CHARTS
WEALTH MANAGEMENT ▪ CORPORATE BROKING

Annex IV
Financial Analysis Summary

24 June 2016

Issuer
MIDI p.l.c.
(C15836)

CHARTS
WEALTH MANAGEMENT ▪ CORPORATE BROKING

The Directors
MIDI p.l.c.
North Shore
Manoel Island
Limits of Gzira, GZR 3016
Malta

24 June 2016

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 MIDI p.l.c. (the "**Issuer**" or "**Group**" or "**MIDI 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 2013 to 31 December 2015 has been extracted from audited financial statements of the Issuer for the three years in question.

(b) The forecast data for the years ending 31 December 2016 to 31 December 2018 has been provided by management.

(c) Our commentary on the results of the Issuer 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 4 of the Analysis.

(e) Relevant financial data in respect of the companies included in Part 3 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.

The Analysis is meant to assist investors in the Issuer's securities and potential investors by summarising the more important financial data of the MIDI 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 and should not be interpreted as a recommendation to invest in any of the Issuer'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 securities.

Yours faithfully,

Wilfred Mallia
Director

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PART 1
INFORMATION ABOUT THE ISSUER

1. KEY ACTIVITIES

MIDI p.l.c. (the "**Issuer**" or "**Company**") is a public limited liability company incorporated under the Companies act with an authorised share capital of €90 million and an issued share capital of €42.83 million, fully paid up. The issued share capital of the issuer is listed on the official list of the Malta Stock Exchange. The principal activity of MIDI p.l.c. is the development and disposal of immovable property situated in Malta at Tigné Point, Sliema and Manoel Island, Limits of Gzira.

In June 2000, the Issuer acquired land comprising Tigné Point and Manoel Island from the Government of Malta by title of temporary emphyteusis for a period of 99 years as from 15 June 2000. Construction works commenced in late 2000. Under the same Emphyteutical Deed, the Issuer also acquired from the Malta Maritime Authority, for a period of 99 years, the right to develop and operate a yacht marina on a defined area facing the south shore of Manoel Island in Ta'Xbiex Creek, Limits of Gzira.

2. DIRECTORS AND SENIOR MANAGEMENT

2.1 BOARD OF DIRECTORS

The Issuer is managed by a Board comprising eight 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:

Alec A. Mizzi	Chairman and Non-Executive Director
Joseph Bonello	Non-Executive Director
David G. Curmi	Non-Executive Director
David Demarco	Non-Executive Director
Joseph A. Gasan	Non-Executive Director
Alan Mizzi	Non-Executive Director
Mark Portelli	Non-Executive Director
Joseph Said	Non-Executive Director

The Issuer has a Supervisory Board, the members of which include Alec A. Mizzi (Chairman), Luke Coppini (CEO), David G. Curmi, Joseph A. Gasan and Jesmond Micallef (CFO). The objective of the Supervisory Board is to take, or to establish the basis on which, all decisions within the Issuer are taken, other than decisions on those matters specifically reserved for the Board of Directors or other committees.

The more important functions carried out by the Supervisory Board include: (i) the approval and monitoring of strategic and forecasting processes: (ii) reporting on strategic matters to the Board of Directors; (iii) the review of the Group's annual budget and funding requirements; (iv) oversight of all development related matters; and (v) the consideration of all new business opportunities.

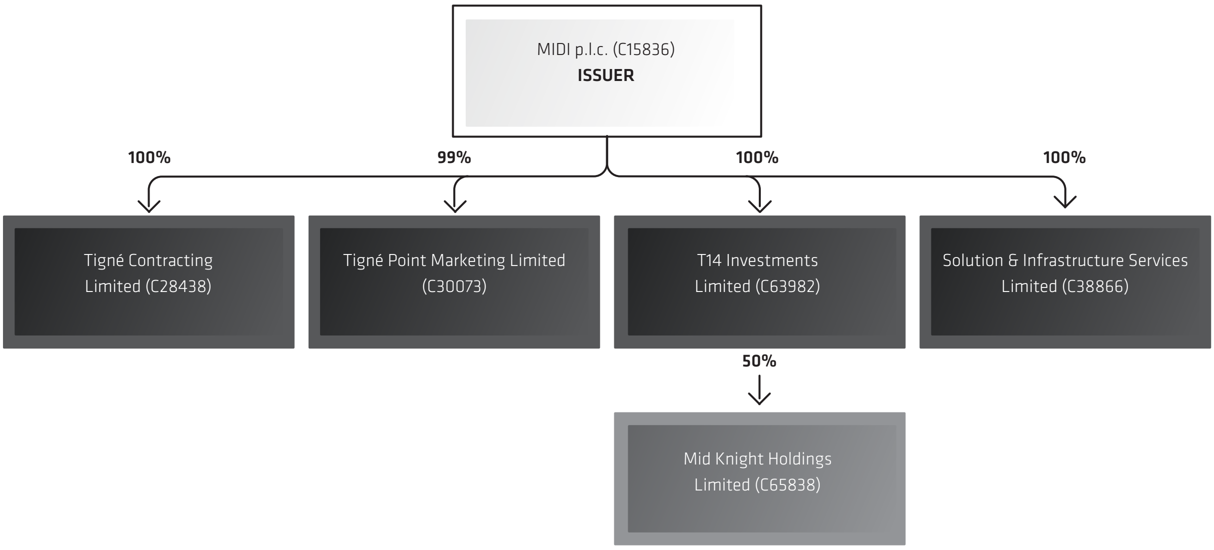
2.2 SENIOR MANAGEMENT

The execution of the strategic direction and day-to-day management of the Group is carried out by the following members of senior management:

Luke Coppini	Chief Executive Officer
Jesmond Micallef	Chief Financial Officer
Darren Azzopardi	Company Secretary
James Vassallo	Sales & Marketing Manager
Ivan Piccinino	Senior Project Manager

3. ORGANISATIONAL STRUCTURE

The diagram below illustrates the subsidiary and associate companies within the organisational structure of the MIDI Group.



3.1 TIGNÉ CONTRACTING LIMITED

Tigné Contracting Limited ("**TCL**") was established in Malta on 10 July 2001 as a private limited liability company. TCL serves as the Group's main contractor to execute the construction and development of Tigné Point and Manoel Island. As such, the majority of contracts with third party contractors are entered into through this company.

3.2 TIGNÉ POINT MARKETING LIMITED

Tigné Point Marketing Limited ("**TPML**") was established in Malta on 7 August 2002 as a private limited liability company. TPML handles all marketing (including advertising and PR campaigns) and sales activities of the Group. The company has a specialised selling and marketing team, and is the main point of contact with MIDI's customers.

3.3 T14 INVESTMENTS LIMITED & MID KNIGHT HOLDINGS LIMITED

T14 Investments Limited ("**T14L**") was established in Malta on 21 February 2014 as a private limited liability company. During 2014, T14L entered into a joint venture through Mid Knight Holdings Limited to develop and manage a business centre (known as the T14 site) located at Tigné Point. T14L has an equity investment of €2 million in Mid Knight Holdings Limited and loans receivable from the same company of €6 million and €3.7 million, repayable in 2027 and 2029 respectively.

3.4 SOLUTIONS AND INFRASTRUCTURE SERVICES LIMITED

Solutions and Infrastructure Services Limited ("**SIS**") was established in Malta on 5 June 2006 as a private limited liability company. The company was initially set up as a joint venture between MIDI and Siemens S.p.A. On 14 September 2015, MIDI acquired the 50% shareholding of Siemens S.p.A. in SIS for the consideration of €1. As part of the acquisition agreement, Siemens S.p.A. waived a shareholder's loan due by SIS of €350,000, and following a restructuring exercise agreed to by the contracting parties, Siemens S.p.A. made an informal capital contribution to SIS of €1,742,000.

