



## SUMMARY NOTE

Dated 18 March 2016

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

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in respect of an Issue of:  
**€40,000,000 4.25% Unsecured Bonds 2026**  
of a nominal value of €100 per Bond issued at par  
by

### **CORINTHIA FINANCE P.L.C.**

(A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA  
WITH COMPANY REGISTRATION NUMBER C 25104)  
ISIN:- MT0000101262

Guaranteed\* by  
**Corinthia Palace Hotel Company Limited**  
(A private limited liability companies registered in Malta with company registration number C 257)

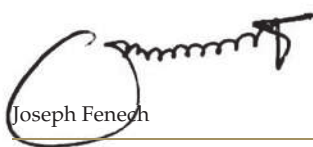
\*Prospective investors are to refer to the Guarantee contained in Annex A of the Securities Note forming part of the Prospectus for a description of the scope, nature and term of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in this Summary Note, the Registration Document and the Securities Note for a discussion of certain factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by Corinthia Palace Hotel Company Limited (the "Guarantor").

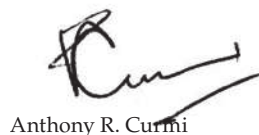
**THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT SAID INSTRUMENTS ARE IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY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

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

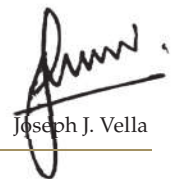
**A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION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

APPROVED BY THE DIRECTORS

  
Joseph Fenech

  
Anthony R. Curmi

  
Frank Xerri de Caro

  
Joseph J. Vella

Legal Counsel



Sponsor & Manager



Registrar





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### IMPORTANT INFORMATION

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

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE COMPANY, THE GUARANTOR OR THEIR RESPECTIVE 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, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS OR ADVISORS.

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

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER 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 INVESTORS 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 ISSUE IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED IN THE SECURITIES NOTE 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 SECURITIES 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 THE SAID DIRECTIVE.

A COPY OF THE PROSPECTUS HAS BEEN REGISTERED WITH THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, THE MSE IN SATISFACTION OF THE MSE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, IN ACCORDANCE WITH THE ACT. APPLICATION HAS ALSO BEEN MADE TO THE MSE FOR THE BONDS TO BE ADMITTED TO THE OFFICIAL LIST OF THE MSE. **A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.**

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



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THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. 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.

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

ALL THE ADVISORS TO THE ISSUER AND GUARANTOR HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTOR IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY 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 DIRECTORS OF THE ISSUER CONFIRM THAT WHERE INFORMATION INCLUDED IN THE PROSPECTUS HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED, AND AS FAR AS THE DIRECTORS OF THE ISSUER ARE AWARE AND ARE ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

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

This Summary Note is prepared in accordance with the requirements of the Regulation, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014.

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

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

In this Summary Note the following words and expressions shall bear the following meaning whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

<b>Act or Companies Act</b>	the Companies Act (Cap. 386 of the Laws of Malta);
<b>Applicant/s</b>	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
<b>Application/s</b>	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to any of the Authorised Financial Intermediaries;
<b>Application Form</b>	the form of application of subscription for Bonds, a specimen of which is contained in Annex C of the Securities Note;
<b>Authorised Financial Intermediaries</b>	the licensed stockbrokers and financial intermediaries listed in Annex B of the Securities Note;
<b>Bond(s)</b>	the €40 million unsecured bonds due 2026 of a face value of €100 per bond issued at par and redeemable at their nominal value on the Redemption Date, bearing interest at the rate of 4.25% per annum. The Bonds are guaranteed by Corinthia Palace Hotel Company Limited;
<b>Bondholder</b>	a holder of Bonds;



