Financial Analysis Summary

28 June 2017

Issuer

Corinthia Finance p.l.c.

Guarantor

Corinthia Palace Hotel Company Limited

CHARTS
WEALTH MANAGEMENT ▪ CORPORATE BROKING

WEALTH MANAGEMENT ▪ CORPORATE BROKING

The Directors
Corinthia Finance p.l.c.
22, Europa Centre
Floriana FRN 1400
Malta

28 June 2017

Dear Sirs

Financial Analysis Summary

In accordance with your instructions, and in line with the requirements of the Listing Authority Policies, we have compiled the Financial Analysis Summary (the "**Analysis**") set out on the following pages and which is being forwarded to you together with this letter.

The purpose of the financial analysis is that of summarising key financial data appertaining to Corinthia Finance p.l.c. (the "**Issuer**") and Corinthia Palace Hotel Company Limited (the "**Guarantor**" or "**Corinthia Group**" or "**Group**"). The data is derived from various sources or is based on our own computations as follows:

(a) Historical financial data for the three years ended 31 December 2014 to 31 December 2016 has been extracted from audited financial statements of the Issuer and Guarantor for the three years in question.

(b) The forecast data for the year ending 31 December 2017 has been provided by management.

(c) Our commentary on the results of the Guarantor and on its financial position is based on the explanations provided by management.

(d) The ratios quoted in the Analysis have been computed by us applying the definitions set out in Part 7.

(e) Relevant financial data in respect of the companies included in Part 6 has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Registrar of Companies or websites providing financial data.

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The Analysis is meant to assist investors in the Issuer’s securities and potential investors by summarising the more important financial data of the Corinthia Group. The Analysis does not contain all data that is relevant to investors or potential investors. The Analysis does not constitute an endorsement by our firm of any securities of the Issuer or Corinthia Group and should not be interpreted as a recommendation to invest in any of the Issuer’s or Corinthia Group’s securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis. As with all investments, potential investors are encouraged to seek independent professional financial advice before investing in the Issuer’s or Corinthia Group’s securities.

Yours faithfully,

Wilfred Mallia
Director

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PART 1 – INFORMATION ABOUT THE ISSUER AND GUARANTOR

1. ISSUER'S KEY ACTIVITIES

The principal activity of Corinthia Finance p.l.c. (the "**Issuer**") is to carry on the business of a finance and investment company within the Corinthia Group.

The Issuer is not engaged in any trading activities but is involved in raising debt and advancing same to members of the Corinthia Group as and when the demands of their business or the demands of a particular project so require. Accordingly, the Issuer is economically dependent on the operations, performance and prospects of the Corinthia Group.

2. DIRECTORS OF THE ISSUER

The Issuer is managed by a Board comprising four directors who are entrusted with its overall direction and management. The Board members of the Issuer as at the date of this report are included hereunder:

Board of Directors

Joseph Fenech	Chairman and Executive Director
Mario P. Galea	Non-Executive Director
Frank Xerri de Caro	Non-Executive Director
Joseph J. Vella	Non-Executive Director

3. GUARANTOR'S KEY ACTIVITIES

Corinthia Palace Hotel Company Limited ("**CPHCL**" or the "**Guarantor**") is the parent company of the Corinthia Group and is principally engaged, directly or through subsidiaries and associated entities, in investments that are predominantly focused on the ownership, development and operation of mixed-use real estate developments that consist mainly of hotels, residences, offices, retail and commercial areas, as well as industrial and event catering, in various countries.

4. DIRECTORS OF THE GUARANTOR

The Guarantor is managed by a Board consisting of six directors entrusted with its overall direction and management, including the establishment of strategies for future development. In the execution of the strategic direction, investment and management oversight of the Corinthia Group, the Board is assisted by the Chief Executive Officers and Senior Management of the operating business entities within the Corinthia Group.

The Board members of the Guarantor as at the date of this report are included hereunder:

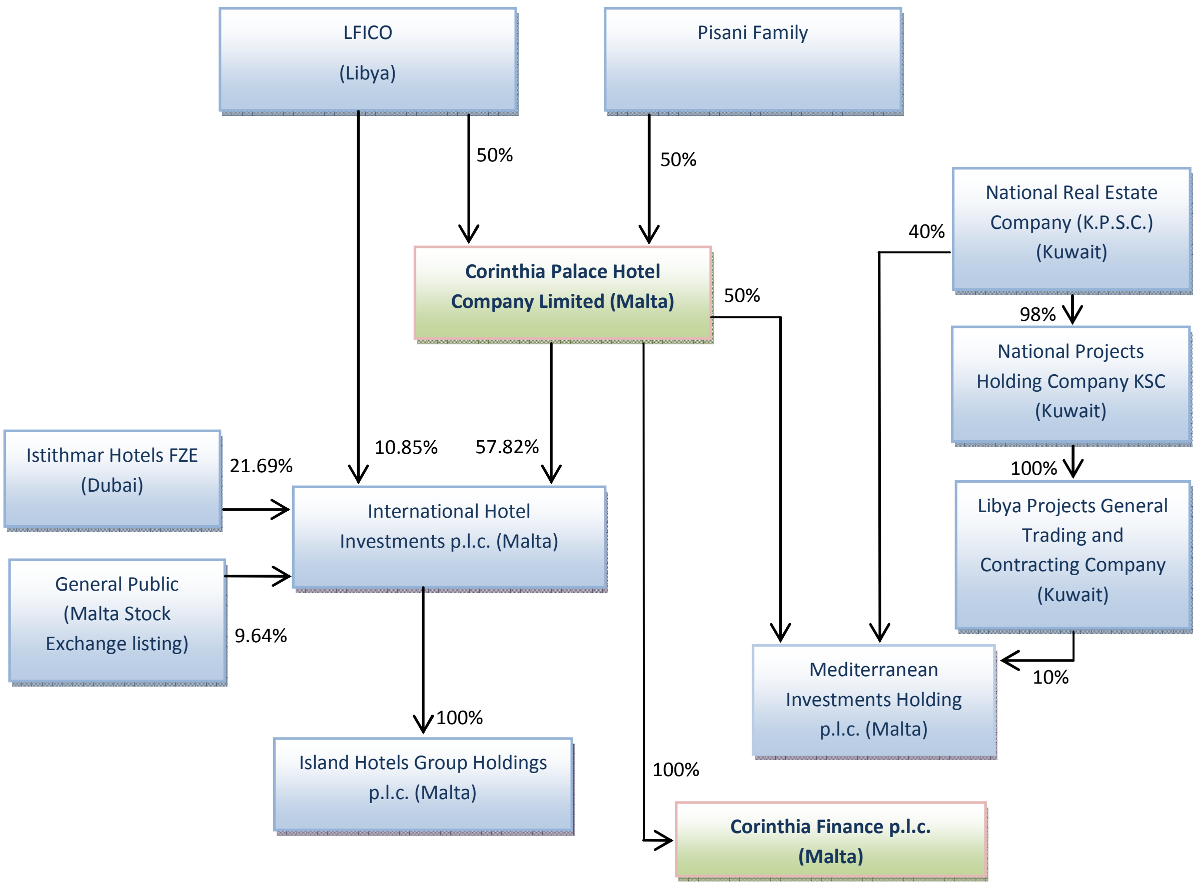
Board of Directors

Alfred Pisani	Chairman and Executive Director
Abuagila Almahdi	Vice- Chairman and Non-Executive Director
Joseph Pisani	Executive Director
Victor Pisani	Executive Director
Abdurazag Shaibi	Non-Executive Director
Mustafa Ali Ahmed Ghnedi	Non-Executive Director

The weekly average number of employees engaged with the companies forming part of the Corinthia Group during FY2016 amounted to 2,897 persons (FY2015: 2,864).

5. CORINTHIA GROUP ORGANISATIONAL STRUCTURE

The diagram below illustrates the principal subsidiaries and associates within the organisational structure of the Corinthia Group.



The following table provides a list of the principal assets and operations owned by the respective Corinthia Group companies:

PRINCIPAL ASSETS AND OPERATIONS

Name	Location	Description	% ownership	No. of hotel rooms
Corinthia Palace Hotel Company Limited				
Panorama Hotel Prague	Czech Republic	Property owner	100	440
Aquincum Hotel Budapest	Hungary	Property owner	100	310
Corinthia Palace Hotel & Spa	Malta	Property owner	100	150
Ramada Plaza	Tunisia	Property owner	100	309
Catermax	Malta	Event catering	100	n/a
International Hotel Investments p.l.c.				
Corinthia Hotel Budapest	Hungary	Property owner	100	440
Corinthia Hotel St Petersburg	Russia	Property owner	100	388
Commercial property St Petersburg	Russia	Property owner	100	n/a
Corinthia Hotel Lisbon	Portugal	Property owner	100	518
Corinthia Hotel Prague	Czech Republic	Property owner	100	539
Corinthia Hotel Tripoli	Libya	Property owner	100	299
Commercial property Tripoli	Libya	Property owner	100	n/a
Corinthia Hotel St George's Bay	Malta	Property owner	100	250
Marina Hotel St George's Bay	Malta	Property owner	100	200
Corinthia Hotel & Residences London*	United Kingdom	Property owner	50	294
Corinthia Grand Astoria Hotel Brussels*	Belgium	Property owner (under development)	50	n/a
CHI Limited	Malta	Hotel management	100	n/a
QPM Limited	Malta	Project management	100	n/a
Medina Tower	Libya	Mixed-use property (to be developed)	25	n/a
Island Hotels Group Holdings p.l.c.				
Radisson Blu Resort St Julians	Malta	Property owner	100	252
Radisson Blu Resort & Spa Golden Sands	Malta	Property owner & vacation ownership operation	50	329
Island Caterers	Malta	Event catering	100	n/a
Hal Ferh Complex	Malta	Vacant site (to be developed)	100	n/a
Costa Coffee	Malta/Spain	Retail catering	100	n/a
Mediterranean Investments Holding p.l.c.				
Palm City Residences	Libya	Gated residence complex	100	n/a
Medina Tower	Libya	Mixed-use property (to be developed)	25	n/a
				4,718

** under control and management of IHI*

A description and analysis of the operational activities of each of International Hotel Investments p.l.c., Island Hotels Group Holdings p.l.c. and Mediterranean Investments Holding p.l.c. is included in their respective financial analysis reports. The said reports have been published and are available on their respective websites: www.ihiplc.com; www.islandhotels.com; www.mihplc.com

PART 2 – HOTEL PROPERTIES DIRECTLY OWNED BY CORINTHIA PALACE HOTEL COMPANY LIMITED

6. HOTEL PROPERTIES

6.1 PANORAMA HOTEL PRAGUE

Introduction

Corinthia Panorama s.r.o. (a fully-owned subsidiary of CPHCL) owns the 440-room four-star Hotel located in Prague, Czech Republic ("**Panorama Hotel**"). The Panorama Hotel is situated in Prague's commercial district, just outside the city centre. It offers a range of rooms, including standard, superior, deluxe and business rooms, as well as a presidential suite. Guests at the Panorama Hotel benefit from access to the fitness and wellness centre, and the business centre. The carrying value of the Panorama Hotel as at 31 December 2016 is €31.9 million (2015: €31.1 million).