The principal operations of SIS include the management of the public car park facilities owned by Tigné Mall p.l.c. and the Issuer, as well as the operation of an HVAC centralised system. The latter operation consists of the provision of heating and cooling to various residential and commercial components at Tigné Point.

Apart from HVAC, other building technologies such as fire detection, access control and CCTV services are also provided by SIS at Tigné Point. To a limited extent, SIS is involved in the provision of information and communications technology related services.

4. PROJECT OVERVIEW

4.1 TIGNÉ POINT

4.1.1 Site Plan

4.1.2 Completed Project Phases

Tigné Point is a residential, commercial and leisure development located on the north-eastern coast of Malta, approximately one kilometre north of Malta's capital Valletta. Development of Tigné Point commenced in December 2000 and comprises high-end residential units having a wide selection of layouts, including penthouses, duplexes and split levels. Furthermore, the development offers a number of cafes, restaurants, a shopping mall (The Point), retail outlets and extensive public spaces.

A summary of completed project phases at Tigné Point, as at the date of this report, is provided hereunder:

- T1 comprises the property known as the Clock Tower which was built by the Issuer and transferred to the GOM together with 24 underlying car park spaces in terms of schedule 20 of the Emphyteutical Deed. Furthermore, the T1 site also includes an additional 132 car park spaces owned by the Issuer and which form part of the Tigné Point public car park.
- The Point shopping mall (T2) was launched on 20 March 2010 together with a multi-storey public car park and certain outlets on Pjazza Tigné. On 2 May 2013, the Issuer disposed of its shareholding in Tigné Mall p.l.c. (the owner and operator of The Point shopping mall) for a net cash consideration of €20.9 million.
- T4 to T9 Tigné South apartments were launched on the market in 2002. All 200 apartments have been sold.
- Block T10 (comprising 59 units) and 22 apartments overlooking Pjazza Tigné were released to the market in 2008 and 2011 respectively. All apartments have been sold.
- Pjazza Tigné (T11) was developed by the Issuer and is considered to be the property of the GOM as it constitutes a public area in terms of the Emphyteutical Deed. The underlying car park is owned by the Issuer and occupies 4 basement levels consisting of 435 car park spaces.
- Surrounding Pjazza Tigné, the Issuer developed 3 buildings internally known as T4P, T7P and T9P which consist of 11 commercial units (office, retail and catering) and 22 apartments. Whilst the Issuer has transferred the said apartments to third parties, it retained ownership of the commercial units which are currently rented out.
- During the course of 2009, the Clubhouse (T12) was completed and commissioned in June of the same year. It comprises 2 catering outlets and ancillary facilities, a Health & Leisure facility, and facilities including an external pool, pool deck and other related amenities available to residents of Tigné Point.
- The restoration of Fort Tigné (T13) was completed in 2010. Management plans to lease the property for commercial use once works on the public access surrounding the Fort are completed.
- In January 2012, the Malta Environment and Planning Authority issued the full development permits for the phases at Tigné North, which include the Q1, Q2, T14 and the "Q" Car Park underlying the aforesaid three blocks ("Tigné North"). The "Q" Car Park consists of a number of car spaces, lock-up garages, storage rooms, motorcycle bays and plant rooms. Whilst the majority of the units contained therein are intended to be sold together with the Q1 and Q2 apartments, the Company has retained ownership of a total of 62 car park spaces located on the second basement level. In terms of an agreement between the Issuer and Mid Knight Holdings Limited, the said car spaces are intended to be leased. One of the plant rooms referred to above is leased out to SIS whilst another is subject to a promise of sale agreement between the Issuer and Mid Knight Holdings Limited.
- The T14 site is located in the Tigné North phase of the Tigné Point project and is described in further detail in section 4.2 below.

In addition to the above, development of the Q1 block was practically complete by the end of 2015. The Q1 block comprises a footprint of 640m^2 and a gross floor area measuring approximately 9,044m^2. Development on this project commenced in 2013 and includes 39 apartments as follows:

Q1 BLOCK - TIGNÉ POINT

Residential

	No. of Units	%
2-bedroom unit	12	31
3-bedroom unit	24	61
3-bedroom penthouse	3	8
	39	**100**

Demand for these apartments was very positive and all units have been sold to date. Direct development costs (that is, construction costs and professional fees) to develop and deliver the apartments in a finished and complete state (other than the penthouses which were delivered in shell form) amounted to *circa* €16 million. An amount of €10 million was funded through bank borrowings and the remaining balance from internal sources and sales proceeds. As at the date of this report, the said bank borrowings have been fully repaid. Total gross revenue from the sale of the Q1 apartments amounts to *circa* €41 million.

4.1.3 Current Project Phases

Q2 BLOCK – RESIDENTIAL AND COMMERCIAL

The Q2 block is uniquely positioned within close proximity to the water's edge and will, when completed, comprise 60 residential apartments distributed on 13 floors. The block, which forms part of the North Phase of the Tigné Point project, has a footprint of *circa* 906m^2 and a gross floor area measuring approximately 11,829m^2. The Q2 block also includes 3 commercial units at ground level, having a total rentable area of *circa* 367m^2. Development on this site commenced in 2014 and is expected to be completed in the first quarter of 2018.

The configuration of units in the Q2 block is as follows:

Q2 BLOCK - TIGNÉ POINT

Residential and Commercial

	No. of Units	%
1-bedroom unit	24	40
2-bedroom unit	8	13
3-bedroom unit	16	27
3-bedroom unit (with the possibility of a 4th bedroom)	8	13
4-bedroom unit	2	3
3-bedroom penthouse	1	2
4-bedroom penthouse	1	2
	60	**100**

The overall direct development cost relating to Q2, for delivery in a complete state (other than the commercial space and penthouses), is estimated at *circa* €21 million. The Group has obtained a bank loan facility of €13 million to finance the expenditure on the superstructure. The remaining balance of costs is expected to be funded from sales revenue and other internal cash resources. Civil works on the project are close to completion, and mechanical & electrical works and finishes have commenced.

The Group launched 32 apartments on the market in March 2016 and initial interest from estate agents and potential investors has been positive, with promise of sale agreements for 27 apartments already entered into. The remaining apartments are expected to be offered in 2017. The Group expects to generate gross revenue from sales of Q2 apartments in excess of €60 million.

4.1.4 Future Development

T15, T16 and T20 Sites

The T15, T16 and T20 sites form part of the Tigné North phase, being the last sites for development at the Tigné Point project. The sites have an aggregate footprint of 5,774m^2. An application for the issuance of full development permits for these sites was filed with MEPA in 2010. The application provided for a low density development of approximately 1,520m^2, consisting of a number of retail outlets and two restaurants over the T15 site, a piazza on the T16 site and another restaurant on the T20 site surrounded by a landscaped area. Whilst the substructures for the T15 and T16 sites have already been completed, and include a total of 39 car parking spaces, in the planning application referred to above, the substructures for the T20 site were earmarked to include a total of 163 car parking spaces.

In view of evolving market conditions, the Issuer had resolved not to pursue the aforementioned application, the processing of which was placed in a suspended state by the relevant authorities. As part of the Issuer's ongoing efforts to ensure that its developments reflect market requirements as well as stakeholder interests and expectations, the Issuer will be reviewing its planning applications for the T15, T16 and T20 sites, taking account of current planning policies for the location.