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<b>Bond Issue</b>	the issue of the Bonds;
<b>Bond Issue 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>Company or Issuer</b>	Corinthia Finance p.l.c., a company registered under the laws of Malta having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta and bearing company registration number C 25104;
<b>Corinthia Group or Group</b>	CPHCL (as defined below) and the companies in which CPHCL has a controlling interest;
<b>CPHCL or Guarantor</b>	Corinthia Palace Hotel Company Limited, a company registered under the laws of Malta having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta and bearing company registration number C 257. CPHCL is the parent company of the Corinthia Group and is acting as Guarantor in terms of the guarantee contained in Annex A of the Securities Note;
<b>CSD</b>	the Central Securities Depository of the Malta Stock Exchange, having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063;
<b>Cut-off Date</b>	close of business on 15 March 2016 (trading session of 11 March 2016);
<b>Directors or Board</b>	the board of directors of the Company is composed of: Joseph Fenech, Anthony R. Curmi, Frank Xerri de Caro and Joseph J. Vella;
<b>Euro or €</b>	the lawful currency of the Republic of Malta;
<b>Exchange, Malta Stock Exchange or MSE</b>	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta, and bearing company registration number C 42525;
<b>Exchangeable Bond Transfer</b>	the subscription for Bonds by an Existing Bondholder settled, after submitting the pre-printed Application Form (received by mail directly from the Issuer), by the transfer to the Issuer of all or part of the Exchangeable Bonds held by such Existing Bondholder as at the Cut-off Date;
<b>Exchangeable Bonds</b>	the 6.25% bonds 2016 - 2019 with ISIN code MT0000101239 due to mature on 23 September 2019 (unless otherwise redeemed at the Issuer's sole discretion on any day falling between and including 24 September 2016 and 22 September 2019), amounting as at the date of the Prospectus to €39,927,600;
<b>Existing Bondholder</b>	a holder of Exchangeable Bonds as at the Cut-off Date;
<b>Guarantee</b>	the suretyship of the Guarantor undertaking to effect payment of interest and capital repayments of any amount due by the Issuer to any Bondholder and which remain unpaid by the Issuer after sixty (60) days of the due date for payment thereof. A copy of the Guarantee and a description of the nature, scope and terms of the Guarantee are appended to the Securities Note as Annex A;
<b>IHI</b>	International Hotel Investments p.l.c., a company registered under the laws of Malta having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta and bearing company registration number C 26136, and the companies in which IHI has a controlling interest;
<b>IHGH</b>	Island Hotels Group Holdings p.l.c., a company registered under the laws of Malta having its registered office at Radisson Blu Resort St. Julians, Louis V. Farrugia Street, St. George's Bay, St. Julians STJ 3391, Malta and bearing company registration number C 44855, and the companies in which IHGH has a controlling interest;
<b>Interest Payment Date</b>	12 April of each year between and including each of the years 2017 and 2026, 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>Intermediaries' Offer</b>	an offer to be held on 12 April 2016 to a number of Authorised Financial Intermediaries for the subscription of any resultant balance of Bonds following the subscription of Bonds by Existing Bondholders;



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<b>Issue Date</b>	expected on 21 April 2016;
<b>Issue Period</b>	the period between 08:30 hours on 22 March 2016 and 12:00 hours on 12 April 2016 during which the Bonds are available for subscription;
<b>Libyan Foreign Investment Company or LFICO</b>	Libyan Foreign Investment Company, a company registered under the laws of Libya with company registration number 9481 and having its registered office at Ghadem Aljabel, Gharian, P.O. Box 4538 Tripoli, Libya;
<b>Listing Authority</b>	the MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act (Cap. 345 of the Laws of Malta) by virtue of Legal Notice 1 of 2003;
<b>Listing Rules</b>	the listing rules of the Listing Authority;
<b>Malta Stock Exchange Bye-Laws</b>	the Malta Stock Exchange p.l.c. bye-laws issued by the authority of the board of directors of Malta Stock Exchange p.l.c., as may be amended from time to time;
<b>Memorandum and Articles of Association or M &amp; As</b>	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;
<b>MFSA</b>	the Malta Financial Services Authority, incorporated in terms of the Malta Financial Services Authority Act (Cap. 330 of the Laws of Malta);
<b>MIH</b>	Mediterranean Investments Holding p.l.c., a company registered under the laws of Malta having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta and bearing company registration number C 37513;
<b>Official List</b>	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
<b>Palm City or PCL</b>	Palm City Ltd, a company registered under the laws of Malta having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta and bearing company registration number C 34113;
<b>Prospectus</b>	collectively the Registration Document, Securities Note and this Summary Note;
<b>Prospectus Directive</b>	Directive 2003/71/EC of the European Parliament and of the Council of 4 November, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as may be amended from time to time;
<b>Redemption Date</b>	12 April 2026;
<b>Redemption Value</b>	the nominal value of each Bond (€100 per Bond);
<b>Registrar</b>	MSE;
<b>Registration Document</b>	the registration document issued by the Issuer dated 18 March 2016, forming part of the Prospectus;
<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 and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014;
<b>Securities Note</b>	the securities note issued by the Issuer dated 18 March 2016, forming part of the Prospectus;
<b>Sponsor &amp; Manager</b>	Charts Investment Management Service Limited (C 7944) of Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913, Malta, an authorised financial intermediary licensed by the MFSA and a Member of the MSE;
<b>Summary Note</b>	this document in its entirety;
<b>Terms and Conditions</b>	the terms and conditions of the Bond Issue a summary of which is included in Element E.3.



## Section A Introduction and Warnings

A.1 Prospective investors are hereby warned that:

- i. This summary is being provided to convey the essential characteristics and risks associated with the Issuer, the Guarantor and the securities being offered pursuant to this document. This part is merely a summary and therefore should only be read as an introduction to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this summary in making a decision as to whether to invest in the securities described in this document. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor;
- ii. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before legal proceedings are initiated; and
- iii. Civil liability attaches only to those persons who have tabled this Summary Note including any translation thereof, and who applied for its notification, but only if this Summary Note, when read together with the other parts of the Prospectus, is misleading, inaccurate or inconsistent, or does not provide key information in order to aid investors when considering whether to invest in such securities.

