer is being made by the Issuer to investors through Authorised Intermediaries and to the holders of Maturing Bonds whose names appear on the register of the Maturing Bonds as at the Cut-Off Date.

The Issuer will be entering into conditional subscription agreements with a number of Authorised Intermediaries for the subscription of the Bonds whereby it will bind itself to allocate Bonds to such investors upon closing of subscription lists. In terms of each subscription agreement the Issuer will be conditionally bound to issue, and each Intermediary will bind itself to subscribe for, a number of Bonds, subject to the Bonds being admitted to trading on the Official List of the Malta Stock Exchange. The subscription agreements will become binding on each of the Issuer and the Intermediaries upon delivery, provided that the Authorised Intermediaries would have paid to the Issuer all subscription proceeds in cleared funds on delivery of the subscription agreement.

Intermediaries subscribing for Bonds may do so for their own account or for the account of underlying customers, including retail customers, and shall in addition be entitled to distribute any portion of the Bonds subscribed for upon commencement of trading.

All persons holding Maturing Bonds at the Cut-Off Date wishing to subscribe for Bonds, may, at their option, settle the consideration for Bonds by transferring their Maturing Bonds to the Issuer at nominal value, subject to rounding up to the nearest €100 as may be required by virtue of the difference in currency between the Maturing Bonds (Maltese Lira) and the Bonds (Euro). Such transfer shall be without prejudice to the rights of the holders of Maturing Bonds to receive interest on the Maturing Bonds up to and including 23 July 2008 (the date falling one day prior to the date of commencement of interest on the Bonds), subject to the date of this step in the Expected Timetable of Principal Events Related to the Bond Issue (see above) being brought forward in the event that the Offer of Bonds is over-subscribed and all holders of Maturing Bonds exercise or waive their right of preference in the allocation of the Bonds, in which case the Issuer may exercise its discretion to close the said Offer before 17 July 2008. In the event that the Offer is not closed before 17 July 2008 as aforesaid, holders of Maturing Bonds shall remain entitled to receive interest up to and including 23 July 2008.

##### *Allocation Policy*

The Issuer will determine and announce the allocation policy for the allotment of the Bonds within five Business Days of the closing of subscriptions.

The Issuer shall be making preferred allocation of Bonds in multiples of €100 to those Applicants indicating their agreement to settle the consideration for the Maturing Bonds by surrendering in the Issuer's favour Maturing Bonds of an equivalent nominal value, subject to rounding up to the nearest €100 as may be required by virtue of the difference in currency between the Maturing Bonds and the Bond. The €2 million Bonds which may be issued upon exercise by the Issuer of the Over-allotment Option shall likewise be offered through Authorised Intermediaries for subscription under the same terms and conditions.

Application Forms are to be lodged with the Issuer, the Registrar or any Authorised Intermediary during the Offer Period.



**Offer Period**

The Bonds will be available for subscription during the Offer Period commencing on 10 July 2008 up to and including 17 July 2008, subject to the right of the Issuer to close subscription lists before such date in the event that the Offer of Bonds is over-subscribed and the exercise or waiver by all holders of Maturing Bonds of their right of preference in the allocation of the Bonds.

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.

**Refunds**

If any Application or Subscription Agreement is not accepted, or if any Subscription Agreement is accepted for fewer Bonds than those applied for, the monies or the balance of the amount paid but not allocated, as the case may be, will be returned by the Issuer without interest by direct credit into the Applicant's or Authorised Intermediary's bank account as indicated by the Applicant on the Application Form or the Authorised Intermediary in the Subscription Agreement. The Issuer will not be responsible for any loss or delay in transmission.

**Underwriting**

In terms of an agreement dated 26 June 2008 between the Issuer and HSBC Bank Malta p.l.c. (the "Underwriter"), the Underwriter agreed to purchase such number of Bonds remaining outstanding at the close of the Offer Period up to an aggregate of 50% of the Offer of €10,000,000 Bonds (that is, the amount of €5,000,000) at the Bond Offer Price, provided that a minimum value of €5,000,000 in Bonds would have been subscribed by investors during the Offer Period.

**29. INFORMATION CONCERNING THE SECURITIES****29.1 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 a Designated Early Redemption Date, as the case may be. The 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 Official 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.

Subject to the admission to listing of the Bonds to the Official List of the Malta Stock Exchange, the Bonds are expected to be assigned the following ISIN code: MT0000131210.