4.1.5 Commercial Leases

Pjazza Tigné

MIDI owns a total of eleven (11) commercial units having a total rentable area of *circa* 2,200m^2, and which units abut onto Pjazza Tigné. One (1) unit is rented out on commercial terms to Tigné Point Marketing Limited, which is engaged in sales and marketing, and is a fully owned subsidiary of the Issuer. Another unit, measuring approximately 65m^2, is presently occupied by an entity offering condominium related services to those residential units for which the Issuer is still acting as the administrator. The remaining nine (9) commercial units are leased to third parties for a minimum rental duration of 15 years, with an option to terminate such lease every 5 years.

T12 Clubhouse

The T12 Clubhouse comprises a number of different elements, which broadly consist of: (i) two catering outlets measuring approximately 1,029m^2 (inclusive of external areas); (ii) an area of 2,414m^2 located on two underground levels, which property is earmarked for a health & leisure facility; and (iii) facilities consisting of an external pool, pool deck and other related amenities and which are available to residents of Tigné Point. This part of the T12 Clubhouse does not generate any revenue for the Issuer.

The abovementioned catering outlets were leased to a related party in 2009 for a period of 20 years. As to the areas earmarked for the health & leisure facility, the Issuer is currently undertaking an exercise to identify a potential tenant for the premises.

Fort Tigné

With restoration works complete on Fort Tigné, additional works are required in the areas intended for public access which surround Fort Tigné. Once complete, it will enable pedestrians to gain access to the Belvedere route, commencing at Tigné Seafront and reaching Qui-si-sana via Fort Tigné, and will therefore significantly enhance the attractiveness and viability of the Fort as a commercial and catering establishment. Fort Tigné has a rentable area (inclusive of external areas) of approximately 5,000m^2.

The Issuer is seeking to lease Fort Tigné. The prospective tenant would be responsible for the finishing works necessary for the intended use.

Q2 Outlets

The ground floor area of the Q2 block, measuring approximately 800m^2, has been identified as a site for commercial outlets. The Issuer currently has plans for 3 units earmarked for use as retail and office outlets. Access to the proposed outlets will be through the pedestrian passage from Qui-si-sana leading to Pjazza Tigné.

4.2 T14 BLOCK - COMMERCIAL

In 2014, the Issuer sold the T14 site, having a footprint area of 2,074m^2 and located on the north side of Tigné Point, for a consideration of €11.7 million to Mid Knight Holdings Limited, a joint venture company between T14 Investments Limited (a wholly owned subsidiary of the Issuer) and Benny Holdings Limited. Mid Knight Holdings Limited will be developing and operating on the acquired site a business centre having a rentable area of 13,500m^2. The structure, together with the common area finishes, is expected to be completed during the fourth quarter of 2016. The finishes of the internal rentable areas of the offices are scheduled for completion by the third quarter of 2017.

It is estimated that the cost of construction will amount to €25 million and will be funded as to €13 million through a bank facility, and from sale proceeds described hereinabove and the balance from revenue sources of the company.

Enjoying views both of the sea and the Pjazza, the office block will be divided into two wings each having 8 floors above ground floor and will be connected by an atrium bridge. It is planned that the ground floor area will be leased to third parties for the operation of catering outlets. To provide better access to the property, a number of car parking spaces at basement level will be reserved for use by office tenants on a 24/7 basis.

In July 2015, Mid Knight Holdings Limited entered into a promise of sale agreement to sell, together with an undertaking to carrying finishing works pertaining to the fourth floor of both wings of T14 to a third party for an aggregate cash consideration of €6.85 million.

4.3 SOLUTIONS & INFRASTRUCTURE SERVICES LIMITED

Solutions & Infrastructure Services Limited ("**SIS**") is principally engaged in the management of a public car park and the operation of an HVAC centralised system. The public car park currently consists of *circa* 900 car park spaces, of which 673 spaces are owned by the Issuer and located substantially underneath the footprint of Pjazza Tigné, whilst the remaining 227 spaces are situated below The Point shopping mall and are owned by Tigné Mall p.l.c. Both the Issuer as well as Tigné Mall p.l.c. engaged the services of SIS to operate the public car park. Revenues generated from this car park, net of management fees due to SIS, are apportioned between the Issuer and Tigné Mall p.l.c. on a pro rata basis according to the number of car park spaces owned by each entity.

The operation of the HVAC centralised system consists of the provision of heating and cooling to various residential and commercial units at Tigné Point. Additional offerings of SIS include other building technologies such as fire detection, access control and CCTV services, and limited ICT related services.

The development currently underway at Tigné Point necessitates an additional investment in the HVAC system in the region of €2,000,000 in order to cater for the envisaged increase in demand. The additional investment in the HVAC system will also result in a more efficient operation. The said works were awarded to Siemens with whom an agreement was reached for a credit of €1,000,000 to be provided in connection with the aforementioned additional investment. The remaining balance will be financed from internal funds of the company.

4.4 MANOEL ISLAND

Manoel Island is located on the north-eastern coast of Malta, approximately one kilometre north-west of Valletta. The island flanks one side of the Valletta peninsula and borders Sliema creek to the North and Lazzaretto creek to the South. The island's main feature is Fort Manoel, an 18th century fortification built by the Knights of St John, and the Lazaretto, built in 1643, initially used as a quarantine centre and later as a hospital and Military base. Manoel Island is envisaged as a mixed-use development with low lying residential, commercial and recreational environment. Large tracts of the island, in particular around the fort, will be a green area comprising the provision of public footpaths for the enjoyment of the public and of residents alike. These large green areas will be integrated with other open spaces, including the ditch of the Fort, and with the foreshore around the island, that will be enhanced and made accessible to all.

In October 2015, the Issuer appointed an international consultancy firm to prepare a concept brief on the Manoel Island project. The principal objective of this exercise was to establish a vision for the Manoel Island development and to derive a 'Highest and Best Use Analysis' for the property. Research was conducted in four European countries amongst high net worth individuals and focused on their respective interest in investing in property, particularly in the central Mediterranean region. In addition, the consultancy firm studied the projected supply and quality of property coming to market in the next eight years (to 2023) in order to identify possible gaps in the property market.

Through a selection process, the Issuer thereafter appointed 5 internationally renowned master planners for each to present a preliminary sketch design for the development of Manoel Island based on the aforementioned brief or to indicate how they would approach the preparation of a masterplan for the project. The submissions were received in April 2016, which reflect a mix of hig-end residential residential units, a wide variety of commercial property (retail, hospitality and catering), a casino and leisure facilities.

The submissions are currently being considered by the Issuer in conjunction with the international consultancy firm with an aim of engaging one of the firms to prepare a masterplan for the project, which will subsequently form the basis of an application to the Planning Authority. The Planning Authority is expected to process the said application on the basis of policy NHGT16 of the North Harbour Local Plan which provides that "Full Development Applications that significantly change the mix and scale of uses within the Manoel Island development as approved in the Outline Development Permit will only be considered subject to the preparation by MEPA, of supplementary planning guidance that takes account of the overall land use of this Local Plan". The Local Plan also states that a "cautious policy approach will be taken to future amendments to the Manoel Island Project beyond the existing committed levels of development as approved in Outline Development Permit".

Following the finalisation of the masterplan, the Issuer intends to proceed with a professional investor search, with the aim of identifying a strategic partner with whom to undertake the Manoel Island project. The Company has already received interest in the said project, with discussions having been held with a number of interested investors. Nonetheless the Company remains committed to its current strategy of seeking the finalisation of the masterplan and the subsequent professional investor search.