A.2 **Consent required for use of the Prospectus**

Prospective investors are hereby informed that:

- i. For the purposes of any subscription for Bonds through any of the Authorised Financial Intermediaries pursuant to the Intermediaries' Offer and any subsequent resale, placement or other offering of Bonds by such Authorised Financial Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive, the Issuer consents to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale, placement or other offering of Bonds, provided this is limited only:
  - (a) in respect of Bonds subscribed for in terms of the Intermediaries' Offer by Authorised Financial Intermediaries participating in the Intermediaries' Offer;
  - (b) to any resale or placement of Bonds subscribed for as aforesaid taking place in Malta;
  - (c) to any resale or placement of Bonds subscribed for as aforesaid taking place within the period of 60 days from the date of the Prospectus.
- ii. **In the event of a resale, placement or other offering of Bonds by an Authorised Financial Intermediary subsequent to the Intermediaries' Offer, the Authorised Financial Intermediary shall be responsible to provide information to investors on the terms and conditions of the resale, placement or other offering at the time such is made.**
- iii. Any new information with respect to Authorised Financial Intermediaries unknown at the time of the approval of the Prospectus will be made available through a company announcement which will also be made available on the Issuer's website: [www.corinthiacorporate.com](http://www.corinthiacorporate.com)

## Section B Issuer and Guarantor

B.1 The legal and commercial name of the Issuer is Corinthia Finance p.l.c. (registration number C 25104). The legal and commercial name of the Guarantor is Corinthia Palace Hotel Company Limited (registration number C 257).

B.2 The Issuer was registered in Malta in terms of the Act on 9 September 1999 and is a public limited liability company. The Guarantor was registered in Malta in terms of the Act on 21 June 1966 as a private limited liability company. The Issuer and the Guarantor are domiciled in Malta.

B.4b The Issuer is a wholly owned subsidiary of the Guarantor. The principal object of the Issuer is to carry on the business of a finance company with monies raised through public instruments, on-lent to the Guarantor, which is an investment company in connection with the ownership, development, operation and financing of hotels, resorts, leisure facilities and tourism-related activities as may, from time to time, be ancillary or complimentary to the foregoing, whether in Malta or overseas. The issue of bonds falls within the objects of the Issuer.



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The following is an overview of the most significant recent trends affecting the Guarantor and the markets in which it operates.

- **Libya** - The continued instability and state of uncertainty prevailing since the 2011 uprising continues to have a negative effect on Libya's economy and as a result, on the performance and operation of the Corinthia Hotel Tripoli and the Palm City Residences in Janzour. Moreover, development of a number of the Group's properties in Libya (including Medina Tower, the Palm Waterfront and the Benghazi Project) will remain on hold until such time when there are clear signs that the turmoil in Libya has subsided and a gradual recovery in business activity has commenced.
- **Russia** - Lower oil prices, a decline in real wages, the weakening of the Rouble and the impact from external economic factors continues to weigh on the Russian economy and consequently on the results of the Corinthia Hotel St Petersburg.
- **Tunisia** - Tunisia was once again rocked by terrorist activity on 24 November 2015 when a bus carrying presidential guards was targeted in the capital. This marks the third high-profile incident for Tunisia in 2015. The latest attack will exacerbate the country's security concerns and have far-reaching implications for the economy.
- **Malta** - Tourism in Malta has in recent years been performing at a strong level and this trend continued in 2015 as well. Inbound tourism from January to December 2015 amounted to 1.8 million guests, an increase of 6.0% over the same period in 2014. In the light of the aforesaid developments, the Group's hotel properties in Malta have performed exceptionally well both in terms of revenue generation and profitability, achieving significant year-on-year growth.
- **Hungary** - Hungary's economic expansion gained momentum in the fourth quarter of 2015 because of robust output in the manufacturing and services sectors. In 2015 as a whole, Hungarian GDP rose 2.9% for the year, 0.8% slower than in 2014. In line with the country's economic improvements, the Group's two hotel properties (one five star and one four star) achieved significant year-on-year growth both in revenue generation and in profitability.
- **Czech Republic** - The economic performance was extraordinary strong in 2015 at 4.3% fuelled by rising investment, through strong absorption of EU funds, and public spending. This positive trend was also witnessed at the Group's two hotel properties in Prague (one five star and one four star) where over the past couple of years there has been significant year-on-year growth both in revenue streams and profitability.
- **Portugal** - In 2015, Portugal's GDP increased 1.5% after expanding 0.9% in 2014. With the introduction of low cost airline carriers to the country, Portugal is perceived as a 'value for money' destination and this has been one of the leading factors contributing to the growth in hospitality numbers. The Group's hotel property in Lisbon has likewise benefitted from this upsurge in business registering significant year-on-year growth both in revenue and operating profits.
- **United Kingdom** - The UK economy grew by 0.5% in Q4 2015, taking the annual rate of growth for 2015 to 2.2% (0.7% lower than the 2.9% growth registered in 2014). Since its launch in 2011, the Corinthia Hotel & Residences London managed to increase both its revenue generation and operating profits annually. 2015 has been the best performing year for the hotel as it is now approaching its stabilised years of performance.