Market Overview

i. Economic update[1]

The Czech economy gained some steam in the final quarter of 2016, following a disappointing Q3. Growth in Q4 was supported by strong private consumption and a more favourable external sector. A sharp fall in fixed investment, however, still weighed on the economy. GDP growth strengthened from Q3's 1.8% to 1.9% in Q4. Q4's result overshot market expectations of 1.8% growth and brought full-year 2016 GDP growth to 2.3%, half the 4.6% rate seen in 2015, when the country benefited from an unusually high level of public investment associated with the end of the EU funding cycle.

Growth in the Czech Republic continues to be supported by robust private consumption, which contributed 1.4 percentage points to growth. This, together with the positive contribution from the external sector, offset a sharp deterioration in fixed investment. The enduring expansion in private consumption - which grew 2.9% in Q4, marginally down from Q3's 3.1% increase - has been supported by rising wages, a strong labour market and still low inflation. On the downside, the impact on investment of the diminished absorption of aid from the European Structural and Investment Fund continued to bite and drove fixed investment to fall 6.1% in Q4, worsening from the already considerable 5.0% drop recorded in the previous quarter. Moreover, government consumption flattened in Q4 after the 1.0% growth recorded in Q3.

Meanwhile, the external sector added 0.9 percentage points to growth. Imports of goods and services decelerated from a 1.7% increase in Q3 to a 0.5% rise in Q4, reflecting weaker demand of foreign goods for domestic investment. Export growth also moderated, but to a lesser extent, decelerating from Q3's 2.4% to Q4's 1.9%. The Czech National Bank expects the economy to expand 2.8% in both 2017 and 2018.

[1] http://www.focus-economics.com/countries/czech-republic/news/gdp/economy-gains-some-steam-in-q4-on-the-back-of-a-stronger-external

ii. Tourism market[2]

Tourism was up in 2016 for both Prague and the Czech Republic, as a whole, as measured by both the number of visitors and by overnight stays. Visitor numbers from China were up sharply. Figures for Russians are still down but are starting to recover. In 2016, 7.07 million people visited Prague, with 6.05 million of them being foreigners, based on statistics from the Czech Statistical Office (ČSÚ). The number of nights that visitors stayed also increased. Compared to the previous year, the number of tourists in Prague was up 7.0%, with foreigners rising 5.9% and residents up 14.3%. Tourists in Prague stayed for a collective 16.67 million nights, with 14.89 million overnight stays due to foreigners.

During the whole of 2016, the number of guests visiting the Czech Republic increased by 6.9% and the number of overnight stays by 5.4%. Furthermore, 18.37 million people used overnight accommodations (9.09 million Czech residents and 9.29 million foreigners). The number of residents was up 7.0% and non-residents up 6.7%. The number of overnight stays was higher for both groups than in 2015. In total, there were 49.64 million overnight stays, split almost evenly between residents and foreigners. It was an increase of 5.4% over the previous year.

In all regions of the Czech Republic, the number of guests as well as the number of overnight stays went up. The Hradec Králové region saw the highest increase in guests, up 13.2%, and the number of overnight stays increased mostly in the Ústí nad Labem region, up 10.6%.

A year-on-year decrease in guests from Russia and Japan was compensated for by higher occupancy by guests from other countries, including Germans (+6.4%), Slovaks (+11.7%) and Poland (+12.1%). Demand from Asia (other than Russia and Japan) was also higher, particularly from China, South Korea and Taiwan, as well as from the Middle East including Israel.

Operational Performance

The following table sets out the highlights of the hotel's operating performance for the years indicated therein:

Panorama Hotel Prague	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Actual**	**FY2017 Forecast**
Turnover (€'000)	9,110	9,923	10,251	10,451
Gross operating profit before incentive fees (€'000)	2,015	2,536	2,781	3,000
Gross operating profit margin (%)	22	26	27	29
Occupancy level (%)	70	74	71	74
Average room rate (€)	48	50	56	56
Revenue per available room (RevPAR) (€)	34	37	39	41
Benchmark performance				
Occupancy level (%)	71	71	75	75
Average room rate (€)	38	41	41	43
Revenue per available room (RevPAR) (€)	27	29	31	32
Revenue Generating Index	1.26	1.27	1.27	1.27

Source: Management information.

[2] https://prague.tv/en/s72/Directory/c207-Travel/n8450-Tourist-numbers-rose-in-2016; www.czso.cz

In FY2014, the Panorama Hotel Prague generated total revenue of €9.1 million, an increase of €0.3 million (+3%) when compared to the prior year. During the said financial year, the Hotel implemented a number of cost-saving and efficiency measures which resulted in an improvement in the Hotel's gross operating margin from 16% in FY2013 to 22% in FY2014. In absolute terms, gross operating profit increased by €0.6 million from €1.4 million in FY2013 to €2.0 million in FY2014. The occupancy level was maintained at 70% in FY2014, whilst the average room rate improved by €4 to €48. This resulted in a higher RevPAR from €32 in FY2013 to €34 in FY2014.

Operational performance of the Panorama Hotel improved further in FY2015 over FY2014 – revenue increased by €0.8 million (+9%) from €9.1 million in FY2014 to €9.9 million in FY2015, and gross operating profit increased by €0.5 million (+26%) from €2.0 million in FY2014 to €2.5 million in FY2015. In FY2015, the Panorama Hotel performed better than the previous year as occupancy increased from 70% to 74% and RevPAR increased from €34 to €37.

In FY2016, the Hotel generated €10.3 million in revenue, an increase of €0.3 million (+3%) over the prior year. Gross operating profit also improved by 10% (y-o-y) from €2.5 million in FY2015 to €2.8 million in FY2016. The occupancy level during the year was lower by 3 percentage points to 71%, but average room rate increased from €50 in FY2015 to €56 in FY2016. It is management's intention to generally maintain the same operational strategy for the Panorama Hotel. As such, the forecast for FY2017 reflects a 2% growth in revenue and an improvement in gross operating profit margin of 2 percentage points to 29%. RevPAR is projected to increase from €39 in FY2016 to €41 in FY2017.

As for benchmark performance, the Hotel's occupancy level between FY2014 and FY2016 fluctuated from 70% to 74%, whilst the Hotel's competitive set registered an occupancy level of 71% in each of FY2014 and FY2015 and 75% in FY2016. The Hotel is targeting an occupancy level of 74% for FY2017 which compares well with the projected benchmark occupancy level of 75%. With regards to the average room rate, the Hotel has outperformed its competitive set in each of the historical years (FY2014 to FY2016). Overall, the Hotel's RevPAR has exceeded the benchmark RevPAR by *circa* 27% in each of the reviewed years. Looking forward, management anticipates that in FY2017 the Hotel will continue to outperform its competitive set and register an RGI of 1.27.

6.2 THE AQUINCUM HOTEL BUDAPEST

Introduction

Thermal Hotel Aquincum Rt (a fully-owned subsidiary of CPHCL via CIL (UK)) owns the 310-room five-star Aquincum Hotel located in a prime area alongside the river Danube with panoramic views of the Buda Hills. The main feature of this business and leisure hotel is its 1,660m^2 Spa, which derives its therapeutic water directly from Margaret Island. The carrying amount of the Aquincum Hotel as at 31 December 2016 is €35.1 million (2015: €34.8 million).

Market Overview

i. Economic update[3]

The Hungarian economy shifted into a lower gear as growth slid in the final quarter of 2016. Comprehensive data released by the Central Statistics Office (KSH) show that the economy expanded 1.6% annually in Q4, marking the second consecutive quarterly deceleration and matching the preliminary estimate figure. 2016 GDP came in at a four-year low of 2.0% as the economy reeled from dwindling EU investment funds and weakening demand for Hungarian goods. On a seasonally-adjusted quarter-on-quarter basis, GDP remained broadly stable and expanded a soft 0.4% in Q4 (Q3: +0.3% q-o-q).

Abysmal readings in fixed investment and government consumption dented growth in the domestic economy and are largely behind the quarterly deceleration. Fixed investment declined at a double-digit rate in Q4 as EU-investment funds have dried up (Q3: -9.9% y-o-y; Q4: -19.6% y-o-y) and government consumption plunged to an over nine-year low (Q4: -5.0% y-o-y). The only bright spot was private consumption, which accelerated thanks to cheap credit, growth in real personal disposable income, low unemployment, and strong consumer confidence throughout the whole quarter. Overall, growth in domestic demand slowed from 1.8% in Q3 to 1.1% in Q4.

The contribution of the external sector to growth improved in the final quarter, even though the figure itself is misleading as exports actually slowed from a strong 5.1% expansion in Q3 to 3.1%, an over three-year low. However, imports decelerated even faster and expanded at an almost four-year low of 2.7% in Q4 (Q3: + 5.1% y-o-y) despite strong private consumption. As growth in imports slowed at a faster rate than exports, the contribution of the external sector improved from 0.1 percentage points in Q3 to 0.5 percentage points in Q4.