5. MIDI GROUP'S PROPERTY PORTFOLIO

The property portfolio of the MIDI Group comprises the following:

MIDI p.l.c.
Property Portfolio

Valuation as at 13 June 2016	**€'000**
Commercial premises:	
Q2 Block - ground floor	3,237
T4P, T7P and T9P Blocks - 11 outlets	11,885
T12 Clubhouse - 2 catering outlets, health & leisure facility and car parking spaces	6,518
Fort Tigné	3,876
	25,516
Car parking spaces:	
T11 Section, T8/T9/T10 Section (level -4) - 519 spaces	12,975
T1 Section - 132 spaces	3,300
'Q' car park (level -2) - 62 spaces	1,550
Car park behind T2 Section - 35 spaces	875
T15/T16 Section - 39 spaces	975
	19,675
Storage rooms:	
Total area of *circa* 3,216m^2	1,929
Property currently being developed:	
Q2 Block residential apartments	48,996
Properties earmarked for development:	
T15 site	458
T20 site	636
Manoel Island	40,000
	41,094
Total	**137,210**

6. OVERVIEW OF THE CONSTRUCTION & PROPERTY MARKET IN MALTA

The recovery that began in the construction sector in 2013 extended into 2015. This was reflected in increases in the number of permits issued for the construction of residential dwellings, as well as in the value added and investment generated by the sector. This expansion in activity, in turn, has positive effects on employment income.

The improved performance in the construction sector in 2015 was supported by measures aimed at streamlining the issue of permits. The low interest rate environment, the extension of fiscal incentives for first-time buyers, the Individual Investor Programme (IIP) which fuelled demand for top-end properties, and an inflow of foreign workers have also spurred demand for dwellings.

Over €2 billion worth of property was registered in 15,557 contracts of sale concluded in 2015, a 35% increase over 2013 figures when 12,272 contracts, worth €1.3 billion, were concluded. A total 73,402 promises of sales have been registered since 2008 with an indicated value of close to €11 billion. The lowest number of promises of sale was 7,841 in 2011 with €1.074 billion worth of property.

Almost 1,000 properties, worth €400 million, were sold to foreigners (having obtained an Acquisition of Immovable Property Permit (AIP)) over the last four years (2012 – 2015). In 2015, foreigners acquired 280 properties for an aggregate value of €189.5 million (2014: 208 properties, €70.7 million).

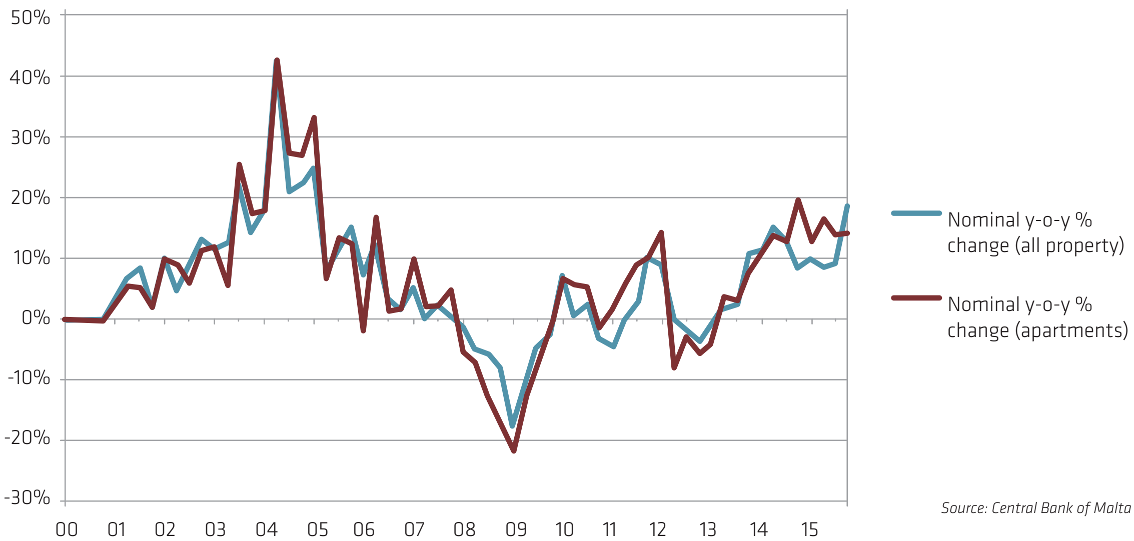
Properties Sold to Foreigners	**2012**	**2013**	**2014**	**2015**	**Total**
Southern harbour					
Number of units	11	20	21	29	81
Value (€)	3,020,121	3,224,753	5,737,720	24,534,356	36,516,950
Average price (€)	274,556	161,238	273,225	846,012	450,827
Northern harbour					
Number of units	112	111	111	148	482
Value (€)	36,260,476	25,972,957	40,628,063	72,529,586	175,391,082
Average price (€)	323,754	233,991	366,019	490,065	363,882
Northern					
Number of units	61	36	36	42	175
Value (€)	31,253,259	13,699,353	7,139,338	81,913,504	134,005,454
Average price (€)	512,349	380,538	198,315	1,950,322	765,745
Other					
Number of units	62	40	40	61	203
Value (€)	16,510,623	9,970,050	17,214,324	10,489,188	54,184,185
Average price (€)	266,300	249,251	430,358	171,954	266,917

Source: Parliamentary Question 23925

It is to be noted that the above data excludes any foreigners in Malta who have bought immovable property without the need of an "AIP", which would include those properties sold in Special Designated Areas.

The aforementioned factors also supported the pick-up in house prices (see Chart I below). Residential property prices continued to rise during the fourth quarter of 2015. The Central Bank of Malta's advertised property price index shows that house prices rose at an annual rate of 10.0% in the last quarter of 2015, following a 5.0% increase in the previous quarter. Prices of apartments – the major component – continued to grow strongly in Q4 2015, though at a similar pace as in the previous quarter. Although they indicate trends, advertised property prices may not accurately reflect the prices at which sales actually take place.

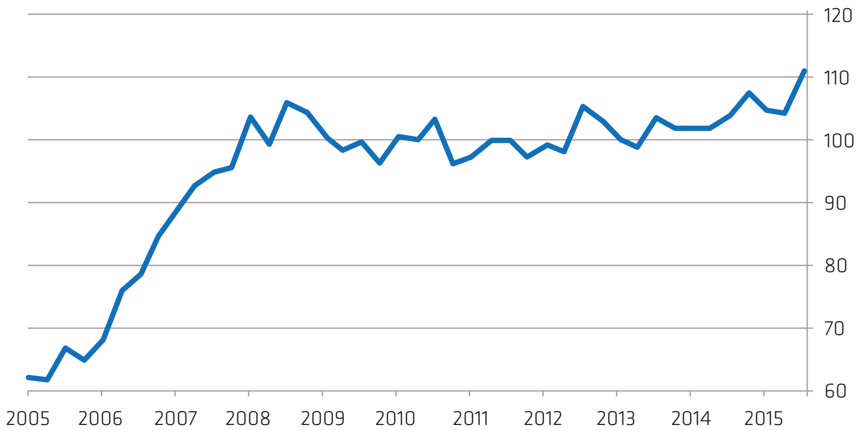
CHART I: CHANGE IN PROPERTY PRICES



Source: Central Bank of Malta

Eurostat's House Price Index for Malta – which is based on transactions covering terraced houses, apartments and maisonettes – also indicates that residential property prices increased. The latest data available refers to Q3 2015 and shows that said prices increased by 6.7% compared with the same quarter of 2014 (vide Charts II below).