B.5 (B.19) The Guarantor is the parent company of the Corinthia Group and is principally engaged, directly or through subsidiaries and/or associated entities, in investments that are predominantly focused on the ownership, development and operation of mixed-use real estate developments that consist principally of hotels, residences, offices, retail areas, as well as industrial and event catering, in various countries. The Issuer is a subsidiary of the Guarantor.

On 10 August 2015, IHI acquired 100% of the issued share capital of IHGH. The business of IHGH largely relates to: the ownership, management and operation of five-star hotels in Malta (namely, the Radisson Blu Resort St Julians and the Radisson Blu Resort & Spa, Golden Sands); the operating of a vacation ownership marketing business for the aforesaid hotels; the operation of retail and event catering business (Island Caterers Limited [C9377]); and the development and operation of Costa Coffee outlets in Malta, the East Coast of Spain, Canary Islands and the Balearic Islands. IHGH also owns a plot of land measuring 83,530m<sup>2</sup> located next to the Radisson Blu Resort & Spa, Golden Sands, Malta. The property is earmarked for the development of a residence complex.

B.9 Not Applicable. The Registration Document does not contain any profit forecasts or estimates.

B.10 (B.19) Not Applicable: The audit reports on the audited historical financial statements of each of the Issuer and Guarantor, described in Element B.12 below, do not contain qualifications.

B.12 The historical financial information for the three financial years ended 31 December 2012, 31 December 2013 and 31 December 2014 as audited by Grant Thornton is set out in the annual statutory financial statements of each of the Issuer and the Guarantor. The audited financial statements and unaudited financial statements for the six-month period ended 30 June 2015 are available at the Issuer's registered office.

There has been no material adverse change in the prospects of the Issuer and Guarantor since the date of their latest published audited financial statements. There were no significant changes to the financial or trading position of each of the Issuer and



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Guarantor since 31 December 2014, being the end of the financial year to which the last audited financial statements of each of the Issuer and Guarantor relate.

Extracts of the above-mentioned historical financial information are set out below:

### *Audited financial information for the years ended 31 December 2012 to 2014*

#### **Corinthia Finance p.l.c. Financial Information**

<i>for the year ended 31 December</i>	2012	2013	2014
	€'000	€'000	€'000
Net finance income	70	60	75
Profit for the year	22	15	26
Total assets	49,242	49,576	49,348
Equity	314	337	512

#### **Corinthia Palace Hotel Company Limited**

##### *Condensed Consolidated Income Statement for the year ended 31 December*

	2012	2013	2014
	€'000	€'000	€'000
Revenue	158,676	164,901	159,238
Net operating expenses	(163,404)	(161,390)	(155,314)
Other income (expense)	699	(488)	507
Net reversal of impairment (impairment) of hotel properties	(6,402)	5,000	5,170
<b>Operating (loss) profit</b>	<b>(10,431)</b>	<b>8,023</b>	<b>9,601</b>
Net finance costs	(21,148)	(17,325)	(17,573)
Gain on sale of investment property	-	3,447	-
Revaluation to fair value of investment properties	4,154	7,159	(14,629)
Share of results of associate companies	29,242	425	(29,075)
Other	124	(1,613)	923
<b>Profit (loss) before tax</b>	<b>1,941</b>	<b>116</b>	<b>(50,753)</b>
Tax income	973	4,653	12,028
<b>Profit (loss) for the year</b>	<b>2,914</b>	<b>4,769</b>	<b>(38,725)</b>

#### **Corinthia Palace Hotel Company Limited**

##### *Condensed Consolidated Balance Sheet as at 31 December*

	2012	2013	2014
	€'000	€'000	€'000
Non-current	1,167,915	1,229,090	1,136,924
Current	95,866	70,776	71,521
<b>Total assets</b>	<b>1,263,781</b>	<b>1,299,866</b>	<b>1,208,445</b>
Equity pertaining to CPHCL's shareholders	382,635	418,211	386,745
Minority interest	248,457	259,609	246,961
<b>Total equity</b>	<b>631,092</b>	<b>677,820</b>	<b>633,706</b>
Non-current	534,070	503,640	483,414
Current	98,619	118,406	91,325
<b>Total liabilities</b>	<b>632,689</b>	<b>622,046</b>	<b>574,739</b>
<b>Total equity and liabilities</b>	<b>1,263,781</b>	<b>1,299,866</b>	<b>1,208,445</b>





## SUMMARY NOTE

In 2014 the 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). In view of the instability in Libya in the second half of the year and the political situation in the Russian Federation, the 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 operating profit for 2014 at €9.6 million (which excludes the Corinthia Hotel & Residences London and Palm City Residences) represents an increase of €1.6 million on the operating profit of €8.0 million reported in 2013.