The slowdown experienced in the final quarter of 2016 is not expected to continue this year (2017). A list of measures announced by the government late last year such as wage hikes, increased spending and tax cuts will support stronger growth and offset domestic challenges such as rising prices. The resumption of EU inflows and the Central Bank’s commitment to maintaining favourable monetary conditions will provide a further boost to the economy. The afore-mentioned factors should shield the economy from external headwinds such as weaker economic growth in Hungary’s trading partners and its ripple effect on the country’s external sector, as well as monetary policy normalisation in the United States and Euro Area, which could trigger capital flow volatility and drive up financing costs. The Central Bank sees GDP expanding 3.6% in 2017 and 3.7% in 2018.

ii. Tourism market[4]

In 2016, accommodation establishments recorded 27.7 million tourism nights, 7.0% more than in 2015, with total gross revenues of accommodation establishments rising by 9.1% at current prices and amounting to more than HUF 402 billion. In the reviewed period, foreign guests spent 6.9% more nights in accommodation establishments as compared to the previous year to 13.9 million nights, while domestic guests spent 7.1% more nights totalling 13.8 million nights. Room occupancy in hotels in 2016 rose by an average of 2.5 percentage points to 56.4%.

Budapest attracts most of the foreign guests, and in 2016, 86% of foreign visitors stayed in the capital spending a total of 8.2 million guest nights, almost 6% more than in the previous year. Among the most significant sender countries, Czech Republic (+20%) and Romania (+17%) showed the most significant increase. The

[3] http://www.focus-economics.com/countries/hungary/news/gdp/economy-decelerates-in-q4
[4] Research & Forecast Report 2017 – Colliers International; www.ksh.hu

number of guests from Germany increased for the first time in several years with 0.3%, while the number of Russian tourists continued to fall by 5.3%.

Operational Performance

The following table sets out the highlights of the hotel's operating performance for the years indicated therein:

The Aquincum Hotel Budapest	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Actual**	**FY2017 Forecast**
Turnover (€'000)	7,188	7,205	7,470	8,394
Gross operating profit before incentive fees (€'000)	1,463	1,625	1,854	2,149
Gross operating profit margin (%)	20	23	25	26
Occupancy level (%)	75	71	74	78
Average room rate (€)	52	56	58	62
Revenue per available room (RevPAR) (€)	39	40	43	48
Benchmark performance				
Occupancy level (%)	71	74	77	77
Average room rate (€)	54	58	62	64
Revenue per available room (RevPAR) (€)	38	43	48	49
Revenue Generating Index	1.02	0.93	0.90	0.97

Source: Management information.

The Aquincum Hotel's financial performance in FY2014 improved when compared to a year earlier, principally due to a 10 percentage point increase in occupancy, from 65% in FY2013 to 75%. Revenue for FY2014 amounted to €7.2 million (a 14% increase from the FY2013 figure) and gross operating profit increased from €1.0 million in FY2013 to €1.5 million in FY2014 (+45%). Performance in FY2015 was broadly similar to FY2014 results – revenue amounted to €7.2 million (FY2014: €7.2 million), gross operating profit amounted to €1.6 million (FY2014: €1.5 million). The Hotel registered an increase in revenue of €0.3 million (+4%, y-o-y) and gross operating profit of €0.2 million (14%, y-o-y) principally on account of an improvement in RevPAR from €40 in FY2015 to €43 in FY2016. The revenue forecast for FY2017 indicates a y-o-y increase of €0.9 million (+12%) to €8.4 million, whilst gross operating profit is expected to increase by €0.3 million (+16%) to €2.1 million.

As for benchmark performance, the Hotel's RGI in FY2014 was equal to 1.02 – that is, performance was in line with that of its competitive set. Analysing the KPIs further, it is noted that the occupancy level of the Hotel was 75% in FY2014, four percentage points higher than competition, but its average room rate was €2 lower than its peers at €52. The RGI for FY2015 was below par, at 0.93, primarily due to a lower occupancy level (71% as compared to 74% for the competitive set) and average room rate (€56 as compared to €58 for the competitive set). In FY2016, achieved occupancy level was 3 percentage points below benchmark at 74% and RevPAR amounted to €43 as compared to €48 for the competitive set. The Hotel is expected to perform broadly in line with its benchmark in FY2017 and thus should achieve an RGI of 0.97 (FY2016: 0.90).

6.3 CORINTHIA PALACE HOTEL & SPA MALTA

Introduction

Corinthia Palace Hotel Company Limited directly owns the 150-room five-star Corinthia Palace Hotel & Spa located in Attard, Malta. The carrying amount of the Hotel as at 31 December 2016 is €25.5 million (2015: €26.1 million).

Market Overview

i. Economic update[5]

Economic activity in Malta is expected to remain relatively strong in the near term, supported by both demand and supply factors. In particular, the energy reforms that have taken place in recent years, new investment projects, increased labour market participation and robust services exports are the primary drivers supporting the economic expansion. Real GDP growth in 2016 was at 5.0%, and thereafter is projected to decelerate to 4.1% in 2017, 3.7% in 2018 and 3.3% in 2019.

During 2016, Gross Value Added (GVA) increased by €536.8 million when compared to the prior year (2015), to €8,693.0 million. GVA is the net result of output valued at basic prices less intermediate consumption valued at purchasers' prices. The increase in GVA was mainly generated by professional, scientific & technical activities and administrative & support services activities which increase by €116.6 million or 11.9%; arts, entertainment & recreation, repair of household goods & other services which increased by €100.8 million or 9.3%; and public administration & defence, education, human health & social work activities which increased by €90.2 million or 6.2%. A decrease of €21.0 million or -6.0% was registered in construction.

Economic growth was primarily driven by net exports of goods and services, which increased (in real terms) by €359.3 million or 63.7% from €563.8 million in 2015 to €923.1 million in 2016. Household consumption expenditure also increased on a y-o-y basis by €164.3 million or 3.9% to €4,397.1 million. On the other hand, declines in investment and government consumption were registered in 2016 when compared to a year earlier.

Inflation rose to 1.06% in December 2016, up from 0.68% in November 2016. The main upward impacts on annual inflation were recorded in the food index, the beverages and tobacco index, and the household equipment and house maintenance costs. This increase was mitigated by a reduction in the prices of fuel, clothing and transport.

ii. Tourism market[6]

Tourism in Malta has in recent years been performing at a strong level and this trend continued in 2015 as well as in 2016. Inbound tourism from January to December 2015 amounted to 1.8 million guests, an increase of 6.0% over the same period in 2014. Although tourists residing in collective accommodation (hotels, guesthouses, hostels, B&Bs, etc.) made up 71.7% of the market in 2015, preference for private accommodation has been growing in the last years at a faster pace, and actually increased by 18.2% from 2014. Tourism expenditure was estimated at €1.6 billion, 7.5% higher than that recorded for the comparable period in 2014.

Inbound tourist trips from January to December 2016 amounted to 1.99 million, an increase of 10.2% when compared a year earlier. Total nights spent by inbound tourists went up by 5.7%, reaching almost 15.0 million

[5] Central Bank of Malta – Supplement to the Quarterly Review 2017:1 (www.centralbankmalta.org); www.nso.gov.mt
[6] www.nso.gov.mt

nights. During 2016, total guests in collective accommodation establishments surpassed 1.6 million, an increase of 2.1% over the same period in 2015. Within the collective accommodation establishments, the 5 star and 4 star hotels gained 10,878 guests (+2.8%) and 30,779 guests (+4.5%) respectively in 2016 when compared to a year earlier, while there was a decrease of 24,042 guests (-5.7%) in the 3-star category. Tourism expenditure was estimated at €1.71 billion in 2016, an increase of 4.3% over 2015.

Focus will be maintained on increasing arrivals during the winter months and attracting more visitors from new markets to Malta. This bodes well for the Maltese hospitality industry as the expectation is to continue to grow revenues and increase profitability.

Looking forward, Malta's EU Presidency in the current year (2017) together with Valletta serving as the European City of Culture in 2018 are widely expected to generate increased demand for hotels and enhance Malta's image as a tourist destination, which would in turn generate further growth in the hospitality sector. Meanwhile, the somewhat uncertain future of the national carrier Air Malta poses a concern to further growth whilst competition from other Mediterranean countries will likely remain strong.

Operational Performance

The following table sets out the highlights of the hotel's operating performance for the years indicated therein:

Corinthia Palace Hotel & Spa Malta	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Actual**	**FY2017 Forecast**
Turnover (€'000)	5,918	7,223	8,117	8,716
Gross operating profit before incentive fees (€'000)	-124	458	1,138	1,430
Gross operating profit margin (%)	-2	6	14	16
Occupancy level (%)	59	67	73	77
Average room rate (€)	104	109	110	115
Revenue per available room (RevPAR) (€)	60	72	80	89
Benchmark performance				
Occupancy level (%)	74	76	71	66
Average room rate (€)	111	125	131	156
Revenue per available room (RevPAR) (€)	82	95	93	103
Revenue Generating Index	0.73	0.76	0.86	0.86

Source: Management information.

In FY2014, the Corinthia Palace Hotel & Spa generated revenue of €5.9 million (FY2013: €4.5 million) but incurred a gross operating loss of €0.1 million (FY2013: loss of €0.5 million). A strategic plan was implemented by management in FY2014 to turnaround this situation, principally through cost-cutting measures and investing in energy-efficient systems. Moreover, whilst benefiting from Malta's strong tourism performance, the sales team has been focused on yield management with a drive towards achieving higher rates.

A significant improvement in operational performance was registered in FY2015, whereby the Hotel generated revenues of €7.2 million (+22% on the previous year) and more importantly, achieved a gross operating profit of €0.5 million (as compared to an operating loss of €0.1 million in FY2014). In FY2015, the occupancy level improved from 59% in FY2014 to 67%, whilst RevPAR increased by 20% from €60 in FY2014 to €72.

In FY2016, a further increase in revenue and gross operating profit was achieved by the Hotel and amounted to €8.1 million (+12%, y-o-y) and €1.1 million (+148%, y-o-y) respectively. During the said year, the occupancy level improved from 67% in FY2015 to 73%, whilst RevPAR increased y-o-y by €8 to €80. Revenue for FY2017 is forecasted to increase by €0.6 million (+7%, y-o-y) and gross operating profit is expected to grow from €1.1 million in FY2016 to €1.4 million (+26%, y-o-y).