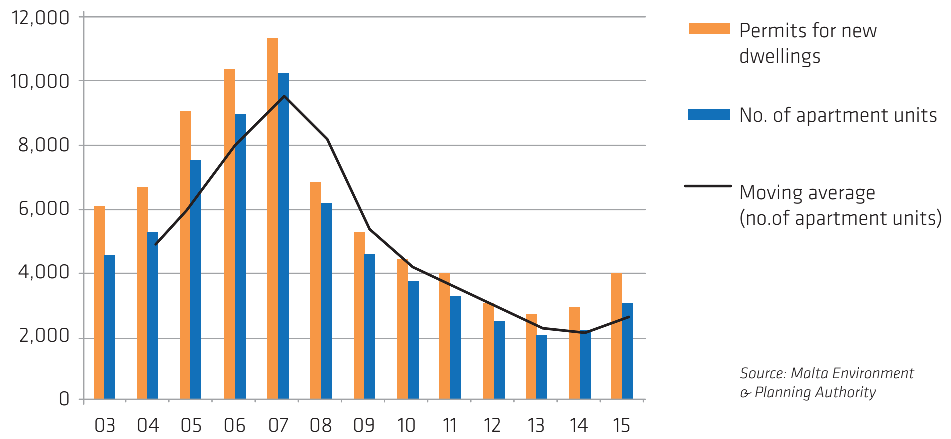
CHART II: MALTA HOUSE PRICE INDEX



Source: Eurostat

With regard to the number of permits, the Malta Environment and Planning Authority issued 3,947 permits during 2015, over one-third more than in 2014. This followed growth of 8.6% in 2014, marking two consecutive years of growth following a period of decline. The increase in permits issued in 2015 was mostly driven by the largest residential category, namely apartments, which accounted for just over three-fourths of total permits granted.

CHART III: DEVELOPMENT PERMITS FOR DWELLINGS



The gross value added of the construction industry rose significantly, going up by 9.0% in nominal terms during 2015 (from €296 million to €322 million), following an increase of just 0.9% in 2014. This reflected robust growth in the output of the construction sector.

As a consequence, the expansion in output in the sector was mirrored in employment data. In the first nine months of 2015, total employment in the construction sector rose compared with the corresponding period average in 2014. As a result, the industry's share in the total gainfully occupied population rose to 6.1% from 5.7% in 2014. Employee compensation in the construction sector rose by 2.5% in 2015, when compared with growth of 1.1% in 2014. Notwithstanding this, the construction sector recorded improved profitability.

Construction Activity Indicators[1]	**2013**	**2014**	**2015**
Gross value added (€'million)	**293**	**296**	**322**
Share of gross value added in GDP (%)	3.8	3.7	3.7
Total employment[2]	**11,488**	**9,263**	**10,376**
of which private employment	8,807	8,962	9,250
Share of total gainfully occupied population (%)	7.3	5.7	6.1

[1] *Employment data are averages for the first nine months of the year, and are sourced from administrative records.*
[2] *The decline in total employment in the construction sector in 2014 reflects the reclassification of employeess within the public sector following changes in ministerial responsibilities.*
Source: NSO

A barometer carried out by PricewaterhouseCoopers (*PwC Malta Middle Market Barometer – Real Estate Market, October 2015*), real estate agents in Malta and Gozo generally reported an increase in sale and rental prices in 2015 when compared to prior years. Arguably, the Individual Investor Programme launched in 2014 has, to a noticeable extent, prompted further activity in the market and fuelled both sale and rental prices of property to the minimum thresholds, for the acquisition or rental of property in Malta by foreigners, as established by the same regulations.

The Sliema and St Julians area are the most sought for by prospective buyers and tenants. The barometer indicated that over 60% of the participating real estate agents consider these areas to be the most in demand, and have registered the highest increase in prices. Areas in central Malta and in the north of the island rank second and third respectively. Real estate agents anticipate that in the near months, property in Valletta will experience an increase in demand.

Commercial Property

National statistics relating to commercial property in Malta are currently not captured and therefore it is more difficult to gauge the health of this sector. Notwithstanding the lack of such data, general business sentiment and the continued drive to promote Malta as a regional hub for the provision of business related services, notably in the financial, i-gaming, back-office services, information technology, aircraft registration and maritime has continued to generate a positive trend in the commercial property sector, in particular office space. In addition, Malta's highly skilled and competitive labour costs have also been vital in sustaining this success. This view is substantiated when assessing the lack of availability of large office and commercial space, as well as, the number of projects earmarked for development and set to commence in the near future.

7. TREND INFORMATION & BUSINESS STRATEGY

The Tigné Point development faces competition from other high end mixed-use projects in Malta that offer a mix of residential units, offices and/or retail space. Following the launch of approximately half of the apartments from the Q2 phase in March 2016, the Issuer is satisfied with the level of interest and demand for high-end residential property at Tigné Point. This launch followed the previous one held in the last quarter of 2013 for the Q1 apartments, in respect of which promise of sale agreements were entered into for the majority of said apartments within a few months from launch. Market conditions between the Q1 launch and that of Q2 improved, leading to an uplift over and above the inflationary rate in the selling prices of apartments at Tigné Point.

The Board adopted a strategy whereby a number of apartments from the Q2 phase shall be retained as inventory, to be launched closer to completion date. The Directors believe that there remains significant scope for growth in the high-end market segment. The Directors are also of the opinion that a trend which continues to emerge in this segment of the property market is a preference for high quality accommodation, forming part of a mixed use development which encompasses catering offerings, public spaces and other amenities.

With respect to revenue generated by the Issuer from the rental of commercial properties at Tigné Point, namely the retail and catering establishments situated at Pjazza Tigné and the two (2) foreshore restaurants located within the T12 Clubhouse at Tigné Point, which are at present fully occupied, management is primarily involved in the upkeep of said properties in order to retain current tenants and attract prospective clients at better rates in the eventuality of expiring lease agreements. Due to the prime location of the respective outlets and good demand for retail and catering establishments at Tigné Point, management is optimistic that full occupancy can be retained in the foreseeable future. Regarding Fort Tigné and the health & leisure facility within the T12 Clubhouse, management is currently undertaking an exercise to identify potential tenants for the said premises.

The Board is of the opinion that the value pertaining to the Q2 commercial premises on the ground floor will be maximised once all surrounding works would be completed and as such will be launched on the market in due time.

Following the acquisition of the remaining 50% shareholding in SIS, the Group has adopted a strategy that directs existing resources together with additional investment already committed on the principal operations of SIS, namely HVAC related services and the management of the public car park at Tigné Point. With the completion of additional phases of the Tigné Point development, demand is expected to continue to increase for both HVAC related services as well as utilisation of the public car park.

PART 2
MIDI GROUP PERFORMANCE REVIEW

8. FINANCIAL INFORMATION RELATING TO MIDI P.L.C.

The following financial information is extracted from the audited consolidated financial statements of the Issuer for each of the years ended 31 December 2013 to 31 December 2015. The forecasted financial information for the years ending 31 December 2016 and 2018 has been provided by management of the Issuer. **The projected financial statements relate to events in the future and are based on assumptions which MIDI p.l.c. believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results may be material.**