After accounting for depreciation, net finance costs, share of losses of associate companies and impairment charges on Group properties, the Corinthia Group registered a loss after tax in 2014 of €38.7 million compared to a profit of €4.8 million in 2013.

### *Unaudited financial information for the six-month period ended 30 June 2015*

#### **Corinthia Finance p.l.c. Financial Information**

for the six-month period ended 30 June

	2014	2015
	<b>Unaudited</b>	<b>Unaudited</b>
	€'000	€'000
Net finance income	17	33
Profit for the period	1	9
Total assets	49,348	50,481
Equity	512	584

#### **Corinthia Palace Hotel Company Limited**

*Condensed Consolidated Income Statement for the six months ended 30 June*

	2014	2015
	<b>Unaudited</b>	<b>Unaudited</b>
	€'000	€'000
Revenue	77,642	76,008
Net operating expenses	(76,871)	(72,901)
Other income	1,279	102
<b>Operating profit</b>	<b>2,050</b>	<b>3,209</b>
Net finance costs	(10,241)	(8,906)
Share of results of associate companies	(7,957)	(2,551)
<b>Loss before tax</b>	<b>(16,148)</b>	<b>(8,248)</b>
Tax income	6,018	1,162
<b>Loss for the period</b>	<b>(10,130)</b>	<b>(7,086)</b>

#### **Corinthia Palace Hotel Company Limited**

*Condensed Consolidated Balance Sheet as at*

	31-Dec-14	30-Jun-15
	<b>Audited</b>	<b>Unaudited</b>
	€'000	€'000
Non-current	1,136,924	1,137,786
Current	71,521	75,870
<b>Total assets</b>	<b>1,208,445</b>	<b>1,213,656</b>
<b>Total equity</b>	<b>633,706</b>	<b>634,654</b>
Non-current	483,414	485,528
Current	91,325	93,474
<b>Total liabilities</b>	<b>574,739</b>	<b>579,002</b>
<b>Total equity and liabilities</b>	<b>1,208,445</b>	<b>1,213,656</b>



## SUMMARY NOTE

During the first six months of 2015 the Group registered an increase in revenues and operating profits in most of its hotels, most notably those in Malta, Prague, Budapest, Lisbon and London. These properties registered double digit growth in revenues. In turn, CHI Limited (C 26086), the Group's hotel operating company, also registered significant increases in its performance. Of even greater significance is the fact that the improvements in the Group's revenue streams were mostly retained and converted into a higher Group operating profit.

The positive performance in the above locations was however negatively impacted by the political and economic conditions prevailing in Russia and Libya. In the case of Russia it was principally affected by the devaluation of the Rouble relative to corresponding period in 2014. On the other hand the hotel in Tripoli was closed for most of the first six months of 2015 as a result of the attack at the hotel in January 2015. Since then, management took all the necessary steps to reinstate the hotel to an operational mode and a gradual reopening is under way, providing certain services in line with demand. Office accommodation at the adjacent Commercial Centre, remained fully leased out, albeit with minor discounts allowed to the tenants.

Despite the setbacks in Russia and Libya, the Group registered an operating profit of €3.2 million compared to €2.1 million in the same period in 2014. During the first six months of 2015 the Group registered a loss after tax of €7.1 million compared to the loss of €10.1 million reported for the same period in 2014.

B.13 Not Applicable: the Issuer and/or the Guarantor are not aware of any recent events which are to a material extent relevant to the evaluation of the solvency of the Issuer and/or Guarantor.

B.14 The Issuer is a wholly owned subsidiary of the Guarantor. The Issuer itself does not have any substantial assets and is a special purpose vehicle set up to raise finance for the business of CPHCL, either directly or through its subsidiaries and/or associated companies, to enable the latter to undertake the ownership, development and operation of real estate developments. In this respect, the Issuer is mainly dependent on the business prospects of CPHCL.

B.15 The Issuer is a finance and investment company. In terms of its Memorandum and Articles of Association the principal object (B.19) of the Issuer is to issue bonds, commercial paper or other instruments creating or acknowledging indebtedness and to sell or offer same to the public.

The Guarantor is the parent company of the Corinthia Group and is principally engaged, directly or through subsidiaries and/or associated entities, in investments that are predominantly focused on the ownership, development and operation of mixed-use real estate developments that consist principally of hotels, residences, offices, retail areas, as well as industrial and event catering, in various countries. In terms of clause 4.6 of its Memorandum of Association, the Guarantor is, amongst other things, authorised to borrow, raise or secure the payment of money for the purpose of or in connection with the company's business and to secure the repayment of any moneys borrowed by hypothecation, charge or lien upon the whole or part of the movable and immovable property or assets of the company. Furthermore, the Guarantor is authorised to give guarantees or provide security for any such persons, firms and companies as the directors may deem fit and proper and on such terms as may seem expedient and, in particular, to companies in which the company has an interest.