As for benchmark performance, the Hotel's current operating results are below the figures achieved by its competitive set. However, the Corinthia Palace Hotel & Spa has made significant progress throughout the reviewed years, which in fact resulted in an improvement in its RGI from 0.61 registered in FY2013 to 0.86 in FY2016. The Hotel is projected to retain its competitive position in FY2017 and as such, the RGI for FY2017 is projected at 0.86 (FY2016: 0.86).

6.4 RAMADA PLAZA TUNIS HOTEL

Introduction

Societe de Promotion Hoteliere Khamsa s.a. (a fully-owned subsidiary of the Group) owns the 309-room five-star Ramada Plaza Tunis Hotel which is located on an unspoiled sandy beach on the Côte de Carthage Gammarth, 18Km from the capital Tunis. The Hotel has extensive health and leisure facilities. The carrying amount of the Ramada Plaza Tunis Hotel as at 31 December 2016 is €22.1 million (2015: €24.7 million).

Market Overview

i. Economic update[7]

Tunisia's economy remains weak, burdened by rising public debt, large twin deficits, a cumbersome public sector and low competitiveness. The latest data shows that in Q1 2017 the trade deficit widened by more than 50%, which caused the dinar to fall heavily and prompted Prime Minister Youssef Chahed to propose the introduction of some import restrictions in late April 2017. On a more positive note, the government recently reached a preliminary agreement with the IMF for the disbursement of the second tranche of the Extended Fund Facility (EEF), worth around $308 million. The Fund encouraged the government to increase tax revenues, cut the public sector's wage bill and reduce energy subsidies, among other measures, to ease its burdensome financing needs and improve efficiency.

The economy in the current year (2017) should pick up, underpinned by a recovering tourist sector, rising fixed investment and international aid support. However, the high external and fiscal deficits pose clear downside risks to the outlook.

ii. Tourism market[8]

The number of tourists travelling to Tunisia is expected to rise by about 30% in 2017, reversing two years of sharp drops caused by militant attacks on foreign visitors in 2015, which led to the death of 38 tourists. Visitors from Algeria and Russia arrived in record numbers in 2016 and helped save Tunisia's seaside hotels from a second abysmal summer. Travellers from Western Europe continued to largely shun the North African country, but major package-tour operators are seeing growing bookings from France and Germany, traditionally Tunisia's biggest sources of European visitors. Still, the overall number of foreign visitors remains well below

[7] https://www.focus-economics.com/country-indicator/tunisia/
[8] http://www.zawya.com/mena/en/story/Tunisia_sees_30_percent_tourism_growth_in_2017-TR20170321nL5N1GY2ZDX2/

that of the peak years before the 2011 revolution: 4.5 million visitors in 2016 as compared to 6.9 million in 2010.

Operational Performance

The following table sets out the highlights of the hotel's operating performance for the years indicated therein:

Ramada Plaza Tunis Hotel	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Actual**	**FY2017 Forecast**
Turnover (€'000)	5,715	4,632	4,561	4,931
Gross operating profit before incentive fees (€'000)	1,846	896	969	1,246
Gross operating profit margin (%)	32	19	21	25
Occupancy level (%)	49	38	40	43
Average room rate (€)	60	62	58	58
Revenue per available room (RevPAR) (€)	29	23	23	25

Source: Management information.

FY2014 was a positive year for the Hotel as revenue increased from €4.6 million in FY2013 to €5.7 million (+24%). Moreover, gross operating profit almost doubled from €1.1 million in FY2013 to €1.9 million in FY2014. However, the violence that hit the country during FY2015 inevitably affected the Hotel's performance and, in consequence, revenue and gross operating profit decreased by 19% and 51% respectively. The Hotel's performance in FY2016 was generally on the same lines of the previous year, in which revenue remained static at the €4.6 million level and gross operating profit increased marginally from €0.9 million in FY2015 to €1.0 million.

The Hotel is forecasting an improvement in FY2017 and as such, revenue is projected to increase by €0.4 million (+8%, y-o-y) to €4.9 million and gross operating profit is anticipated to increase by €0.3 million (+29%, y-o-y) to €1.2 million. It is expected that occupancy should increase from 40% in FY2016 to 43%, and RevPAR is expected to improve from €23 to €25.

7. BUSINESS DEVELOPMENT STRATEGY

The Corinthia Group's business strategy focuses on achieving positive and sustainable financial results, and appreciation in the value of its properties and investments. In the execution of the Corinthia Group's strategy, management aims to provide a high-quality service at each hotel and treat customers to a unique hospitality experience. Through the provision of better quality offerings the brand value is further enhanced and leads management to achieve its objective of improving occupancy levels and average room rates. Moreover, it enables the Group to target higher-yielding customers, in particular from the leisure and conference & event segments.

Electronic booking portals have in recent times gained importance in generating room reservations. In this respect, the Corinthia Group is continuously optimising its website 'Corinthia.com', developing further its online reservation system and investing in online marketing.

From a cost perspective, better results are being achieved through the implementation of cost-control and energy-efficient measures at Group hotels.

The Corinthia Group's strategy focuses on the operation of hotels that are principally in the five-star category. In this respect, the Group has identified a number of assets, including four and three star hotels, which are either earmarked for redevelopment or no longer fit its long-term strategy. Such non-core assets will be disposed of at the opportune moment in the short to medium term. As to core assets, ongoing investment in their upkeep is given due importance to preserve their attractiveness and incremental value.

In addition to the afore-mentioned strategy for internal growth, the Corinthia Group aims to grow its business externally by further expanding the portfolio of hotels and mixed-use properties and venturing into other businesses through:

Acquisitions, joint ventures and developments

Management remains active in growing the Corinthia Group's hotel portfolio and mixed-use properties by acquisition, particularly if these entail a potential for capital appreciation. In 2015, the Group acquired IHGH which, *inter alia*, will enable the Group to redevelop the three hotels located near St George's Bay, St Julians, Malta into a mixed-use luxury development. This recent acquisition will also allow the Group to diversify its revenue streams through the expansion of Costa Coffee outlets principally in Spain. Furthermore, other mixed-use properties are earmarked for development in the coming years and which are expected to generate positive returns for the Corinthia Group. It is projected that further acquisition opportunities will arise as a result of the extensive network of contacts of the Group's directors and Chief Executives. If available at attractive prices and subject to funding, the Group is principally interested in acquiring hotels in its target markets, including certain European cities.

On 11 April 2016, IHI acquired a 50% participation interest, along with one of its major shareholders LFICO holding the other 50%, of the entire issued share capital of the Belgian company, Hotel Astoria S.A., resulting in the acquisition of the Grand Hotel Astoria in Brussels that was built in 1910 by a Belgian aristocratic family. When it was acquired by its last owners in 2007 it was operated as a 145-room hotel and it was eventually closed down with a view to carrying out an intensive refurbishment programme. However, such refurbishment failed to get underway and the asset laid desolate for the past ten years. The hotel, once redeveloped, will be renamed the Corinthia Grand Astoria Hotel. The refurbishment of this property will add another key destination to the Corinthia brand's growing portfolio.

Management contracts

Where attractive opportunities arise, the Group will seek to expand its portfolio of hotels by entering into agreements to manage hotels for third party owners. The strength of the Corinthia brand, its reservation system and online presence, the quality of its existing properties and the quality of service, have all contributed to introduce third party owned hotels into the Corinthia brand offering and this has placed it in a good position to establish such relationships, as is evident from the new agreements signed in Dubai and Doha.

PART 3 – GROUP PERFORMANCE REVIEW

8. FINANCIAL INFORMATION RELATING TO CORINTHIA FINANCE PLC

The following financial information is extracted from the audited financial statements of the Issuer for each of the years ended 31 December 2014 to 31 December 2016 while the forecasted financial information for the year ending 31 December 2017 has been provided by management of the Company. **The projected financial statements relate to events in the future and are based on assumptions which the Issuer believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results can be material.**

Corinthia Finance p.l.c. Income Statement (€)	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Actual**	**FY2017 Forecast**
Finance income	3,019,367	3,023,621	2,918,723	2,233,078
Finance costs	(2,947,205)	(2,945,475)	(2,849,022)	(2,150,000)
Administrative expenses	(41,104)	(41,597)	(47,076)	(52,077)
Realised gains on disposal of investments	-	-	436,145	4,689
Profit before tax	**31,058**	**36,549**	**458,770**	**35,690**
Taxation	(4,674)	(8,579)	(7,183)	(8,299)
Profit for the year	**26,384**	**27,970**	**451,587**	**27,391**
Other comprehensive income				
Fair value gains - financial assets	148,704	119,906	171,369	-
Reclassification on disposal of investments	-	-	(436,145)	(11,484)
	148,704	119,906	(264,776)	(11,484)
Total comprehensive income for the year	**175,088**	**147,876**	**186,811**	**15,907**

Corinthia Finance p.l.c. Cash Flow Statement (€)	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Actual**	**FY2017 Forecast**
Net cash from operating activities	(20,538)	(61,023)	(590,615)	(60,942)
Net cash from investing activities	4,107,794	3,000,210	2,821,076	2,220,320
Net cash from financing activities	(4,087,885)	(2,945,475)	(2,232,890)	(2,150,000)
Net movement in cash and cash equivalents	**(629)**	**(6,288)**	**(2,429)**	**9,378**
Cash and cash equivalents at beginning of year	15,841	15,212	8,924	6,495
Cash and cash equivalents at end of year	**15,212**	**8,924**	**6,495**	**15,873**

Corinthia Finance p.l.c. Balance Sheet (€)	**31 Dec'14 Actual**	**31 Dec'15 Actual**	**31 Dec'16 Actual**	**31 Dec'17 Forecast**
Assets				
Non-current				
Loans owed by parent company	45,170,000	45,170,000	46,880,000	46,470,000
Other long-term financial assets	2,444,524	2,606,620	637,874	1,060,633
	47,614,524	47,776,620	47,517,874	47,530,633
Current				
Receivables	1,718,177	1,948,945	2,573,951	2,007,104
Other assets	-	-	78,765	39,383
Cash and cash equivalents	15,212	8,924	6,495	15,873
	1,733,389	1,957,869	2,659,211	2,062,360
Total assets	**49,347,913**	**49,734,489**	**50,177,085**	**49,592,993**
Equity and liabilities				
Equity				
Called up share capital	250,000	250,000	250,000	250,000
Investment revaluation reserve	156,354	276,260	11,484	-
Retained earnings	105,653	33,623	85,210	112,601
	512,007	**559,883**	**346,694**	**362,601**
Liabilities				
Non-current				
Bonds in issue	47,427,600	47,427,600	47,500,000	47,500,000
Deferred tax liability	2,363	3,941	-	-
	47,429,963	47,431,541	47,500,000	47,500,000
Current				
Payables	1,405,943	1,743,065	2,330,391	1,730,392
	1,405,943	1,743,065	2,330,391	1,730,392
	48,835,906	**49,174,606**	**49,830,391**	**49,230,392**
Total equity and liabilities	**49,347,913**	**49,734,489**	**50,177,085**	**49,592,993**

The Issuer is a fully owned subsidiary of CPHCL, the parent company of the Corinthia Group, and is principally engaged to act as a finance company. During the years under review, the Issuer maintained *circa* €47.5 million in value of bonds, the proceeds of which were on-lent to CPHCL on issuance. As a result of this, finance income principally represents interest receivable from loans advanced to CPHCL while finance costs comprise interest payable to bondholders.