**29.2 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.

**29.3 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.

**29.4 INTEREST**

The Bonds shall accrue interest at the rate of 6.75% per annum payable annually on 30 June of each year. Interest shall accrue as from 30 June 2008. The first Interest Payment Date shall be 30 June 2009.

**29.5 MATURITY AND REDEMPTION**

The Bonds shall become due for final redemption on 30 June 2016. The Issuer reserves the right to redeem the Bonds or any part of the Bond Issue at any date between 30 June 2014 and 30 June 2016, as the Issuer may determine, on giving not less than sixty (60) days notice. Redemption of the Bonds shall be made at the nominal value of the Bonds. In addition, the Issuer reserves the right to purchase from the market at any time after issue, Bonds for cancellation.

**29.6 INTERMEDIARIES OFFER**

The Bonds shall be issued and offered to Authorised Intermediaries either for their own account or for the account of underlying customers or for future distribution. 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.

**29.7 AUTHORISATIONS**

The issue of the Bonds was authorised by the Issuer's Board of Directors by resolution dated 5 June 2008. The Listing Authority authorised the Bonds as admissible to listing on the Official List of the Malta Stock Exchange pursuant to the Listing Rules by virtue of a letter dated 27 June 2008. The Bonds are being created as debt instruments of the Issuer under the Act.

**29.8 EXPECTED DATE OF ISSUE OF THE BONDS**

The expected date of Issue of the Bonds is 10 July 2008.

**29.9 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) 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 individual Bondholder need not declare the interest so received in 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 beneficiary 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(1)(b) 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.

#### ***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 financial instruments of a Company quoted on a Recognised Investment Exchange, as is the MSE, redemptions and transfers of the Bonds is exempt from Maltese duty.

**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.**

**29.10 SINKING FUND**

The Issuer hereby undertakes that as from the end of the financial year ending 31 December 2010, it shall, over a period of six years therefrom, build a sinking fund equivalent to 50% of the value of the outstanding Bonds in issue as at the Redemption Date, thus creating a cash reserve from its annual surpluses and repayments of outstanding intra-Group loans, UAL bills of exchange and UGL lease repayments, sufficient to meet part of the redemption proceeds on the Redemption Date and/or a Designated Early Redemption Date.

The Board of Directors of the Issuer reserves the power with respect to the utilisation of funds allocated to the sinking fund, provided that the investment of these proceeds will only be made either for the purpose of the Issuer buying back Bonds for cancellation in terms of section 29.5 of Part D of this Prospectus ("Maturity and Redemption"), or for investing in such securities as may be approved by the Directors of the Issuer from time to time.

**30. ADMISSION TO TRADING****30.1 ADMISSION TO TRADING**

The Bonds are expected to be admitted to the Official List of the Malta Stock Exchange with effect from 25 July 2008 and trading is expected to commence on 28 July 2008.

**31. ESTIMATED TOTAL EXPENSES AND ESTIMATED NET PROCEEDS****31.1 ESTIMATED TOTAL EXPENSES AND ESTIMATED NET PROCEEDS**

Professional fees, costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar and underwriting fees, a 1% selling commission, and other miscellaneous expenses in connection with this Bond Issue, are estimated not to exceed €240,000 and shall be borne by the Issuer.

It is estimated that the total net proceeds of the Bond Issue would amount to €9,780,000 or in the case of exercise of the Over-Allotment Option €11,760,000.

The overall amount of the underwriting commission payable to the Underwriter and of the placing commission payable to Authorised Intermediaries entering into conditional subscription agreements in terms of section 28 of Part D will not exceed €132,500.

## PART E—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 (Part 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 Bond forms part of a duly authorised issue of registered Bonds of a nominal value of €100 each Bond, issued by the Issuer at the Bond Offer Price of €100 per Bond, up to an aggregate principal amount of €10,000,000 (except as otherwise provided under clause 9 “Further Issues” below) or in the event of the exercise by the Issuer of the Over-allotment Option an aggregate of €12,000,000, which shall bear interest at the rate of 6.75% per annum.
- (b) Unless previously purchased and cancelled, the Bonds shall be redeemable at the nominal value on any date between 30 June 2014 and 30 June 2016, as the Issue may determine, on giving not less than sixty (60) days notice.

##### 2. Form, Denomination and Title

The Bonds will be issued in fully registered form, without coupons, in denominations of any integral multiple of €100. 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 6.75% per annum on the nominal value of the Bond, payable annually in arrears, on 30 June of each year, the first payment becoming due on 30 June 2009 (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’s Main Refinancing rate, whichever is the greater; and
- (b) When interest is required to be calculated for any period of less than a full year, such interest shall be calculated on the basis of the actual number of days in such period divided by the actual number of days (365 or 366 days) in the respective year.