B.16 The authorised share capital of the Issuer is €2,500,000. The issued share capital is €250,000 divided into 250,000 ordinary (B.19) shares of €1 each, fully paid up. The share capital is subscribed to by the Guarantor except for one share which is held by CPHCL Investments Limited.

The authorised and issued share capital of the Guarantor is €20,000,000 divided into 20,000,000 ordinary shares of €1 each, fully paid up. The Guarantor is wholly owned directly or indirectly by the Pisani family as to 50%, whilst the remaining 50% is held by LFICO.

B.17 Not Applicable: neither the Issuer nor the Guarantor have sought the credit rating of an independent rating agency, and there has been no assessment by any independent rating agency of the Bonds issued by the Issuer.

B.18 For the purposes of the Guarantee, the Guarantor irrevocably and unconditionally guarantees to each Bondholder that if for any reason the Issuer fails to pay any sum payable by it to such Bondholder pursuant to the terms and conditions of the Bonds as and when the same shall become due under any of the foregoing, the Guarantor will pay to such Bondholder on demand the amount payable by the Issuer to such Bondholder. The obligations of the Guarantor under the Guarantee shall remain in full force and effect until no sum remains payable to any Bondholder pursuant to the issue of the Bonds.



## Section C Securities

- C.1 The Issuer shall issue an aggregate of €40 million in Unsecured Bonds having a face value of €100 per bond, subject to a minimum subscription of €2,000 in Bonds. The Bonds are guaranteed by Corinthia Palace Hotel Company Limited. The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. On admission to trading the Bonds will have the following ISIN number MT0000101262. The Bonds shall bear interest at the rate of 4.25% per annum and shall be repayable in full upon maturity unless they are previously re-purchased and cancelled.
- C.2 The Bonds are denominated in Euro (€).
- C.5 The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole (in multiples of €100) in accordance with the rules and regulations of the MSE applicable from time to time.
- C.8 Investors wishing to participate in the Bonds will be able to do so by duly executing the appropriate Application Form in relation to the Bonds. Execution of the Application Form will entitle such investor to:
- (i) the payment of capital;
  - (ii) the payment of interest;
  - (iii) ranking with respect to other indebtedness of the Issuer and the Guarantor in accordance with the status of the Bonds, as follows: "The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantor, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt of each of the Issuer and Guarantor.";
  - (iv) attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
  - (v) enjoy all such other rights attached to the Bonds emanating from the Prospectus.

As at 31 December 2015 the Group's indebtedness amounted to €486.88 million, comprising of bank loans, corporate bonds and other borrowings from related parties. The Group's bank borrowings are secured by general and special hypothecs, privileges and guarantees provided by Group companies. The indebtedness being created by the Bonds ranks after secured bank borrowings of €265.32 million. In addition, the Bonds would also rank after any future debts which may be secured by a cause of preference such as a pledge, mortgage, privilege and/or a hypothec.

- C.9 The Bonds shall bear interest from and including 12 April 2016 at the rate of 4.25% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 12 April 2017 (covering the period 12 April 2016 to 11 April 2017). Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next day that is a Business Day. Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with accrued interest) on 12 April 2026.

An Exchangeable Bond Transfer shall be without prejudice to the rights of the holders of Exchangeable Bonds to receive interest on the Exchangeable Bonds up to and including 23 September 2016.

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date, is four point two five per cent (4.25%).

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

- C.10 Not Applicable: there is no derivative component in the interest payments on the Bonds.
- C.11 The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 18 March 2016. Application has been made to the MSE for the Bonds being issued, pursuant to the Prospectus, to be listed and traded on the Official List. The Bonds are expected to be admitted to the MSE with effect from 21 April 2016 and trading is expected to commence on 22 April 2016.