9. FINANCIAL INFORMATION RELATING TO CORINTHIA PALACE HOTEL COMPANY LIMITED (CONSOLIDATED FINANCIAL STATEMENTS)

The financial information provided hereunder is extracted from the audited consolidated financial statements of CPHCL for each of the years ended 31 December 2014 to 31 December 2016 while the forecasted financial information for the year ending 31 December 2017 has been provided by management of the Company. **The projected financial statements relate to events in the future and are based on assumptions which CPHCL believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results can be material**. **With specific reference to CPHCL's operations in Libya, assessment of future performance is more difficult to forecast due to the ongoing economic instability and lack of clarity on the political situation in the country. In view of this state of affairs, the actual results from the operations in Libya may vary significantly from projections.**

During 2014, the Group experienced upward shifts in the fair values on some of its properties, mainly in respect of a local hotel and the Group's hotel in Hungary. The increase in value of these properties amounting to €12.123 million gross of tax, together with a related deferred tax charge of €1.962 million, were recognised as a result of these value increases. In 2014, the Group recognised this surplus within profit or loss in its financial results for the year ended 31 December 2014. The directors have identified that, in accordance with the requirements of IAS 16, the Group should have recognised the surplus as at 31 December 2014 through other comprehensive income, in the revaluation reserve. The error has been corrected by restating the FY2014 loss and other comprehensive income for the year, by reclassifying the above amount from loss for the year ended 31 December 2014 to other comprehensive income. In the statement of financial position as at 31 December 2014, other reserves has been restated from €211.477 million to €217.449 million (the addition of €5.972 million), and retained earnings has been restated from €155.268 million to €149.296 million (the reduction of €5.972 million).

The audit report contained in the audited consolidated financial statements for the year ended 31 December 2016 includes an emphasis of matter relating to the significant political and economic uncertainties prevailing in Libya and their impact on the Group's results for 2016.

Note 5 to the 2016 financial statements further explains the significant uncertainties and judgments surrounding the valuation of the Group's assets in Libya that have been based on the projected cash flows from the relative operations, and which are in turn influenced by the timing of a recovery in the country. Different plausible scenarios may impact the financial performance of the Libya operations and the valuation of related assets in a significant matter. This matter is considered to be of fundamental importance to the users' understanding of the financial statements because of the potential impact that this uncertainty may have on the valuation of the Group's assets in Libya, which at 31 December 2016 were carried at €323 million.

In 2017 IHI secured the right to nominate and appoint the majority of the board of directors of NLI (principally the owning company of Corinthia Hotel London and penthouse) such that IHI will henceforth start consolidating the performance of Corinthia Hotel London in its financial statements. In view of this development the results of NLI are also consolidated in FY2017's financial statements of CPHCL. Up to and including FY2016, 50% of the net result of NLI was being reflected in the consolidated income statement of IHI and CPHCL under the reporting line 'share of net profit of associates accounted for using the equity method'.

CPHCL Income Statement (€'000)	**FY2014 Restated**	**FY2015 Actual**	**FY2016 Actual**	**FY2017 Forecast**
Revenue	159,238	178,373	207,923	292,752
Net operating expenses	(131,185)	(146,603)	(165,549)	(224,717)
EBITDA	**28,053**	**31,770**	**42,374**	**68,035**
Depreciation and amortisation	(24,129)	(26,906)	(32,475)	(43,107)
Other income (expenses)	1,295	2,087	(520)	1,172
Gain (loss) on exchange	(788)	(1,103)	1,981	-
Net impairment of hotel and investment properties	(21,582)	(4,261)	(16,678)	-
Results from operating activities	**(17,151)**	**1,587**	**(5,318)**	**26,100**
Net finance costs	(17,573)	(19,887)	(22,789)	(28,482)
Investment income	-	-	1,487	-
Revaluation to fair value of investment properties	-	-	-	-
Share of results of associate companies	(29,075)	(3,893)	(1,273)	1,630
Other	923	(8,305)	8,647	5,494
Profit (loss) before tax	**(62,876)**	**(30,498)**	**(19,246)**	**4,742**
Taxation	13,990	(579)	(3,029)	(1,518)
Profit (loss) for the year	**(48,886)**	**(31,077)**	**(22,275)**	**3,224**
Other comprehensive income				
Net revaluation (impairment) of hotel properties	(14,611)	44,777	41,194	-
Share of other comprehensive income of equity accounted investments	19,197	9,676	6,598	-
Other effects and tax	8,856	(18,838)	(4,978)	-
	13,442	**35,615**	**42,814**	**-**
Total comprehensive income (expense) for the year net of tax	**(35,444)**	**4,538**	**20,539**	**3,224**

CPHCL Cash Flow Statement (€'000)	**FY2014 Restated**	**FY2015 Actual**	**FY2016 Actual**	**FY2017 Forecast**
Net cash from operating activities	8,942	36,900	4,199	71,914
Net cash from investing activities	39,362	(28,855)	(28,175)	38,291
Net cash from financing activities	(32,166)	(7,322)	32,440	(38,563)
Net movement in cash and cash equivalents	**16,138**	**723**	**8,464**	**71,642**
Cash and cash equivalents at beginning of year	(47)	16,091	16,814	25,278
Cash and cash equivalents at end of year	**16,091**	**16,814**	**25,278**	**96,920**

CPHCL Balance Sheet (€'000)	**31 Dec'14 Restated**	**31 Dec'15 Actual**	**31 Dec'16 Actual**	**31 Dec'17 Forecast**
Assets				
Non-current				
Intangible assets	5,336	18,343	18,090	16,115
Investment properties	210,799	200,287	196,684	227,046
Property, plant and equipment	621,287	700,981	747,611	1,210,571
Investments in associates	284,277	340,309	320,959	120,782
Loan receivable from associates	-	-	-	-
Other investments	-	-	-	-
Deferred tax assets	4,814	3,190	2,689	5,030
Investment held by trustee	10,411	6,482	1,752	3,232
	1,136,924	1,269,592	1,287,785	1,582,776
Current				
Inventories	7,379	8,477	9,406	13,027
Trade and other receivables	35,096	47,068	42,726	54,157
Taxation	2,642	3,542	4,710	4,643
Assets placed under trust arrangement	-	-	4,961	-
Cash and cash equivalents	26,404	27,544	40,039	102,017
	71,521	86,631	101,842	173,844
Total assets	**1,208,445**	**1,356,223**	**1,389,627**	**1,756,620**
Equity and liabilities				
Equity				
Called up share capital	20,000	20,000	20,000	20,000
Other reserves	217,449	241,926	266,304	265,705
Retained earnings	149,296	125,506	108,624	108,437
Non-controlling interest	246,961	253,599	270,429	471,868
	633,706	**641,031**	**665,357**	**866,010**
Liabilities				
Non-current				
Borrowings and bonds	381,062	445,886	478,362	634,382
Other non-current liabilities	102,352	127,100	127,017	131,711
	483,414	572,986	605,379	766,093
Current				
Borrowings and bonds	39,790	42,198	46,967	37,143
Other current liabilities	51,535	100,008	71,924	87,374
	91,325	142,206	118,891	124,517
	574,739	**715,192**	**724,270**	**890,610**
Total equity and liabilities	**1,208,445**	**1,356,223**	**1,389,627**	**1,756,620**

Key Accounting Ratios	FY2014	FY2015	FY2016	FY2017
Operating profit margin *(EBITDA/revenue)*	18%	18%	20%	23%
Interest cover (times) *(EBITDA/net finance cost)*	1.60	1.60	1.86	2.39
Net profit margin *(Profit after tax/revenue)*	-31%	-17%	-11%	1%
Earnings per share (€) *(Profit after tax/number of shares)*	-2.44	-1.55	-1.11	0.16
Return on equity *(Profit after tax/shareholders' equity)*	-8%	-5%	-3%	0%
Return on capital employed *(EBITDA/total assets less current liabilities)*	3%	3%	3%	4%
Return on assets *(Profit after tax/total assets)*	-4%	-2%	-2%	0%

Source: Charts Investment Management Service Limited

In **2014,** Corinthia Group's revenue amounted to €159.2 million, reflecting a decrease of €5.7 million on the turnover registered in 2013 (€164.9 million). As in previous years, these consolidated figures did not include the 50% share of results of the Corinthia Hotel & Residences London and Palm City Residences in Libya which are reflected in the line item 'Share of results of associate companies'. In view of the instability in Libya in the second half of the year and the political situation in the Russian Federation, revenues generated by Corinthia Hotel Tripoli and Corinthia Hotel St. Petersburg for the year ended 31 December 2014 were lower than those of 2013 by *circa* €16.1 million. This reduction was, however, in the main compensated by increased revenues and the rationalisation of operating costs by the Corinthia Group's other hotel properties across Europe. The Corinthia Group's EBITDA for 2014 at €28.1 million (excluding the Corinthia Hotel & Residences London and Palm City Residences) represents a reduction of only €3.1 million on the EBITDA of €31.2 million reported in 2013.

