



MIDI plc
Interim Condensed Consolidated Financial Information
30 June 2009

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Interim Directors' Report pursuant to Listing Rule 9.44q

This interim report is published in terms of the Malta Financial Services Authority Listing Rules Chapters 8 and 9 and the Prevention of Financial Markets Abuse Act, 2005. The consolidated interim financial information included in this report has been extracted from MIDI plc's unaudited consolidated financial information for the six months ended 30 June 2009 prepared in accordance with IAS 34 'Interim Financial Reporting'. In terms of Listing Rule 9.44k.5, this interim report has not been audited or reviewed by the Group's independent auditors.

Principal Activity

The principal activity of the group is the development of the Manoel Island and Tigné Point Project.

Review of Financial Performance

During the period under review, the group delivered a further 36 apartments in Tigne' South to their new owners realising total revenue of €19.7 million. Construction works focused on 'The Point' shopping mall and the Pjazza, and works on apartments known as the Plaza Blocks surrounding the same Pjazza. Both The Point and Pjazza are scheduled to open for business in 2010. Other works consisted of finishing the Tigne' South Clubhouse with the swimming pool hosting the first guests in June.

Mechanical and Electrical installations and finishes of the T10 residential block which consists of 59 apartments is well underway and on schedule. Construction of the foundations and basement levels of a new phase which will consist principally of a 16,000 square metre office block and two north facing residential blocks continued during the period under review. Also, in accordance with the emphyteutical grant entered into with the Government of Malta on 15 June 2000, MIDI continued carrying out various infrastructural and restoration works both at Tigne' Point, including Fort Tigné, and at Fort Manoel in Manoel Island.

Despite the slowdown in the economy, new apartment sales by way of preliminary agreements for the first six months of 2009 remained satisfactory and at sustained price levels. There are no particular risks and uncertainties that are expected to have significant impact on the financial results of the group for the forthcoming six month period and its financial position as at 31 December 2009.

In January the company successfully issued bonds to the public with a face value of €40 million. In accordance with the Offering Memorandum, part of the funds collected were utilised to restructure the financing of the group while the remaining funds are being retained by the company to part finance the T14 Office Block and T17 Residential Blocks in the coming months.

Interim Directors' Report pursuant to Listing Rule 9.44q - continued

Dividends

The directors do not recommend the payment of an interim dividend.

On behalf of the board



Albert Mizzi
Chairman



Paul Bonello
Director

Company Secretary: Luke Coppini

Registered Office:
North Shore,
Manoel Island
Malta

Telephone No. (+356) 2065 5500


Condensed Consolidated Statement of Financial Position

| | as at 30 June 2009 (unaudited) € | as at 31 December 2008 (audited) € |
|--------------------------------------|---|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 43,938,840 | 33,666,042 |
| Other non-current assets | 542,350 | 276,122 |
| Total non-current assets | 44,481,190 | 33,942,164 |
| Current assets | | |
| Inventories - Development project | 166,208,079 | 159,882,506 |
| Other current assets | 25,398,106 | 8,530,495 |
| Total current assets | 191,606,185 | 168,413,001 |
| Total assets | 236,087,375 | 202,355,165 |
| EQUITY | | |
| Capital and reserves | 32,851,230 | 32,037,074 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Trade and other payables | 24,332,740 | 28,236,660 |
| Borrowings | 71,791,728 | 40,035,029 |
| Other non-current liabilities | 1,217,912 | 1,063,160 |
| Total non-current liabilities | 97,342,380 | 69,334,849 |
| Current liabilities | | |
| Trade and other payables | 83,138,668 | 80,804,949 |
| Borrowings | 22,755,097 | 20,173,338 |
| Other current liabilities | - | 4,955 |
| Total current liabilities | 105,893,765 | 100,983,242 |
| Total liabilities | 203,236,145 | 170,318,091 |
| Total equity and liabilities | 236,087,375 | 202,355,165 |

The condensed consolidated interim financial information on pages 3 to 9 were authorised for issue by the board of directors on 24 August 2009 and was signed on its behalf by:



Albert Mizzi
Chairman



Paul Bonello
Director

Condensed Consolidated Statement of Comprehensive Income

| | Six Months Ended 30 June | |
|--|--------------------------|--------------------------|
| | 2009 (unaudited) € | 2008 (unaudited) € |
| Revenue | 19,667,606 | 26,533,962 |
| Gross profit | 2,218,508 | 2,006,928 |
| Operating profit | 1,667,353 | 1,594,395 |
| Share of loss of joint venture | (233,773) | (316,807) |
| Profit before tax | 1,378,426 | 1,328,282 |
| Tax expense | (564,270) | (575,782) |
| Profit for the period - total comprehensive income for the period | 814,156 | 752,500 |
| Earnings per share | 0.06 | 0.06 |

Condensed Consolidated Statement of Changes in Equity

| | Share Capital € | Retained Earnings € | Total € |
|---|-----------------------|---------------------------|-------------------|
| Balance at 1 January 2009 | 29,358,000 | 2,679,074 | 32,037,074 |
| Profit for the period - total comprehensive income | - | 814,156 | 814,156 |
| Balance at 30 June 2009 | 29,358,000 | 3,493,230 | 32,851,230 |
| Balance at 1 January 2008 | 29,350,105 | 2,332,893 | 31,682,998 |
| Profit for the period - total comprehensive income | - | 752,500 | 752,500 |
| Balance at 30 June 2008 | 29,350,105 | 3,085,393 | 32,435,498 |

Condensed Consolidated Statement of Cash Flows

| | Six Months Ended 30 June | |
|---|--------------------------|--------------------------|
| | 2009 (unaudited) € | 2008 (unaudited) € |
| Net cash used in operating activities | (16,035,609) | (15,064,494) |
| Net cash used in investing activities | (13,505,051) | (34,310) |
| Net cash from financing activities | 32,319,856 | 14,078,091 |
| Net movement in cash and cash equivalents | 2,779,196 | (1,020,713) |
| Cash and cash equivalents at beginning of period | 542,257 | 2,260,314 |
| Cash and cash equivalents at end of period | 3,321,453 | 1,239,601 |

Notes to the Consolidated Interim Financial Information

1. General information

MIDI plc is a public limited liability company with its principal activity being the development of the Manoel Island and Tigné Point Project. During the current interim period, the company has issued debt securities which are listed on the Malta Stock Exchange. This condensed consolidated interim financial information has not been audited or reviewed.

2. Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2009 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2008, which have been prepared in accordance with IFRSs.

3. Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2008, as described in those financial statements.

In 2009, the group adopted new standards, amendments and interpretations to existing standards that are mandatory for the group's accounting period beginning on 1 January 2009. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in changes to the group's accounting policies as outlined previously.

New standards, amendments to standards and interpretations, which are mandatory for the first time for the financial year beginning on 1 January 2009 and which are relevant to the group, include:

- IAS 1 (revised), 'Presentation of financial statements'. This interim financial information has been prepared under the revised disclosure requirements, principally in relation to the presentation of the statement of comprehensive income and the requirement that all 'non-owner changes in equity' are to be shown in a performance statement.
- IFRS 8, 'Operating segments'. The group has one reportable segment and accordingly no revised disclosures are required in this condensed consolidated interim financial information.
- IAS 23 (amendment), 'Borrowing costs'. No changes to the group's accounting policies are required in this respect.
- IFRIC 15, 'Agreements for the construction of real estate'. No changes to the group's accounting policies are required in this respect.

4. Property, plant & equipment

Additions to property, plant & equipment during the period relate to construction works and mechanical and electrical installations carried out on 'The Point' shopping mall. The shopping mall is in the final stages of development and is expected to open for business during 2010.

Notes to the Consolidated Interim Financial Information - continued

5. Inventories – Development project

The carrying amount of inventories has increased in view of works on the Pjazza and on apartments known as the Plaza Blocks surrounding the same Pjazza, together with other works to finish off the Tigne' South Clubhouse. Additions to inventories also comprise mechanical and electrical installations and finishes of the T10 residential block, and construction works on a new phase, consisting principally of an office block and two north facing residential blocks. The cost of apartments sold by way of final deeds during the six month period ended 30 June 2009 has been derecognised from inventories accordingly.