## Section D Risks

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



## SUMMARY NOTE

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

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

### D.2 Essential information on the key risks specific to the business of the Issuer, the Group and the Guarantor:

- i. The Issuer is a holding company and, as such, its assets consist primarily of loans issued to the Guarantor. Consequently, the Issuer is largely dependent on the business prospects of the Guarantor.
- ii. CPHCL’s operations and its results are subject to a number of factors that could adversely affect the Group’s business, many of which are common to the hotel and real estate industry and beyond the Group’s control.
- iii. Certain countries in which the Group operates, specifically Libya, Tunisia and the Russian Federation, are susceptible to political, economic or social risks not normally encountered in more developed countries.
- iv. Currency fluctuations and other regional economic developments may have a material adverse effect on the Guarantor’s business, financial condition and results of operations.
- v. A significant portion of the Guarantor’s operating expenses are fixed, which may impede the Guarantor from quickly reacting to changes in its revenue.
- vi. The lack of liquidity and alternative uses of real estate investments could significantly limit the Guarantor’s ability to respond to adverse changes in the performance of its investments and other factors, thereby potentially harming its financial condition.
- vii. The Group is exposed to the risk of failure of its proprietary reservation system and increased competition in reservations infrastructure.
- viii. The Group relies on non-proprietary software systems and third-party information technology providers and as such is exposed to the risk of failures in such systems.
- ix. The Group may not be able to realise the benefits it expects from investments made in its properties under development.
- x. The Group may not be able to realise the benefits it expects from acquisitions, joint ventures and strategic alliances.
- xi. The Guarantor’s indebtedness could adversely affect its financial position.
- xii. The Guarantor may be exposed to certain financial risks, including interest rate risk, which the Group may be unable to effectively hedge against.
- xiii. The Group’s key senior personnel and management have been and remain material to its growth. The loss of one or more of the members of this team could have a material adverse effect on the Group’s business.
- xiv. The Group is subject to the risk of litigation, the outcome of which may have a material adverse effect of the Group’s operations and financial condition.
- xv. The Group may not be able to obtain the capital it requires for development or improvement of existing or new properties on commercially reasonable terms, or at all.
- xvi. No assurance can be given that the Group’s current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates.
- xvii. Changes in laws and regulations relevant to the Group’s business and operations could be enacted that may have an adverse impact on the Group’s business, results of operations, financial condition or prospects.

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

- i. the existence of an orderly and liquid market for the Bonds depends on a number of factors. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price or at all;
- ii. investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds;
- iii. a Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder’s currency of reference, if different;
- iv. no prediction can be made about the effect which any future public offerings of the Issuer’s securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time;
- v. the Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the



## SUMMARY NOTE

- Guarantor, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt of each of the Issuer and Guarantor. Furthermore, subject to the negative pledge clause, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer and of the Guarantor, as the case may be, for so long as such security interests remain in effect;
- vi. repayment of interest and capital on the Bonds is being guaranteed by the Guarantor and therefore, Bondholders are entitled to request the Guarantor to pay the full amounts due under the Bonds if the Issuer fails to meet any amount. The Guarantee also entitles the Bondholders to take action against the Guarantor without having to first take action against the Issuer. The level of recoverability by the Bondholders from the Guarantor of any amounts due under any of the Bonds is dependent upon the financial strength of the Guarantor and in the case of insolvency of the Guarantor, such level of recoverability is further dependent upon the existence or otherwise of any prior ranking claims over the assets of the Guarantor;
- vii. in the event that the Issuer wishes to amend any of the Terms and Conditions of the Bond Issue it shall call a meeting of Bondholders. The provisions relating to meetings of Bondholders permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority;
- viii. the Terms and Conditions of this Bond Issue are based on Maltese law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of the Prospectus.

### Section E Offer

- E.2b The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €39.6 million, will be used by the Issuer for the purpose of purchasing Exchangeable Bonds from Existing Bondholders, for cancellation, by way of Exchangeable Bond Transfer, and for the purpose of redeeming any Exchangeable Bonds remaining in issue as at 24 September 2016, being the first early date of redemption of the Exchangeable Bonds (as at the date of the Prospectus the total value of Exchangeable Bonds in issue stands at €39,927,600).

In the event that the Bond Issue is not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed for and the proceeds from the Bond Issue shall be applied for the purpose set out above. The balance required to complete the redemption of the remaining Exchangeable Bonds on 24 September 2016 will be raised by the Group from own funds.

- E.3 The Bonds are open for subscription to Existing Bondholders and to Authorised Financial Intermediaries pursuant to the Intermediaries' Offer in respect of any balance of Bonds not subscribed to by Existing Bondholders as aforesaid.

The consideration payable by Existing Bondholders applying for Bonds may be settled, after submitting the appropriate pre-printed Application Form, by the transfer to the Issuer of all or part of the Exchangeable Bonds held by such Applicant as at the Cut-off Date, subject to a minimum application of €2,000, which transfer shall be effected at the par value of the Exchangeable Bonds. Any Existing Bondholders whose holding in Exchangeable Bonds is less than €2,000 shall be required to pay the difference together with the submission of their Application Form (the "Cash Top-Up").

Existing Bondholders electing to subscribe for Bonds through Exchangeable Bond Transfer shall be allocated Bonds for the corresponding nominal value of Exchangeable Bonds transferred to the Issuer (including Cash Top-Up, where applicable). The transfer of Exchangeable Bonds to the Issuer in consideration for the subscription for Bonds shall cause the obligations of the Issuer with respect to such Exchangeable Bonds to be extinguished, and shall give rise to obligations on the part of the Issuer under the Bonds. Bonds applied for by Existing Bondholders by way of Exchangeable Bond Transfer shall be allocated prior to any other allocation of Bonds.