The depreciation charge for 2014 reduced by more than €4.1 million on the prior year and this was largely due to some assets becoming fully depreciated. In 2014 there was also a reduction of approximately €2.6 million in finance costs (from €24 million in 2013 to €21.4 million in 2014) in consequence of reduced EURIBOR rates coupled with the further reduction of the Corinthia Group's indebtedness.

The loss of €29.1 million (2013: profit of €0.4 million) registered on the Corinthia Group's share of results of associate companies mainly reflects the developments at the Corinthia Hotel & Residences London (50% share of the loss of €29.1 million registered on this investment), and at Mediterranean Investments Holding p.l.c. ("MIH") through its principal subsidiary company Palm City Limited ("PCL") (50% share of the loss of €28.1 million).

In 2014, the Corinthia Hotel & Residences London registered a marginal improvement in its operating performance over 2013. However, depreciation and interest costs turned this profit into a loss of €11.2 million. The continued positive trend in operational performance resulted in an uplift of €17.9 million in this property's value recognised in other comprehensive income. In April 2014, 11 apartments in Whitehall Place adjacent to the Corinthia Hotel London were sold to third parties while the penthouse apartment was retained to be sold when the right opportunity arises. Except for one-off property costs resulting from this sale of apartments, this disposal of these residences had no effect on the Corinthia Group's financial results since these apartments had already been valued at their market price.

For MIH, 2014 was a year of mixed experiences, with the first semester proving to be a record performance at Palm City Residences, whilst the second semester was overshadowed by the political conflict that developed in Libya. Despite these difficult circumstances, management remained resolute in primarily ensuring the safety of its clients and its staff, but also in keeping this property operational at all times. This helped to achieve a profit after tax, but before impairment charges, of €12 million (2013: €13.8 million). However, in view of the reduced profitability and the higher country risk, MIH recognised an impairment charge on this property of €40.1 million net of tax.

Although in 2014 the Corinthia Group registered an encouraging operational performance despite the problems in Libya and in Russia, its profitability for 2014 was adversely impacted by the resultant impairment charges on its properties in these two countries. In fact, the Corinthia Group recognised an impairment charge of €69.2 million in the value of its hotels and investment properties in Tripoli and in St. Petersburg. On the other hand, through the robust performance achieved by a number of the Corinthia Group's hotels located in Europe, the Corinthia Group registered a total uplift of €52.7 million in the fair values of these properties, most notable of which were the ones located in London (limited to 50% share), Lisbon and Budapest.

The net effect of these revaluation adjustments, excluding that on Palm City Residences, was a charge of €21.6 million reflected in the income statement. In consequence of the foregoing, in 2014 the Corinthia Group registered a loss after tax of €48.9 million compared to a profit of €4.8 million in 2013.

The other comprehensive income of €13.4 million (2013: €42.2 million) mainly reflects the net effect of the Corinthia Group's share of impairment charges of €5.7 million, net of tax, and a favourable translation adjustment of €6.4 million on the investment in the Corinthia Hotel & Residences London as a result of the strengthening of the Pound Sterling versus the Group's reporting currency, the Euro.

After adding the net comprehensive income of €13.4 million to the loss after tax of €48.9 million, the Corinthia Group's total comprehensive expense for 2014 amounted to €35.4 million against a total comprehensive income of €46.9 million registered in 2013.

Property revaluation adjustments feature prominently in both the Corinthia Group's income statement and in the comprehensive income statement. In 2014 the net impairment charges were significant and were the principal reasons for the deviation in the results for the year when compared to 2013.

Revenue for **FY2015** amounted to €178.4 million, an increase of €19.2 million (+12%) when compared to the prior year (FY2014: €159.2 million). The principal reason for said increase is IHI's acquisition of IHGH on 10 August 2015. The major operations of IHGH that are consolidated on a line-by-line basis include the Radisson Blu Resort St Julians, Island Caterers and Costa Coffee (operations in Malta and Spain). IHGH also operates the Radisson Blu Resort & Spa Golden Sands (vacation ownership and hotel operation), but due to IHGH's 50% ownership in this hotel, its yearly results are included in 'Share of results of associate companies'.

The majority of the Group's hotels registered an increase in revenue and operating gross profit, broadly in line with their respective competitive set. Declines in performance were registered at the Corinthia Hotel Tripoli, which was closed for most of 2015, and to a much lesser extent at the Corinthia Hotel St Petersburg and the Ramada Plaza Tunis Hotel.

At the operating level (EBITDA), the Group improved its performance from €28.1 million in FY2014 to €31.8 million in FY2015 (+13%), in line with the improvement in revenues and the synergies brought about by the rationalisation of its operations particularly in Malta.

The reviewed year's results were again characterised by significant fluctuations, both positive and negative, in the fair value of the Group's properties. These are reflected in the income statement and other comprehensive income. In the income statement, the Group recognised a net impairment on properties of €4.3 million (FY2014: impairment of €21.6 million) mainly due to the Corinthia Hotel St Petersburg.

In FY2015, net finance costs increased by €2.3 million (from €17.6 million in 2014 to €19.9 million in 2015), and, an exchange loss of €8.3 million was recorded as a result of the devaluation of the Rouble. This negative effect was partly mitigated by reduced EURIBOR rates, a further reduction of the Group's indebtedness due to continued repayments of bank loans, and lower bond interest costs on the refinancing of bonds. Net finance costs for FY2015 also incorporates IHGH's borrowing costs (amounting to €1.9 million) for the second semester of the year.

The Group registered a loss of €3.9 million in FY2015 on its share of results of associate companies (FY2014: loss of €29.1 million). Share of results from equity accounted investments comprises IHI's 50% ownership of the Corinthia Hotel & Residences London and the Radisson Blu Resort & Spa Golden Sands. Furthermore, CPHCL owns 50% of the Palm City Residences. The performance of the Corinthia Hotel & Residences London improved significantly in the year under review with record occupancies, rates and EBITDA earnings being achieved as this property moves towards its maturity. IHI's 50% share of the hotel's EBITDA in 2015 amounted to €8.2 million as compared to €4.5 million in 2014. The residential penthouse at 10 Whitehall Place has been leased for a term of two years as from 5 February 2016. The results of the Corinthia Hotel & Residences London represent an improvement in 2015 over 2014 (50% share of the 2015 loss of €8.1 million compared to a loss of €29.1 million in 2014).

With respect to the Radisson Blu Resort & Spa Golden Sands, the hotel generated an EBITDA of €7.4 million in the period 1 July 2015 to 31 December 2015, out of which IHI's 50% share amounted to €3.7 million. The results of the 50% share in the Golden Sands Resorts during the last six months of the year represented a profit of €2.0 million. Occupancy at the Palm City Residences in Libya remained low for most of 2015 and as such, MIH registered a marginal loss for the year (50% share of the loss of €0.4 million in 2015 compared to a loss of €28.1 million in 2014).

In consequence of the foregoing, in 2015 the Group registered a loss after tax of €31.1 million compared to a loss of €48.9 million in 2014.

The other comprehensive income of €35.6 million (2014: €13.4 million) mainly reflects the net effect of the Group's share of property revaluation uplifts of €42.3 million net of tax (2014: net uplifts of €0.3 million), a favourable translation adjustment of €5.9 million on the investment in the Corinthia Hotel & Residences London, and €15.3 million in adverse currency effects caused by the change of functional currency of the Russian operation. The property revaluation uplifts resulted from improved performances combined with positive outlooks registered in the Group's hotels located in Malta, Hungary, London and the Czech Republic.

As a result of the positive effects described above, the Group's total comprehensive income for the year amounted to €4.5 million, against a total comprehensive expense of €35.4 million registered in 2014.

In **2016**, the Group registered total comprehensive income of €20.5 million against a corresponding figure of €4.5 million in 2015. This is made up of a loss after tax of €22.3 million in the income statement (2015: loss of €31.1 million) and net other comprehensive income of €42.8 million (2015: €35.6 million).

Despite the prolonged period of political instability in Libya, the Group registered a better overall performance for the year when compared to 2015. This was generally the result of a combination of sustained improvement in the Group's hotel operations and some significant uplifts in the value of these properties. These positive results were adversely affected by the weakening of the Pound Sterling and the impairment in value of the Group's commercial centre in St Petersburg. On the other hand, the effect of the sustained recovery in the value of the Russian Rouble mitigated the effect of the impairment on the investment property in St Petersburg.

As afore-mentioned, IHI acquired IHGH in FY2015. Through this acquisition, IHI has not only enhanced its development opportunities on the adjoining sites in St Julian's Malta, but is also benefiting from synergies in its operations in Malta. The results of IHGH were consolidated in the Corinthia Group's results as from 1 July 2015.

During 2016 the Group's revenue amounted to €207.9 million, reflecting an increase of €29.5 million on the turnover of 2015 (€178.4 million). This improvement was mainly driven by strong Hotel performances in Russia, Portugal & Hungary, and IHGH (principally due to the recognition of a full period of twelve months' results).

Reflecting the positive movement in revenue, EBITDA in 2016 increased by €10.6 million from €31.8 million in 2015 to €42.4 million. Depreciation charge for 2016 also increased from €26.9 million in 2015 to €32.5 million in 2016, mainly in consequence of the inclusion of the IHGH's results in the Group's consolidated results for the whole year, as opposed to six months the year before.

Net finance costs increased by €2.9 million as a result of increased bond interest costs, primarily due to the new €55 million secured bond issued by IHI in July 2016 and the fact that IHGH's finance costs for 2015 only represent the charges for six months (post acquisition), whilst those for 2016 cover a full year. On the other hand, in exchange differences on borrowings, there has been a year-on year improvement of €18.2 million when considering the exceptional loss of €8.3 million incurred in 2015 and this year's exceptional gain of €9.9 million, both effects underpinned by the movements of the Rouble against the Euro.