6. Borrowings

On 13 January 2009, by virtue of an Offering Memorandum dated 5 December 2008, the group issued for subscription to the general public 300,000 unsecured bonds, with an over-allotment option of another 100,000 which was exercised in full as a result of over-subscriptions. The aggregate principal amount of bonds issued amounted to €40,000,000. The bonds are subject to a fixed interest of 7% per annum payable annually in arrears on 15 December. The proceeds from the bonds were principally used to contribute towards the finalisation of the construction of Tigné Point and the repayment of the private placement bonds. The bonds have been admitted to the Official List of the Malta Stock Exchange on 20 January 2009.

Unutilised bond proceeds as at the end of the reporting period were placed in accordance with the terms of Offering Memorandum. In the statement of financial position these investments are presented within other current assets thereby giving rise to an increase in the amount presented in relation to this asset item.

7. Related Party Transactions

All companies forming part of, or closely related to, the respective groups of which Alf. Mizzi & Sons Limited, Bank of Valletta p.l.c., Gatt Investments Limited, Gee Five Limited, Fortress Developments Limited, Middle Sea Valletta Life Assurance Co. Limited, Investors Limited, Polidano Brothers Limited, Vassallo Builders Group Limited, Pater Holding Company Limited and Lombard Bank Malta p.l.c. form part, together with First Gemini p.l.c and Pininfarina Extra s.r.l. are considered by the directors to be related parties by virtue of the shareholding of the companies referred to in Midi p.l.c.

The following transactions were carried out with related parties:

| | Six Months Ended 30 June | |
|---|--------------------------|-----------|
| | 2009 | 2008 |
| | € | € |
| <i>i) Purchase of goods and services</i> | | |
| Purchase of services from related parties | 10,520,472 | 2,569,959 |

At the 30 June 2009, the group had outstanding contractual commitments with related parties for project development for the amount of €8,399,923 (31 December 2008: €18,382,458).

Notes to the Consolidated Interim Financial Information - continued

7. Related Party Transactions - continued

The Company had total deposits on promise of sale agreements as at 30 June 2009 amounting to €19,977,172 (31 December 2008: €30,993,857) and the gross value of contracts relating to these promise of sale agreements was €56,075,960 (31 December 2008: €72,287,661), of which those contracted with related parties are scheduled hereunder:

| | as at 30 June 2009 € | as at 31 December 2008 € |
|--|-------------------------------|-----------------------------------|
| <i>ii) Sale of apartments to related parties</i> | | |
| Deposits on promise of sale agreements | 9,607,210 | 9,271,094 |
| Gross Value of contracts relating to the above promise of sale agreements | 18,938,412 | 22,105,035 |

The sales value in term of final public deeds concluded during the six month periods ended 30 June 2009 and 2008 amounted to €866,560 and €5,064,498 respectively.

| | as at 30 June 2009 € | as at 31 December 2008 € |
|--|-------------------------------|-----------------------------------|
| <i>iii) Loans from related parties</i> | | |
| Loans from related parties | 39,039,358 | 33,242,539 |

The net interest charged on loans from related parties during the six month periods ended 30 June 2009 and 2008 amounted to €1,026,568 and €645,561 respectively.

As at 30 June 2009 the Group has banking facilities of €51,712,090 (31 December 2008: €51,712,090) sanctioned by a related party.

The transactions, undertaken with related parties, disclosed above were carried on commercial terms in the normal course of business and are subject to scrutiny by the Board of Directors.

Balances outstanding as at end of the reporting period with respect to related parties were as follows:

| | as at 30 June 2009 € | as at 31 December 2008 € |
|------------------------------------|-------------------------------|-----------------------------------|
| Amounts owed to related parties | (1,235,084) | (924,937) |
| Amounts owed (to)/by joint venture | (47,384) | 39,045 |

Directors' Statement pursuant to Listing Rule 9.44k.3

We hereby confirm that to the best of our knowledge:

1. The condensed consolidated interim financial information gives a true and fair view of the financial position of the group as at 30 June 2009, and of its financial performance and its cash flows for the six month period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting and IAS 34, 'Interim financial reporting'.
2. The interim directors' report includes a fair review of the information required in terms of Listing Rule 9.44q.



Albert Mizzi
Chairman



Paul Bonello
Director