MIDI p.l.c. Income Statement for the year ended 31 December	2013 Actual €'000	2014 Actual €'000	2015 Actual €'000	2016 Forecast €'000	2017 Projection €'000	2018 Projection €'000
Development & sale of property	6,430	11,837	38,784	2,430	-	64,125
Property rental & management activities	1,367	1,474	2,259	3,744	5,125	4,602
Revenue	**7,797**	**13,311**	**41,043**	**6,174**	**5,125**	**68,727**
Cost of sales	(6,705)	(12,116)	(31,123)	(3,056)	(2,396)	(45,739)
Gross profit	**1,092**	**1,195**	**9,920**	**3,118**	**2,729**	**22,988**
Other net operating costs	(1,641)	(1,532)	(1,451)	(1,452)	(2,496)	(2,525)
EBITDA	**(549)**	**(337)**	**8,469**	**1,666**	**233**	**20,463**
Depreciation	(51)	(56)	(197)	(439)	(368)	(360)
Movement in fair value of investment property	1,786	-	4,851	-	-	-
Operating profit/(loss)	**1,186**	**(393)**	**13,123**	**1,227**	**(135)**	**20,103**
Net finance costs	(2,753)	(2,813)	(3,204)	(2,443)	(2,676)	(2,486)
Share of loss of joint venture	-	(5)	(14)	(14)	(15)	(15)
Impairment charge on goodwill	-	-	(448)	-	-	-
(Loss)/profit before tax	**(1,567)**	**(3,211)**	**9,457**	**(1,230)**	**(2,826)**	**17,602**
Taxation	143	1,059	462	(156)	407	(7,930)
(Loss)/profit for the year from continuing operations	**(1,424)**	**(2,152)**	**9,919**	**(1,386)**	**(2,419)**	**9,672**
Loss for the year from discontinued operations	(37)	-	-	-	-	-
(Loss)//profit for the year	**(1,461)**	**(2,152)**	**9,919**	**(1,386)**	**(2,419)**	**9,672**
Other comprehensive income						
Revaluation surplus, net of deferred tax	-	-	902	-	-	-
Cash flow hedges, net of deferred tax	(233)	137	(18)	-	-	-
Gains from changes in fair value of available-for-sale financial assets	10	49	16	-	-	-
Total comprehesive income (expense) for the year net of tax	**(1,684)**	**(1,966)**	**10,819**	**(1,386)**	**(2,419)**	**9,672**

MIDI p.l.c. Cash Flow Statement for the year ended 31 December	**2013 Actual €'000**	**2014 Actual €'000**	**2015 Actual €'000**	**2016 Forecast €'000**	**2017 Projection €'000**	**2018 Projection €'000**
Net cash from operating activities	(4,609)	(3,007)	5,257	(15,723)	(3,096)	19,005
Net cash from investing activities	22,788	(38)	(65)	(156)	(156)	-
Net cash from financing activities	(11,211)	(1,208)	(3,951)	20,166	109	(6,977)
Net movement in cash and cash equivalents	**6,968**	**(4,253)**	**1,241**	**4,287**	**(3,143)**	**12,028**
Cash and cash equivalents at beginning of year	2,040	9,008	4,755	5,996	10,283	7,140
Cash and cash equivalents at end of year	**9,008**	**4,755**	**5,996**	**10,283**	**7,140**	**19,168**

MIDI p.l.c. Balance Sheet as at 31 December	**2013 Actual €'000**	**2014 Actual €'000**	**2015 Actual €'000**	**2016 Forecast €'000**	**2017 Projection €'000**	**2018 Projection €'000**
ASSETS						
Non-current assets						
Property, plant and equipment	921	902	21,208	22,678	22,465	22,106
Investment property	32,162	32,162	21,728	21,993	26,159	29,397
Investment in joint ventures	-	1,995	1,981	1,981	1,981	1,981
Available-for-sale financial assets	661	710	726	200	200	200
Trade and other receivables	608	1,417	1,945	-	-	-
Loans receivable form joint ventures	-	10,051	9,701	9,701	9,701	9,701
Term placements with banks	200	200	200	-	-	-
Deferred tax assets	-	-	343	187	594	(923)
	34,552	47,437	57,832	56,740	61,100	62,462
Current assets						
Inventories - development project	127,288	129,489	115,130	127,823	134,836	105,886
Trade and other receivables	5,521	6,510	2,870	2,161	2,475	1,278
Current tax assets	1,185	632	2,788	2,958	325	325
Term placements with banks	650	2,050	2,050	-	-	-
Cash and cash equivalents	9,724	5,551	6,792	10,283	7,140	19,168
	144,368	144,232	129,630	143,225	144,776	126,657
Total assets	**178,920**	**191,669**	**187,462**	**199,965**	**205,876**	**189,119**

MIDI p.l.c. Balance Sheet (cont.)

as at 31 December	2013 Actual €'000	2014 Actual €'000	2015 Actual €'000	2016 Forecast €'000	2017 Projection €'000	2018 Projection €'000
EQUITY						
Capital and reserves						
Called up share capital	42,832	42,832	42,832	42,832	42,832	42,832
Share premium	15,879	15,879	15,879	15,879	15,879	15,879
Reserves	(214)	(28)	2,033	2,155	2,155	2,155
Retained earnings	3,897	1,745	10,504	7,617	3,699	11,871
	62,394	**60,428**	**71,248**	**68,483**	**64,565**	**72,737**
LIABILITIES						
Non-current liabilities						
Borrowings and bonds	50,620	47,228	48,268	65,597	67,605	62,128
Other non-current liabilities	25,638	24,249	23,573	25,382	27,250	29,083
	76,258	71,477	71,841	90,979	94,855	91,211
Current liabilities						
Borrowings	707	5,418	1,806	1,437	1,039	1,039
Other current liabilities	39,561	54,346	42,567	39,066	45,417	24,132
	40,268	59,764	44,373	40,503	46,456	25,171
	116,526	131,241	116,214	131,482	141,311	116,382
Total equity and liabilities	**178,920**	**191,669**	**187,462**	**199,965**	**205,876**	**189,119**

The key accounting ratios are set out below:

Key Accounting Ratios	**FY2013**	**FY2014**	**FY2015**	**FY2016**	**FY2017**	**FY2018**
Gross profit margin *(Gross profit/revenue)*	14%	9%	24%	51%	53%	33%
Operating profit margin *(EBITDA/revenue)*	-7%	-3%	21%	27%	5%	30%
Interest cover (times) *(EBITDA/net finance cost)*	-0.20	-0.12	2.64	0.68	0.09	8.23
Net profit margin *(Profit after tax/revenue)*	-19%	-16%	24%	-22%	-47%	14%
Earnings per share (€)[1] *(Profit after tax/number of shares)*	-0.01	-0.01	0.05	-0.01	-0.01	0.05
Return on equity *(Profit after tax/shareholders' equity)*	-2%	-4%	14%	-2%	-4%	13%
Return on capital employed *(EBITDA/total assets less current liabilities)*	0%	0%	6%	1%	0%	12%
Return on assets *(Profit after tax/total assets)*	-1%	-1%	5%	-1%	-1%	5%

[1] *Earnings per share calculation set out above has been based on the current number of shares in issue of the Issuer of 214,159,922 shares of €0.20 each.*

Source: Charts Investment Management Service Limited

In **2013**, revenue from the development and sale of property amounted to €6.4 million (2012: €8.1 million). This decrease in revenue was anticipated due to the fact that the Issuer had a very limited number of apartments available for sale. During 2013, the Issuer commenced construction of the Q1 block (comprising 39 apartments). Within 2 months from launch in October 2013, MIDI entered into promise of sale agreements for 33 apartments. This high demand for Q1 units clearly exceeded MIDI Group's expectations and projections. Since these apartments were delivered during 2015, revenue and profits generated thereof are accounted for in the 2015 audited financial statements.

Following the successful launch of Q1 in 2013, the Issuer initiated planning in the same year for the development of the Q2 block, consisting of *circa* 60 apartments and commercial space at ground level.

On 2 May 2013, the Issuer disposed of its shareholding in Tigné Mall p.l.c. (the operator of The Point Shopping Mall) and as such, the results from this activity are included in the income statement as 'loss for the year from discontinued operations'.

Revenue from property rental and management activities amounted to €1.4 million in 2013 (2012: €1.2 million). Such activities comprise the public car park operation and rental income generated from the retail and catering establishments situated at Tigné Point.

In 2013, the Issuer reported an increase in the fair value of its investment property (consisting of public car parking areas and commercial/retail properties held for rental purposes) of €1.8 million (2012: nil). Overall, the Issuer incurred a loss for the year of €1.5 million compared to a loss of €1.9 million in the prior year.