The loss of €1.3 million registered on the Group's share of results of associate companies (2015 - loss of €3.9 million), principally reflects the results of the Corinthia Hotel London and Residences (50% share of the 2016 loss of €4.8 million compared to a loss of €8.1 million in 2015) and MIH through its principal subsidiary company Palm City Ltd (50% share of the loss of €6.4 million in 2016 compared to a loss of €0.4 million in 2015). These losses were mitigated by the 50% share of the profit registered by the Radisson Blu Resort & Spa Golden Sands of €8.4 million compared to a profit of €2.0 million for the last six months of 2015.

With regards to Palm City, the prolonged political unrest in Libya resulted in foreign companies downsizing their presence in the country thereby decreasing the number of their personnel on the ground. This situation continued to affect the occupancy levels and the financial performance of Palm City Residences. Notwithstanding the low physical occupancy, Palm City remained open and operational, with a reduced staff complement working around the clock to ensure that the complex remains well maintained and secure at all times. Such measures limited the operational loss to €0.8 million against a profit of €6.5 million in 2015.

However, due to the predominantly fixed financing costs incurred on bank loans and corporate bonds, the loss after tax increased from €0.4 million in 2015 to €6.4 million in 2016.

A net revaluation uplift of €3.0 million (2015: Impairment of €4.5 million) was recognised in the income statement on the Corinthia Hotel St Petersburg mainly due to its improved results. On the other hand, an impairment of €19.8 million was taken on the commercial centre in St Petersburg due to lower leasing rates achieved relative to those previously anticipated.

In consequence of the foregoing, in 2016 the Group registered a loss after tax of €22.3 million which is lower than the loss of €31.1 million sustained in 2015.

The positive result in the other comprehensive income of €42.8 million (2015: €35.6 million) reflects the effect of the property revaluation uplifts amounting to €38.7 million, net of tax, plus a favourable currency translation adjustment of €1.5 million, being mainly the net favourable effect of the appreciation of the Rouble and the weakening of the Pound Sterling.

The property revaluation uplifts were the result of the improved operating performances and positive outlooks registered by the Group's hotels located in Malta, Hungary, Portugal, London, Russia (recognised in the income statement) and the Czech Republic. Overall, the Group achieve a total comprehensive income for the year of €20.5 million, as compared to €4.5 million registered in 2015.

As of **FY2017**, IHI has secured the right to nominate and appoint the majority of the board of directors of Corinthia Hotel London such that IHI and CPHCL will consolidate the performance of this property in their respective financial statements. As such, the projected y-o-y increase in revenue of €84.8 million (from €207.9 million in FY2016 to €247.8 million in FY2017) is primarily a reflection of the afore-mentioned change in accounting for Corinthia Hotel London. Other than the recognition of the Corinthia Hotel London's revenue, all the other Group hotels and the Costa Coffee operations are also expected to contribute to the y-o-y growth in revenue.

Results from operating activities is projected at €26.1 million in FY2017, an increase of €14.7 million from FY2016 after adjusting for net impairment of hotel and investment properties amounting to €16.7 million.

During FY2017, the Group expects to continue disposing of non-core assets and in this respect it is projecting a profit on disposal of €5.5 million. With respect to the share of results of associated companies the Group is projecting a positive net contribution of €1.6 million being the net of a profit from the Radisson Blu Resort & Spa Golden Sands and a loss from MIH.

Overall, the Group expects to register a profit after tax in FY2017 of €3.2 million as compared to a loss after tax of €22.3 million in the previous financial year, and a FY2017 comprehensive income of €3.2 million (FY2016: €20.5 million).

The estimates for the forward year as presented in this document assume that the carrying values of hotel and investment properties will remain constant in FY2017, and therefore no adjustment has been made as to possible impairment or uplift in value of assets that may be booked and which may materially affect the consolidated income statement and balance sheet values.

Other than equity, the Group is financed through bank loans, corporate bonds and other borrowings from related parties, analysed as follows:

CPHCL Group Borrowings (€'000)	31 Dec'14 Actual	31 Dec'15 Actual	31 Dec'16 Actual	31 Dec'17 Forecast
Bank borrowings				
Bank loans	255,580	255,370	224,603	387,750
Bank overdrafts	8,367	10,730	14,761	5,097
	263,947	**266,100**	**239,364**	**392,847**
Bonds				
€7.5 million 6% Bonds 2019 - 2022	7,500	7,513	7,500	7,500
6.25% Corinthia Finance plc 2016 - 2019	39,928	39,994		
4.25% Corinthia Finance plc 2026			40,000	40,000
6.25% IHI Bonds 2015 - 2019	34,762			
6.25% IHI Bonds 2017 - 2020	24,641	24,695	6,572	
5.8% IHI Bonds 2021	19,633	19,676	19,722	19,771
5.8% IHI Bonds 2023	9,876	9,887	9,899	9,911
5.75% IHI Bonds 2025		44,060	44,138	44,220
6.5% IHGH Bonds 2017 - 2019		14,000	3,134	
6% IHGH Bonds 2024		34,384	34,457	34,531
4% IHI Secured Bonds 2026			54,230	54,182
4% IHI Unsecured Bonds 2026			39,450	39,478
	136,340	**194,209**	**259,102**	**249,593**
Other interest bearing borrowings				
Shareholders' loans	20,565	22,356	21,953	22,644
Other loans	-	5,419	4,910	6,441
	20,565	**27,775**	**26,863**	**29,085**
Total borrowings and bonds	**420,852**	**488,084**	**525,329**	**671,525**

Key Accounting Ratios	31 Dec'14	31 Dec'15	31 Dec'16	31 Dec'17
Net assets per share (€) *(Net asset value/number of shares)*	31.69	32.05	33.27	43.30
Liquidity ratio (times) *(Current assets/current liabilities)*	0.78	0.61	0.86	1.40
Gearing ratio *(Net debt/Net debt and shareholders' equity)*	38%	42%	42%	40%
Debt service cover ratio (times) *(EBITDA/net finance cost and loan capital repayment)*	0.49	0.76	0.78	1.12

Source: Charts Investment Management Service Limited

Sinking Fund

In terms of the Prospectuses of each of the bonds detailed hereunder, the respective companies are required to build a sinking fund for each of the said bonds, the value of which will by the respective redemption date of each bond be equivalent to 50% of the outstanding value of the bonds. Below is a table outlining the balances held in the respective sinking funds.

Sinking Fund Balances (€'000)	31 Dec'14 Actual	31 Dec'15 Actual	31 Dec'16 Actual	31 Dec'17 Forecast
Corinthia Finance plc				
€39.9 million 6.25% Bonds 2016 - 2019	2,340	2,575		
€7.5 million 6% Bonds 2019 - 2022	103	37	638	1,087
IHI				
€35 million 6.25% Bonds 2015 - 2019	4,632			
€25 million 6.25% Bonds 2017 - 2020	3,336	3,363	3,425	
€20 million 5.8% Bonds 2021			1,077	2,145
IHGH				
€14 million 6.50% Bonds 2017 - 2019		507	1,573	
	10,411	**6,482**	**6,713**	**3,232**

Variance Analysis

CPHCL Income Statement (€'000)	FY2016 Actual	FY2016 Forecast	Variance
Revenue	207,923	224,516	(16,593)
Net operating expenses	(165,549)	(181,167)	15,618
EBITDA	**42,374**	**43,349**	**(975)**
Depreciation and amortisation	(32,475)	(28,421)	(4,054)
Other income (expenses)	(520)	522	(1,042)
Gain (loss) on exchange	1,981	(10)	1,991
Net impairment of hotel and investment properties	(16,678)	-	(16,678)
Results from operating activities	**(5,318)**	**15,440**	**(20,758)**
Net finance costs	(22,789)	(22,877)	88
Investment income	1,487	1,500	(13)
Revaluation to fair value of investment properties	-	-	-
Share of results of associate companies	(1,273)	1,678	(2,951)
Other	8,647	(243)	8,890
Loss before tax	**(19,246)**	**(4,502)**	**(14,744)**
Taxation	(3,029)	(1,899)	(1,130)
Loss for the year	**(22,275)**	**(6,401)**	**(15,874)**

As presented in the above table, in FY2016, the Group generated lower revenue than forecasted by €16.6 million, but costs were also lower than projected by €15.6 million, thus resulting in a €1.0 decline in EBITDA to €42.4 million (forecast: €43.3 million). The variance between actual and forecast revenue and net operating expenses was mainly due to the Group's expectation of significant growth in the Costa Coffee operation in Spain which however did not materialise during the reviewed year.

Depreciation & amortisation and other expenses were higher than expected by an aggregate €5.1 million, partly mitigated by higher than projected gain on exchange of €2.0 million. Furthermore, the actual results were impacted by a pre-tax net impairment in fair value of Group properties of €16.7 million.

Actual net finance costs and investment income were in line with forecast. With respect to other income, an amount of €8.6 million was registered as compared to a forecasted loss of €0.2 million, primarily as a result of the recovery in value of the Russian Rouble against the Euro. Share of results of associate companies was projected at €1.7 million (made up principally of profits anticipated at Corinthia Hotel & Residences London and Radisson Blu Resort & Spa Golden Sands, against losses expected to be incurred at MIH), but actually resulted in a loss of €1.3 million (total variance: -€3.0 million).

Overall, the loss for the year was higher than projected by €15.9 million primarily due to the net impairment in value recognised on the Group's properties.

