



Mediterranean Investments Holding p.l.c.

COMPANY ANNOUNCEMENT

Company update

The Board of Directors of Mediterranean Investments Holding p.l.c (the Company) met on 29th May 2012 and reviewed the financial statements for the first quarter of 2012. It was observed that during the period under review there was a very significant improvement in the performance of the Company, compared to the financial results achieved in calendar year 2011.

Whilst for the 12 months of 2011 the Company, through its wholly-owned subsidiary Palm City Ltd – the owner of Palm City Residences in Janzour, Libya, generated revenues of €10.17 million, in the first quarter of 2012 revenue amounted to € 5.39 million. More importantly, the operating profit of €4.10 million registered in the first quarter compares positively with the profit of €5.47 million achieved in calendar year 2011.

After deducting finance costs and similar charges, the Company achieved a loss of €2.70 million for 2011. In the first quarter of 2012, the Company registered a profit of € 2.30 million, meaning a turnaround of €5.00 million, and this without taking into account the performance of the remaining three quarters for 2012.

It is evident that following the end of hostilities in Libya in October 2011, occupancies on the leasing of units at Palm City Residences increased steadily, such that by the end of April 2012, 328 units representing 79% of the total inventory were leased out. More importantly, in view of a balanced mix of short and medium term leases, the average rental per unit in 2012 is 49% higher than the rates achieved in the first months of 2011. Clients staying at Palm City represent a balanced mix of a number of sectors ranging from NGOs, embassies, oil companies, financial services, construction, hospitality, airlines and others.



Meanwhile, work has recommenced in earnest on the Medina Tower project. During the period of unrest, the Company took a decision to continue to finalize the detailed design plans and draw up documentation to be in a position to re-start works on site once the situation in Libya returned to normal. Indeed, as of November 2011, the Board of Directors of Medina Tower met and agreed to progress with the project since it believed that the opportunity for this project is now much greater. All consultants for the project have been signed up and extensive detailed negotiations have taken place with the main contractor with a contract expected to be signed imminently. The plan is to have the main contractor mobilize on site within a few weeks of signing of the contract.

Given the Medina Towers' presence on the ground and the extensive work carried out to date on the project, the Board of Directors believes that it has a unique first mover advantage in starting and finishing the project before any other competition sets in the market.

A handwritten signature in black ink, appearing to read 'Stephen Bajada'.

Stephen Bajada
Company Secretary

4th June 2012