The movements in the balance sheet as at 31 December 2013, compared to a year earlier, principally related to the disposal in 2013 of 42,400,000 ordinary shares of €0.50 each held in Tigné Mall p.l.c. The said disposal resulted in an aggregate consideration of €21.2 million and generated a cash surplus, net of expenses, of €20.9 million. As a consequence of this transaction, Group assets were reduced by €62.4 million (being total assets of Tigné Mall p.l.c.), and Group liabilities decreased by €41.2 million (being total liabilities of Tigné Mall p.l.c. and primarily comprising bank borrowings). Furthermore, MIDI p.l.c. utilised €10.2 million of cash proceeds to reduce outstanding bank borrowings of the Group.

Investment property as at 31 December 2013 (amounting to €32.1 million) includes *circa* 673 public car parking spaces valued at €15.4 million, located underneath a number of blocks at Tigné Point, and commercial/retail properties held for rental purposes and valued at €16.7 million. The latter properties mainly comprise: (i) 11 commercial properties situated around Pjazza Tigné and at ground level in a number of blocks (7 units are retail outlets, 2 units are restaurants, 1 unit being assigned to an entity offering condominium related services and 1 property is MIDI's sales office); (ii) 2 restaurants situated in the clubhouse area (T12); (iii) a fitness centre underneath the clubhouse area; and (iv) Tigné Fort, which is fully restored.

Inventories – development project as at 31 December 2013 amounted to €127.3 million (2012: €126.5 million). Inventories comprise the cost of development intended in the main for resale purposes, and includes the purchase cost of acquiring the land (being the cash equivalent value of the contracted price), cost of development works (including design, construction, site security and other related costs), and borrowing costs attributable to the development phases of the project. Construction works during the year ended 31 December 2013 were mainly focused on the Q1 residential block.

As at 31 December 2013, liabilities (other than borrowings and bonds) amounted to €65.2 million (2012: €69.9 million). An amount of €51.4 million is payable to GOM in accordance with the contracted terms of the Emphyteutical Deed entered into on 15 June 2000. A material portion of the said balance shall be payable in kind, principally through the performance of restoration works on historical sites forming part of Manoel Island, and through the completion of all public infrastructure works required at Tigné Point and Manoel Island.

In **2014**, revenue from the development and sale of property amounted to €11.8 million (2013: €6.4 million) and mainly related to the sale of the T14 site located at Tigné Point for a consideration of €11.7 million to Mid Knight Holdings Limited, a joint venture company between T14 Investments Limited (a subsidiary of the Issuer) and Benny Holdings Limited. Once developed, Mid Knight Holdings Limited will operate a 13,500m^2 business centre on the acquired site. No profit or loss was recognised on this transaction. It is expected that the business centre will be completed during 2017.

During the same year, works relating to the Q1 block (39 apartments) were underway leading to substantial completion in 2015. Construction on the Q2 block (60 apartments) commenced in July 2014, with delivery of apartments in the Q2 block targeted for 2018.

Revenue generated from the property rental and management operations increased marginally by €0.1 million, from €1.4 million in 2013 to €1.5 million. In 2014, the Group leased out all remaining commercial space at Pjazza Tigné. In addition, the public car park operation registered a y-o-y increase in revenue.

After accounting for net finance costs of €2.8 million (2013: €2.8 million) and tax income of €1.1 million (2013: €0.1 million), the Group registered a net loss for the year of €2.2 million (2013: loss €1.5 million).

The principal movements in the balance sheet as at 31 December 2014 related to the equity investment in Mid Knight Holdings Limited of €2 million and loans receivable from the same company of €6 million (maturing in 2027) and €3.7 million (maturing in 2029). These loans are unsecured and are subject to a fixed interest rate of 5%.

Non-current and current liabilities (other than borrowings and bonds) were higher by €13.4 million in 2014 at €78.6 million (2013: €65.2 million). The amount of €10.0 million from such increase comprises 'payments received on account' and represents the deposit and amounts received from each prospective purchaser on account of the purchase price of residential property pursuant to the signing of the promise of sale agreement, together with other intermediate payments pending the completion of the residential property and ensuing signing of the final deed of sale pertaining thereto.

Revenue from development & sale of property increased in **2015** from €11.8 million (in 2014) to €38.8 million, primarily reflecting contracts signed for the sale of 38 Q1 apartments and delivery thereof to their respective owners. The contract for the sale of the remaining apartment in Q1 is expected to be entered into in 2016. Revenue from property rental & management activities also increased in 2015 by 53% from €1.5 million in 2014 to €2.3 million. The increase is principally due to the generation of the first full year's rental income receivable from retail units at the Pjazza. Furthermore, 2015 revenue includes income generated by SIS pursuant to the acquisition by the Issuer of 50% shareholding in SIS on 14 September 2015. Consequently, the 2015 consolidated financial statements of the Issuer comprise the financial results of SIS for the period 14 September 2015 to 31 December 2015 reflecting the 100% shareholding in the company.

In 2015, the Issuer registered a notable improvement in EBITDA from a loss of €0.3 million in 2014 to a positive €8.5 million. After accounting for an increase in fair value of investment property of €4.9 million (2014: nil) and an impairment charge on goodwill (in relation to the acquisition of SIS) of €0.4 million (2014: nil), the Issuer recorded a profit after tax of €9.9 million as compared to a loss of €2.2 million in 2014.

The movements in the balance sheet as at 31 December 2015 when compared to a year earlier, principally include: (i) the consolidation of SIS, being a wholly owned subsidiary of the Issuer; (ii) movements in inventories, borrowings and creditors in relation to sale of apartments in Q1 block; and (iii) movements in inventories and borrowings relating to the construction of the Q2 block.

The public car park valued at €15.4 million has been re-classified from investment property to property, plant and equipment, as a result of Solutions & Infrastructure Limited, operators of the car park, becoming a wholly owned subsidiary of the Group in 2015. Furthermore, plant relating to SIS of €3.5 million is included in property, plant and equipment.

Inventories as at 31 December 2015 were lower by €14.4 million (when compared to 31 December 2014) from €129.5 million in 2014 to €115.1 million. The movement reflects the netting of a reduction in inventories as a result of the sale of 38 Q1 apartments and an increase in inventories primarily due to the development of the Q2 block.

Movement of €3.6 million in trade and other receivables is principally due to the receivable from SIS which is eliminated on consolidation as from 2015.

Other current liabilities decreased by €15.4 million, principally being deposits and other amounts received from customers during development of Q1 apartments. Such amounts were released in 2015 on execution of sale contracts for 38 Q1 apartments. During the year, the Issuer affected repayments of bank and other borrowings of €13.4 million and withdrew an aggregate amount of €9.3 million from bank borrowings.

In the projected financial years **2016 – 2018**, the Group will be mainly focused on the development and marketing of the Q2 Block (made up of 60 residential units). The Issuer anticipates that 32 units will be sold in FY2016 and the remaining 28 units in FY2017. All Q2 sales, estimated at €64.1 million, will be accounted for in FY2018 on completion of the Block. Prior to FY2018, MIDI is expected to generate €2.4 million of revenue during FY2016 in relation to units in the Q1 Block and nil property sales in FY2017.

Revenue from property rental & management activities principally comprises rental income from commercial leases and income relating to the operations of SIS. In FY2016, such revenue is forecasted to increase by €1.5 million from €2.3 million in FY2015 to €3.7 million. Such increase is mainly due to the inclusion of the first full year's results of SIS since the acquisition of the remaining 50% of SIS by the Issuer in September 2015. A further increase of 37% (+€1.4 million) is projected for FY2017, when compared to FY2016, as a result of large scale projects expected to be undertaken by SIS during the year. Such revenue is projected to decrease in FY2018 by €0.5 million from €5.1 million in FY2017 to €4.6 million.