##### 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 re-

mains 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 (a) and (b) above do not result in the unencumbered assets of the Issuer being less than one hundred and six point seven five per cent (106.75%) 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 Euro to the person in whose name such Bond is registered, with interest accrued to the date fixed for redemption, by direct credit to the Bondholder's bank account as indicated by the Bondholder in the Application Form or to the bank account of any person as the Bondholder may designate.
- (b) Payment of interest on a Bond will be made in Euro 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 the Redemption Date. The Issuer reserves the right to redeem all or any part of the Bond Issue on a Designated Early Redemption Date. The Issuer shall give at least sixty (60) 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 a twelve-monthly 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 the 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 Official 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 FOR BONDS ISSUED FOR MATURING BOND TRANSFER OR FOR CASH CONSIDERATION**

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. The consideration payable by an Applicant for the Bonds may be settled either:
  - (a) In cash (the "Cash Consideration") as settlement of a subscription for Bonds with any Authorised Intermediary; and/or
  - (b) after submitting an Application Form, by the transfer of all or part of the Maturing Bonds held by such Applicant on the Cut-Off Date together with the payment of such additional amount in cash as may be required for the purpose of rounding up to the nearest €100 the value of the Maturing Bonds being transferred, where such rounding up is required by virtue of the difference in currency between the Maturing Bonds and the Bonds (the "Maturing Bond Transfer").
3. The Applicant, being a holder of Maturing Bonds on the Cut-Off Date, shall fill in and submit an Application Form if the selected method of payment for the Bonds being applied for is Maturing Bond Transfer. Any application for Bonds made by such person in excess of the amount of Maturing Bonds held on the Cut-Off Date, or any application for Bonds made by any person not being a holder of Maturing Bonds on the Cut-Off Date, shall be made by payment of the Cash Consideration upon subscribing for Bonds with any Authorised Intermediary.
4. By submitting a signed Application Form indicating that the Maturing Bond Transfer is being selected (whether in whole or in part consideration for the Bonds being applied for), the Applicant is thereby confirming that:
  - (a) all or part (as the case may be) of the Maturing Bonds held by the Applicant on the Cut-Off Date are being transferred to the Issuer; and
  - (b) the Application Form constitutes the Applicant's irrevocable mandate to the Issuer to:
    - i. cause the transfer of the said Maturing Bonds in the Issuer's name in consideration of the issue of Bonds; and
    - ii. engage at the Issuer's cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in said Maturing Bonds in the Issuer and fully and effectively vest title in the appropriate number of Bonds in the Applicant.
5. 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 direct credit to the Applicant's bank account as indicated in the Application Form or of any person as the Applicant may designate, within five (5) Business Days from the date of final allocation. No interest shall be due on refunds.
6. 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.

7. 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.
8. 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.
9. All Applications for the subscription of Bonds being effected by Maturing Bond Transfer must be submitted on an Application Form within the time limits established herein (refer to Expected Timetable set out in section 13.2 of Part C of this Prospectus). The minimum subscription for Bonds is €1,000 in value. Applications in excess of the said minimum thresholds must be in multiples of €100. 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 signed confirmation set out in para 4 above, which is reproduced in part G of the Application Form.

In the case of subscription for Bonds with an Authorised Intermediary, payment of the full price of the Bonds applied for in the currency of designation of the Bonds applied for must be effected, either in cash or by cheque payable, to "The Registrar – United Finance Bond Issue". In the event that a cheque is not honoured on its first presentation, the Issuer and the Registrar reserve the right to invalidate the application made with the Authorised Intermediary for the subscription for Bonds.