In addition to the aforesaid, Existing Bondholders transferring all of the Exchangeable Bonds held by them as at the Cut-off Date may apply for an amount of Bonds in excess of the amount of Exchangeable Bonds being transferred. In such case Existing Bondholders may subscribe for additional Bonds, in multiples of €100, by appropriate entry in the Application Form. Payment by Applicants of the Cash Top-Up and the full price of the additional Bonds applied for, if any, shall be made in Euro and in cleared funds at the Bond Issue Price, in either cash or by cheque payable to "The Registrar – Corinthia Finance Bond Issue 2016".

The Issuer has not reserved any maximum amount of Bonds being issued for subscription by Existing Bondholders electing to subscribe for Bonds through Exchangeable Bond Transfer, subject to the outstanding amount of the Exchangeable Bonds, which, as at the date of the Prospectus, amounted to €39,927,600, plus Cash Top-Ups but in any case not exceeding €40,000,000.

Existing Bondholders on the Cut-off Date who do not elect to avail themselves of the possibility to exchange their investment in terms of the procedure outlined herein shall receive all capital with interest accrued on 24 September 2016, being the first early date of redemption of the Exchangeable Bonds.



## SUMMARY NOTE

All applications for the subscription of Bonds by Existing Bondholders by means of Exchangeable Bond Transfer must be submitted on pre-printed Application Forms to any Authorised Financial Intermediary by 14:00 hours of 8 April 2016. Within 2 business days from closing of the Issue Period, the Issuer shall announce the result of the Issue and shall determine, and issue a company announcement setting out, the basis of acceptance of applications and allocation policy to be adopted.

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

### **1. General**

Each Bond forms part of a duly authorised issue of 4.25% Unsecured Bonds 2026 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €40 million.

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

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

### **3. Redemption and Purchase**

Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with accrued interest) on the Redemption Date. Subject to the provisions of this paragraph, 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. All Bonds so purchased will be cancelled forthwith and may not be re-issued or re-sold.

### **4. Interest and Yield**

The Bonds shall bear interest at the rate of 4.25% per annum payable annually on 12 April of each year. Interest shall accrue as from 12 April 2016. The first Interest Payment Date following the issuance of this Prospectus shall be 12 April 2017. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.

The gross yield calculated on the basis of the interest, the Bond Issue Price and the redemption value of the Bonds at Redemption Date, is four point two five per cent (4.25%).

### **5. Status of the Bonds**

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantor, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt of each of the Issuer and Guarantor.

### **6. Payments**

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

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 means of a direct credit transfer into such bank account as the Bondholder may designate from time to time. Such payment shall be effected within seven (7) days of the Interest Payment Date.

### **7. Events of Default**

The Bonds shall become immediately due and repayable, at their principal amount together with accrued interest, in an event of default. Subject to agreed exceptions, materiality qualifications, reservations of law and grace periods, an acceleration event shall occur if: (i) the Issuer or, in the event of default by the Issuer, the Guarantor, shall fail to pay any interest on any Bond when due; or (ii) the Issuer or, in the event of default by the Issuer, the Guarantor, shall be in breach of any material obligation contained in the terms and conditions of the Bonds; or (iii) the Issuer and/or Guarantor are *inter alia* dissolved, liquidated or bankrupt; or (iv) the Issuer or the Guarantor stops or suspends payments, or announces to do so, to all or any class of its debts or ceases or threatens to cease to carry on its business or a substantial part thereof; or (v) the Issuer or the



## SUMMARY NOTE

Guarantor is unable to pay its debts; or (vi) a judgment by a court is made against the Issuer and/or Guarantor for the payment in excess of €5 million; or (vii) any default occurs relating to any financial indebtedness of the Issuer and/or Guarantor in excess of €5 million.

### **8. Transferability of the Bonds**

The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole (in multiples of €100) in accordance with the rules and regulations of the MSE applicable from time to time. All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations. The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require for the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer. The Issuer will not register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Bonds.

### **9. Further Issues**

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

### **10. Meetings of Participation Bondholders**

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

### **11. Governing Law and Jurisdiction**

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

- E.4 Save for the possible subscription for Bonds by Charts Investment Management Service Limited, and any fees payable in connection with the Issue to Charts Investment Management Service Limited as Sponsor & Manager, so far as the Issuer is aware no person involved in the Issue has an interest material to the Issue.
- E.7 Professional fees and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated to be in the region of €425,000.

## Time-Table

1	Application Forms mailed to Existing Bondholders as at the Cut-off Date	21 March 2016
2	Closing date for Applications to be received from Existing Bondholders	8 April 2016 (by 14:00)
3	Intermediaries Offer*	12 April 2016
4	Commencement of interest on the Bonds	12 April 2016
5	Announcement of basis of acceptance	14 April 2016
6	Dispatch of allotment advices and refunds (if any)	21 April 2016
7	Expected date of admission of the Bonds to listing	21 April 2016
8	Expected date of commencement of trading in the Bonds	22 April 2016

\* In the event that the total amount of Applications received from Existing Bondholders exceeds €40,000,000, the Intermediaries' Offer will not take place.



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SUMMARY NOTE