Debt Securities issued by Associated Companies

MIH, a company principally involved in the operation of the Palm City Residences in Libya, has the following outstanding debt securities:

Security ISIN	Amount Listed	Security Name	Currency
MT0000371238	28,519,400	7.15% MIH 2015-17	EUR
MT0000371246	4,351,100	7.15% MIH 2015-17	GBP
MT0000371253	7,120,300	7.15% MIH 2015-17	USD
MT0000371261	12,000,000	6% MIH 2021	EUR
MT0000371279	20,000,000	5.5% MIH 2020	EUR
n/a	11,000,000	6% Notes 2020 (unlisted)	EUR

Source: Malta Stock Exchange

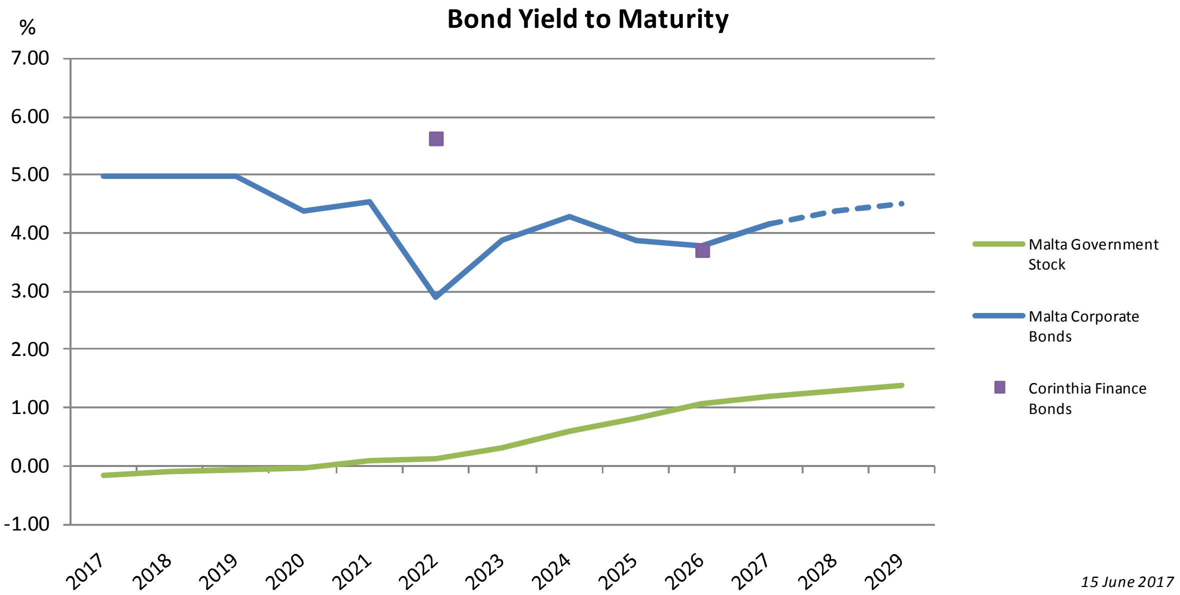
PART 4 - COMPARABLES

The table below compares the Corinthia Group and the bonds issued by Corinthia Finance p.l.c. to other debt issuers listed on the Malta Stock Exchange and their respective debt securities. Although there are significant variances between the activities of the Group and other issuers (including different industries, principal markets, competition, capital requirements etc), and material differences between the risks associated with the Group's business and that of other issuers, the comparative analysis provides an indication of the financial performance and strength of the Group.

Comparative Analysis	**Nominal Value (€)**	**Yield to Maturity (%)**	**Interest Cover (times)**	**Total Assets (€'000)**	**Net Asset Value (€'000)**	**Gearing Ratio (%)**
5.5% Pendergardens Dev. plc Secured € 2020 Series I	15,000,000	4.39	1.49	63,273	11,488	63.23
6% Pendergardens Dev. plc Secured € 2022 Series II	27,000,000	2.91	1.49	63,273	11,488	63.23
4.25% Gap Group plc Secured € 2023	40,000,000	3.79	2.48	57,086	6,004	86.39
5.3% United Finance Plc Unsecured € Bonds 2023	8,500,000	3.86	2.05	18,153	3,796	73.85
6% AX Investments Plc € 2024	40,000,000	4.25	3.62	270,425	163,719	27.97
6% Island Hotels Group Holdings plc € 2024	35,000,000	4.54	0.91	144,003	52,994	53.41
5.3% Mariner Finance plc Unsecured € 2024	35,000,000	4.28	4.25	72,117	30,380	52.06
5% Hal Mann Vella Group plc Secured Bonds € 2024	30,000,000	4.31	- 0.02	82,096	32,298	54.54
5.1% PTL Holdings plc Unsecured € 2024	36,000,000	4.61	1.59	71,711	4,751	89.91
4.5% Hili Properties plc Unsecured € 2025	37,000,000	3.86	1.40	97,042	28,223	66.81
4.25% Corinthia Finance plc Unsecured € 2026	40,000,000	3.71	1.86	1,389,627	665,357	42.18
4.0% International Hotel Invest. plc Secured € 2026	55,000,000	3.61	2.46	1,220,254	646,822	36.39
4.0% MIDI plc Secured € 2026	50,000,000	3.61	0.59	203,780	67,359	40.62
3.75% Premier Capital plc € Unsecured Bonds 2026	65,000,000	3.37	7.60	193,351	41,630	58.76
4.35% SD Finance plc € Unsecured Bonds 2027	65,000,000	4.16	4.82	156,433	56,697	53.20
4.0% Eden Finance plc 2027	40,000,000	3.66	3.98	165,496	92,620	34.60

15 June'17

Source: Malta Stock Exchange, Audited Accounts of Listed Companies, Charts Investment Management Service Limited



To date, there are no corporate bonds which have a redemption date beyond 2027 and therefore a trend line has been plotted (denoted in the above chart by the dashed line). The Malta Government Stock yield curve has also been included since it is the benchmark risk-free rate for Malta.

PART 5 - EXPLANATORY DEFINITIONS

Income Statement	
Revenue	Total revenue generated by the Group from its business activities during the financial year, including room reservations, food & beverage, rental of commercial space, management of hotel properties and other hotel services.
Direct costs	Direct costs include cost of food, beverages, consumables, labour expenses and all other direct expenses.
Gross profit	Gross profit is the difference between revenue and direct costs. It refers to the profit made by the Group before deducting operating costs, depreciation & amortisation, finance costs, impairment provisions, share of profits from associate and affiliate companies and other operating costs.
Operating costs	Operating costs include all operating expenses other than direct costs and include selling & marketing and general & administration expenses.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. EBITDA can be used to analyse and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.
Fair value of investment property	Fair value of investment property is an accounting adjustment to change the book value of the Group's investment property to its estimated market value.
Impairment of hotel properties	Impairment of hotel properties is an accounting adjustment to change the book value of the Group's hotel properties to their estimated market value.
Share of profit from equity accounted investments	IHI owns minority stakes in a number of companies (less than 50% plus one share of a company's share capital). The results of such companies are not consolidated with the subsidiaries of the Group, but the Group's share of profit is shown in the profit and loss account under the heading 'share of profit from equity accounted investments'.
Fair value on interest rate swaps	An interest rate swap is a derivative instrument in which the Group swaps with another counter party flexible interest rate cash flows with fixed interest rate cash flows or vice versa. The fair value is an accounting adjustment to change the book value of the derivative to its estimated market value.
Profit after tax	Profit after tax is the profit made by the Group during the financial year both from its operating as well as non-operating activities.

Key Performance Indicators	
Occupancy level	Occupancy level is the percentage of available rooms that were sold during a given period of time. It is calculated by dividing the number of rooms sold by total number of rooms available.
Average room rate	Average room rate is calculated by dividing hotel room revenue by rooms sold. Hotels use this measure to calculate the average price at which they are selling hotel rooms each night.
Revenue per available room (RevPAR)	RevPAR is calculated by multiplying a hotel's average room rate by its occupancy rate. A hotel uses this indicator as a performance measure with other hotels in the same category or market to determine how well the hotel property is yielding.
Revenue generating index	A revenue generating index measures a hotel's fair market share of its segment's (competitive set, market, etc) revenue per available room. If a hotel is capturing its fair market share, the index will be 1; if capturing less than its fair market share, a hotel's index will be less than 1; and if capturing more than its fair market share, a hotel's index will be greater than 1.
Profitability Ratios	
Gross profit margin	Gross profit margin is the difference between revenue and direct costs expressed as a percentage of total revenue.
Operating profit margin	Operating profit margin is operating income or EBITDA as a percentage of total revenue.
Net profit margin	Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.
Efficiency Ratios	
Return on equity	Return on equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by shareholders' equity.
Return on capital employed	Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing operating profit by capital employed.
Return on Assets	Return on assets (ROA) is computed by dividing profit after tax by total assets.

Equity Ratios	
Earnings per share	Earnings per share (EPS) is the amount of earnings per outstanding share of a company's share capital. It is computed by dividing net income available to equity shareholders by total shares outstanding as at balance sheet date.
Cash Flow Statement	
Cash flow from operating activities	Cash generated from the principal revenue-producing activities (room revenue, food & beverage, rental income, hotel services, etc) of the Group.
Cash flow from investing activities	Cash generated from activities dealing with the acquisition and disposal of long-term assets and other investments of the Group.
Cash flow from financing activities	Cash generated from the activities that result in change in share capital and borrowings of the Group.
Balance Sheet	
Non-current assets	Non-current asset are the Group's long-term investments, which full value will not be realised within the accounting year. Non-current assets are capitalised rather than expensed, meaning that the Group amortises the cost of the asset over the number of years for which the asset will be in use, instead of allocating the entire cost to the accounting year in which the asset was acquired. Such assets include intangible assets (goodwill on acquisition, website development costs, etc), investment properties (commercial centres in St Petersburg and Tripoli, apartments in Lisbon, etc), property, plant & equipment (hotel properties), and investments accounted for using the equity method (investment in Corinthia Hotel London, Palm City, Medina Tower, etc).
Current assets	Current assets are all assets of the Group, which are realisable within one year from the balance sheet date. Such amounts include accounts receivable, inventory (food, beverages, consumables, etc), cash and bank balances.
Current liabilities	All liabilities payable by the Group within a period of one year from the balance sheet date, and include accounts payable and short-term debt, including current portion of bank loans.
Non-current liabilities	The Group's long-term financial obligations that are not due within the present accounting year. The Group's non-current liabilities include long-term borrowings, bonds and long term lease obligations.
Total equity	Total equity includes share capital, reserves & other equity components, retained earnings and minority interest.

Financial Strength Ratios	
Liquidity ratio	The liquidity ratio (also known as current ratio) is a financial ratio that measures a company's resources to pay its debts over the next 12 months. It compares a company's current assets to its current liabilities.
Interest cover	The interest coverage ratio is calculated by dividing a company's operating profit of one period by the company's interest expense of the same period.
Debt service cover ratio	The debt service cover ratio measures a company's ability to service its current debts by comparing its net operating income with its total debt service obligations.
Gearing ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets, and is calculated by dividing a company's net debt by net debt plus shareholders' equity.