10. By completing and delivering an Application Form or by subscribing for Bonds with an Authorised Intermediary, as the case may be, and as applicable, 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 (in the case of the Cash Consideration) and/or for the number of Maturing Bonds set out in your Application Form (in the case of a Maturing Bond Transfer), subject to the Prospectus, these Terms and Conditions of Application, the Memorandum and Articles of Association of the Issuer, and, in the event of payment by Maturing Bond Transfer, the terms and conditions of issue of the Maturing Bonds;
  - (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 (in the case of payment by Cash Consideration) and/or by acceptance of transfer to the Issuer of Maturing Bonds (in the case of payment by Maturing Bond Transfer) for such Bonds, and such consideration 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/or acceptance of transfer to the Issuer of Maturing Bonds, as the case may be) 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 such case, where Cash Consideration was opted for as the method of payment for the Bonds in question, 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, where applicable, 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 (Cap. 373 of the Laws of Malta) 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 para 11 below and the warning in para 12 below;
- (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;
- (o) agree that Charts Investment Management Service Limited will not, in their capacity of Sponsoring Stock-brokers, 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.
11. 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.
  12. 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.
  13. 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.
  14. 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.
  15. Application has been made to the Malta Stock Exchange for the Bonds to be admitted to the Official List of the MSE for trading. Applicants shall be informed by mail of the amount allotted further to acceptance of their Application. Within 5 days of closing of the subscription lists, the Issuer shall announce, in at least one newspaper, the basis of acceptance of applications and allocation policy to be adopted, in connection with the Bonds which have not as yet been allocated to Applicants. Dealing shall commence upon admission to trading of the Bonds by the MSE.
  16. As already indicated by the Issuer elsewhere in this Prospectus, holders of Maturing Bonds applying for Bonds indicating their agreement to settle the consideration for the Bonds by surrendering in the Issuer's favour Maturing Bonds of an equivalent nominal value (subject to the payment of such additional amount in cash as may be required for the purpose of rounding up to the nearest €100 the value of the Maturing Bonds being transferred, where such rounding up is required by virtue of the difference in currency between the Maturing Bonds and the Bonds), shall have Bonds allocated in their favour **with preference over Applicants opting for payment by Cash Consideration.**
  17. Where an Applicant, being a holder of Maturing Bonds on the Cut-Off Date, submits an Application Form indicating that he/she intends settling the consideration payable for Bonds by Maturing Bond Transfer and also subscribes for Bonds with an Authorised Intermediary and settles the corresponding payment by Cash Consideration, such Applicant shall have preference over all other Applicants opting for payment by Cash Consideration.

tion in the allocation of Bonds solely with respect to that number of Bonds for which payment is being made by means of a Maturing Bond Transfer, and with respect to the Bonds for the payment of which Cash Consideration is being proposed, no such preference shall arise.

18. 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.
19. The Application lists for the Bonds will open at 09.00 hours on 10th July 2008 and will close not later than 12.00 hours on 17 July 2008, subject to the right of the Issuer to close subscription lists before such date in the even that the Offer of Bonds is over-subscribed and the exercise or waiver by all holders of Maturing Bonds of their right of preference in the allocation of the Bonds.

## ANNEX II—SPECIMEN APPLICATION FORM

	<b>United Finance p.l.c.</b> ISSUE OF 6.75% BONDS 2014 – 2016			<b>APPLICATION FORM</b> Application Number
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Please read the notes overleaf before completing this Application Form.

**A APPLICANT**

MSE A/C No.	ID CARD / PASSPORT / CO. REG. NO.	TEL. NO.	MOBILE NO.

**B ADDITIONAL (JOINT) APPLICANTS**

**C MINOR'S PARENTS / LEGAL GUARDIAN/S**

**D**

Value of holding of 6.75% United Finance p.l.c. 2008 as at 27 June 2008, in Euro: € Box 1

**I/WE APPLY TO PURCHASE AND ACQUIRE** (in multiples of €100, up to a maximum of the next multiple of €100 above the amount set out in Box 1):

AMOUNT IN WORDS	AMOUNT IN FIGURES
	€ <span style="float: right;">Box 2</span>

in United Finance 6.75% Bonds 2014–2016 (minimum €1,000 and in multiples of €100 thereafter) or any smaller number of Bonds for which this Application may be accepted at the Bond Offer Price as defined in the Prospectus dated 27 June 2008 under the Terms and Conditions as defined in the said Prospectus (see notes 3A, 3B and 3C).

Difference payable in cash for the purposes of rounding up the amount set out in Box 1 to the nearest €100, if applicable (Box 2 – Box 1)

	€ <span style="float: right;">Box 3</span>
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**E WITHHOLDING TAX ON INTEREST (SEE NOTE 8) (to be completed ONLY if the Applicant is a Maltese Resident)**

☐ I/We elect to have Final Withholding Tax, currently 15%, deducted from my/our interest.