Due to the fact that Q2 Block sales will be accounted for on signing of acquisition contracts in FY2018, the Group is projecting a loss after tax in both FY2016 and FY2017 of €1.4 million and €2.4 million respectively. On the other hand, profit for the year in FY2018 is projected at €9.7 million.

Balance sheet movements during the financial years 2016 to 2018 principally relate to the further development of the Tigné Point project, including finishing works on Q1 Block, construction of Q2 Block, and other infrastructural works. As such, total assets are expected to peak in FY2017 at €205.9 million, an increase of €18.4 million when compared to FY2015 (€187.5 million). The projected expenditure is expected to be funded from a mix of bank borrowings and bond proceeds as detailed hereunder.

MIDI p.l.c. Borrowings as at 31 December	**2013 Actual €'000**	**2014 Actual €'000**	**2015 Actual €'000**	**2016 Forecast €'000**	**2017 Projection €'000**	**2018 Projection €'000**
Bank borrowings						
MIDI p.l.c.						
Loans from credit institutions	4,797	5,418	1,806	17,034	18,644	13,167
Solutions & Infrastructure Services Limited						
Loan from a credit institution	6,500	6,500	6,884	-	-	-
	11,297	11,918	8,690	17,034	18,644	13,167
Bonds						
7% Bonds 2016 - 2018 (EUR & GBP)	40,030	40,728	41,384			
4% Secured Bonds 2026				50,000	50,000	50,000
	40,030	**40,728**	**41,384**	**50,000**	**50,000**	**50,000**
Total borrowings and bonds	**51,327**	**52,646**	**50,074**	**67,034**	**68,644**	**63,167**

Key Accounting Ratios	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Net assets per share (€)[1] *(Net asset value/number of shares)*	0.29	0.28	0.33	0.32	0.30	0.34
Liquidity ratio (times) *(Current assets/current liabilities)*	3.59	2.41	2.92	3.54	3.12	5.03
Gearing ratio *(Total net debt/net debt and shareholders' equity)*	40%	43%	37%	45%	49%	38%

[1] *Net assets per share calculation set out above has been based on the current number of shares in issue of the Issuer of 214,159,922 shares of €0.20 each.*

Source: Charts Investment Management Service Limited

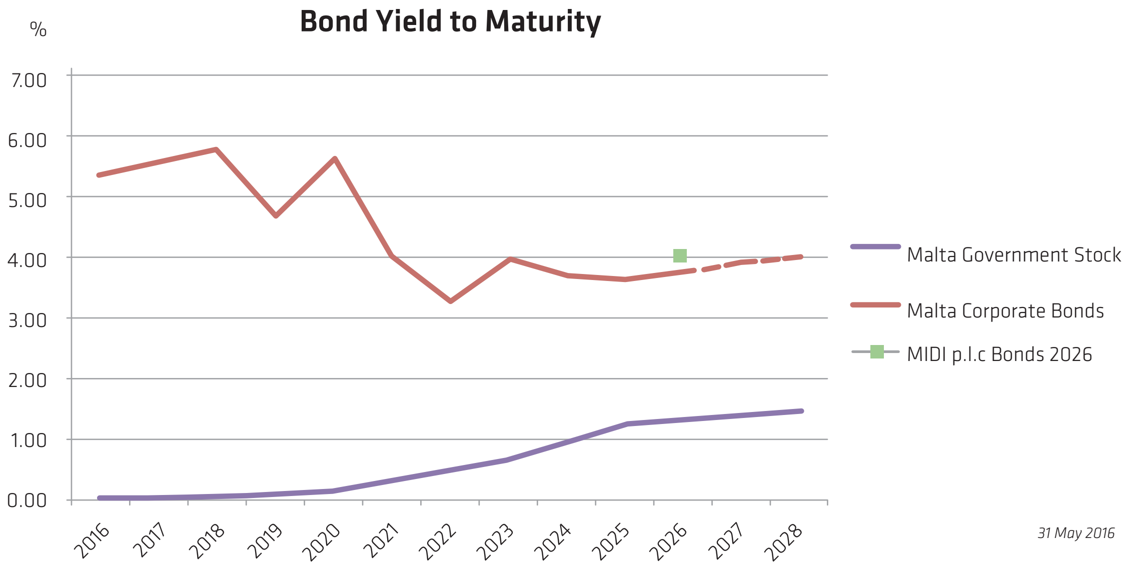
PART 3 COMPARABLES

The table below compares the Company and its proposed bond issue to other debt issuers listed on the Malta Stock Exchange and their respective debt securities. The list includes issuers (excluding financial institutions) that have listed bonds maturing in the near to medium term. Although there are significant variances between the activities of the Company and other issuers (including different industries, principal markets, competition, capital requirements etc), and material differences between the risks associated with the Company's business and that of other issuers, the comparative analysis provides an indication of the financial performance and strength of the Company.

Comparative Analysis	Nominal Value (€)	Yield to Maturity (%)	Interest Cover (times)	Total Assets (€'000)	Net Asset Value (€'000)	Gearing Ratio (%)
6.8% Premier Capital plc € Bond 2017-2020	24,641,000	5.59	4.58	72,208	17,739	64.59
6.6% Eden Finance plc 2017-2020	13,984,000	5.67	3.10	145,427	76,648	38.42
6% Pendergardens Dev. plc Secured € 2022 Series II	27,000,000	3.27	n/a	58,098	11,734	61.87
5.8% International Hotel Investments plc 2023	10,000,000	4.35	1.45	1,159,643	608,288	36.49
6% AX Investments Plc € 2024	40,000,000	4.08	2.88	206,038	111,482	36.65
6% Island Hotels Group Holdings plc € 2024	35,000,000	3.78	0.58	145,140	54,053	53.19
5.3% Mariner Finance plc Unsecured € 2024	35,000,000	3.75	3.49	67,669	25,823	57.66
5% Hal Mann Vella Group plc Secured Bonds € 2024	30,000,000	3.73	0.05	81,842	31,150	55.46
5.1% PTL Holdings plc Unsecured € 2024	36,000,000	4.10	2.32	70,543	6,592	86.78
4.5% Hili Properties plc Unsecured € 2025	37,000,000	3.42	1.50	90,867	26,315	71.30
4.0% MIDI plc Secured € 2026	**50,000,000**	**4.00**	**2.64**	**187,462**	**71,248**	**37.55**

31 May'16

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 2026 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 4
EXPLANATORY DEFINITIONS

Income Statement	
Revenue	Total revenue generated by the Issuer from its business activities during the financial year.
Operating costs	Operating expenses include the cost of construction and other related 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 Issuer's investment property to its estimated market value.
Profit after tax	Profit after tax is the profit made by the Issuer during the financial year both from its operating as well as non-operating activities.

Profitability Ratios	
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.
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 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 Issuer.
Cash flow from financing activities	Cash generated from the activities that result in change in share capital and borrowings of the Issuer.
Balance Sheet	
Non-current assets	Non-current asset are the Issuer'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 Issuer 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 investment properties, property, plant & equipment, and loans receivable.
Current assets	Current assets are all assets of the Issuer, which are realisable within one year from the balance sheet date. Such amounts include development stock, accounts receivable, cash and bank balances.
Current liabilities	All liabilities payable by the Issuer 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 Issuer's long-term financial obligations that are not due within the present accounting year. The Issuer's non-current liabilities include long-term borrowings and bonds.
Total equity	Total equity includes share capital, reserves & other equity components, and retained earnings.

Financial Strength Ratios	
Liquidity ratio	The liquidity ratio (also known as current ratio) is a financial ratio that measures whether or not a company has enough 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.
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.