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

**F INTEREST MANDATE (SEE NOTE 8)**

BANK	BRANCH	ACCOUNT NUMBER

**G** By submitting this Application Form I/we hereby confirm that:

a. part (up to the amount set out in Box 2) or all (as the case may be) of the 6.75% United Finance p.l.c. 2008 Bonds which I/we hold at the time of the Offer are being transferred to the Issuer;

and

b. this Application Form constitutes my/our irrevocable mandate to the Issuer to:

i. cause the transfer of the said 6.75% United Finance p.l.c. 2008 Bonds into the Issuer's name against the issue of United Finance p.l.c. 6.75% Bonds 2014-2016; and

ii. engage, at the Issuer's cost, the services of such Authorised Intermediaries listed in the Prospectus as may be necessary to fully and effectively vest title in said United Finance Bonds in the Issuer and fully and effectively vest title in the appropriate number of United Finance p.l.c. 6.75% Bonds 2014-2016 in my/our favour.

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 dated 27 June 2008. Furthermore, I/we confirm that to the extent that the number of Bonds being applied for on this application is within the aggregate value of my / our bonds held in the said 6.75% United Finance p.l.c. 2008 bond issue, payment for the United Finance p.l.c. 6.75% Bonds 2014-2016 is being made by me/us by means of a Maturing Bond Transfer (as defined in the Terms and Conditions of Application of the United Finance p.l.c. Bonds found in the Prospectus dated 27 June 2008). The equivalent amount shall be deducted from the amount due to me/us on 31 October 2008 upon the redemption of the 6.75% United Finance 2008 Bonds held in my/our name/s. 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

\_\_\_\_\_  
Date

(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)

Authorised Intermediary's Rubber Stamp	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; height: 20px;"></td> <td style="width: 25%;"></td> <td style="width: 25%;"></td> <td style="width: 25%;"></td> </tr> </table> Authorised Intermediary's Code				

## UNITED FINANCE p.l.c.

Notes on how to complete this Application Form and other information  
The following notes are to be read in conjunction with the Prospectus dated 27 June 2008

1. The Application Form is to be completed in BLOCK LETTERS.
2. The person whose name appears in Panel A shall, for all intents and purposes, be deemed to be the registered holder of the Bond. Interest and redemption proceeds will be issued in Euro in the name of such Bondholder.
- 3A This Application Form is to be submitted in the case where the Applicant selects, as a method of payment for the Bonds being applied for, the transfer to the Issuer of all or part of the 6.75% United Finance p.l.c. 2008 Bonds issued by United Finance plc held by the Applicant at the time of the Offer (the “**Maturing Bonds**”), the par value of which is set out in Euro in Box 1 overleaf. By submitting this signed Application Form, the Applicant is thereby confirming that:
  - (a) part (up to the amount set out in Box 2) or all (as the case may be) of the Maturing Bonds held by the Applicant at the time of the Offer are being transferred to the Issuer; and
  - (b) this Application Form constitutes the Applicant’s irrevocable mandate to the Issuer to:
    - (i) cause the transfer of the said Maturing Bonds into the Issuer’s name against the issue of United Finance p.l.c. 6.75% Bonds 2014-2016 (the “**New Bonds**”); and
    - (ii) engage, at the Issuer’s cost, the services of such Authorised Intermediaries listed in Annex III of the Prospectus as may be necessary to fully and effectively vest title in said Maturing Bonds in the Issuer and fully and effectively vest title in the appropriate number of New Bonds in the Applicant’s favour.
- 3B The amount set out in Box 2 must be in multiples of €100, up to a maximum of the nearest multiple of €100 above the amount set out in Box 1. In the event that the Applicant wishes to transfer to the Issuer the FULL amount of Maturing Bonds set out in Box 1 in exchange for the amount of New Bonds indicated in Box 2, the Applicant is required to round up the amount set out in Box 1 to the nearest €100 by subtracting the difference between the amount set out in Box 1 from the amount set out in Box 2. This amount required to make such rounding up, which is to be inserted in Box 3, is payable by cheque in favour of “The Registrar - United Finance plc” to be attached to the Application Form being sent to the Issuer.
- 3C Where the Applicant wishes to acquire a number of New Bonds having an aggregate value which is in excess of the aggregate value of the Maturing Bonds being surrendered and transferred in favour of the Issuer pursuant to para 3A above (as increased further to the rounding up carried out pursuant to para 3B above), the Applicant may do so through any of the Authorised Intermediaries listed in Annex III the Prospectus, subject to availability.
4. In the case of an Applicant who is a minor, the Application Form must be signed by both parents or by the legal guardian/s. In the latter case documentary evidence of the legal guardian’s appointment should be provided. (Interest and redemption proceeds will be made payable to the parent / legal guardian named in Panel C until such time as the Issuer is notified that the minor named in Panel A has attained the age of 18). The address to be inserted in Panel A is to be that of the parents / legal guardian.
5. In the case of a body corporate, applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
6. Application must be for a minimum of €1,000 and thereafter in multiples of €100.
7. Payment, if applicable, may be made by cheque payable to ‘The Registrar – United Finance Bond Issue’. In the event that cheques accompanying Application Forms are not honoured on their first presentation, the Issuer reserves the right to invalidate the relative Application.
8. 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. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a Prescribed Fund will have Final Withholding Tax, currently 10%, deducted from interest payments. Applicants will receive their interest directly in a bank account held locally in Euro, which has to be indicated in Panel F.
9. Subscription lists will open at 9.00am on 10 July 2008 and will close at noon on 17 July 2008. Any Applications received by the Registrar after the subscription lists close will be rejected.
10. 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.
11. 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.
12. The terms used in this Application Form have the same meaning as that assigned to them in the Prospectus.
13. The Issuer may process the personal data that the Applicant provides in the Application Form, for all purposes necessary for and related to the issue of the Bonds applied for, in accordance with the Data Protection Act, 2001. The Applicant has the right to request access to and rectification of the personal data relating to him/her, as processed by the Issuer. Any such requests must be made in writing and sent to the Issuer at the address indicated in the Prospectus. The requests must further be signed by the Applicant to whom the personal data relates.

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 an independent investment advisor, licensed under the Investment Services Act (Cap.370 of the Laws of Malta), for advice.



**ANNEX III - LIST OF AUTHORISED INTERMEDIARIES**

<b>MEMBERS OF THE MALTA STOCK EXCHANGE</b>	<b>TELEPHONE NO.</b>	<b>FAX NO.</b>
Atlas Investment Services Ltd Abate Rigord Street, Ta' Xbiex XBX 1121	23265690	23265691
Bank of Valletta p.l.c. BOV Centre, Cannon Road, St. Venera SVR 9030	22751732	22751733
Calamatta Cuschieri & Co. Limited 5th Floor, Valletta Buildings, South Street, Valletta VLT 1103	25688688	25688256
Charts Investment Management Service Limited Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913	21224106	21241101
Curmi & Partners Limited Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	21347331	21347333
Financial Planning Services Limited 4, Marina Court, G. Cali Street, Ta' Xbiex XBX 1421	21344243	21341202
FINCO Treasury Management Limited Level 5, The Mall Complex, The Mall, Floriana FRN 1470	21220002	21243280
GlobalCapital Financial Management Limited 120, The Strand, Gzira GZR 1027	21310088	23282207
Hogg Capital Investments Limited Regent House, Level 3, Suite 33, Bisazza Street, Sliema SLM 1641	21322872	21342760
HSBC Stockbrokers (Malta) Limited 233, Republic Street, Valletta VLT 1116	25972241	25972494
Rizzo, Farrugia & Co. (Stockbrokers) Limited Airways House, 3rd Floor, High Street, Sliema SLM 1549	22583000	22583001

<b>INVESTMENT SERVICE PROVIDERS</b>	<b>TELEPHONE NO.</b>	<b>FAX NO.</b>
APS Bank Limited APS House, 21, St. Anne Square, Floriana VLT 1111	25671177	25671167
Crystal Finance Investments Limited 6, Freedom Square, Valletta VLT 1011	21226190	21226188
D.B.R. Investments Limited 'Deber' , Nigret Road, Zurrieq ZRQ 3172	21647763	21647765
Growth Investments Limited Middle Sea House, Floriana FRN 1442	21226411	21249811
HSBC Bank Malta p.l.c. 241/2, Republic Street, Valletta VLT 1116	25972209	25972475
Jesmond Mizzi Financial Services Limited 67, Flat 3, South Street, Valletta VLT 1105	21224410	21223810
Joseph Scicluna Investment Services Ltd Level 3, Bellavista Court, Gorg Borg Olivier Street, Gozo VCT 2517	21565707	21565706
Lombard Bank (Malta) p.l.c. Lombard House, 67, Republic Street, Valletta VLT 1117	21248411	25581150
Michael Grech Financial Investment Services Ltd. 1, Mican Court, J.F.Kennedy Square, Victoria, Gozo VCT 2580	21554492	21559199
MZ Investment Services Limited 11, St. Rita Street, Rabat RBT 1523	21453739	21453407