Mediterranean Investments Holding p.l.c.

COMPANY ANNOUNCEMENT

Group Half–Yearly Financial Report

The Board of Directors of Mediterranean Investments Holding p.l.c. has approved the attached Group Half-Yearly Financial Report for the period ending 30th June 2013.

This report can also be viewed on the Company's website www.mihplc.com.

Stephen Bajada
Company Secretary

28th August 2013

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Company Registration Number: C37513

Mediterranean Investments Holding p.l.c.

GROUP HALF-YEARLY FINANCIAL REPORT

For the Period 1 January to 30 June 2013

Condensed Income Statement

	Unaudited 1 January to 30 June 2013 €	Unaudited 1 January to 30 June 2012 €
Revenue	15,720,054	12,329,076
Operating expenses	(2,428,376)	(2,170,773)
Gross profit	13,291,678	10,158,303
Marketing expenses	(131,998)	(118,252)
Administrative expenses	(1,066,758)	(1,006,361)
Operating profit	12,092,922	9,033,690
Finance income	698,916	211,466
Finance costs	(4,054,546)	(4,671,382)
Fair value gain/(loss) on interest rate swap	135,500	(135,000)
Profit before income tax	**8,872,792**	**4,438,774**
Tax expense	(418,282)	-
Profit for the period	**8,454,510**	**4,438,774**
Basic profit (loss) per share	**0.176**	**0.092**

Condensed Balance Sheet

	Unaudited At 30 June 2013 €	Audited At 31 December 2012 €
ASSETS		
Non-current	324,084,207	325,780,710
Current	27,738,521	20,529,084
Total assets	**351,822,727**	**346,309,794**
EQUITY		
Total equity	**160,801,480**	**152,393,290**
LIABILITIES		
Non-current	162,294,551	166,579,990
Current	28,726,697	27,336,514
Total liabilities	**191,021,248**	**193,916,503**
Total equity and liabilities	**351,822,727**	**346,309,793**

Condensed Statement of Changes in Equity

	Share capital €	Other components of equity €	Retained earnings €	Total €
At 1 January 2012	48,002,000	-	55,302,184	103,304,184
Profit for the period	-	-	4,438,774	4,438,774
At 30 June 2012	48,002,000	-	59,740,958	107,742,958
Profit for the period	-	46,320	44,604,012	44,650,332
At 31 December 2012	48,002,000	46,320	104,344,970	152,393,290
Disposal of available-for-sale financial assets	-	(46,320)	-	(46,320)
Profit for the period	-	-	8,454,510	8,454,510
At 30 June 2013	**48,002,000**	**-**	**112,799,480**	**160,801,480**

Condensed Cash Flow Statement

	1 January to 30 June 2013 €	1 January to 30 June 2012 €
Net cash from operating activities	15,189,604	11,558,079
Net cash used in investing activities	(11,326,256)	(11,660,284)
Net cash used in financing activities	(5,234,440)	(9,021,503)
Net decrease in cash and cash equivalents	**(1,371,092)**	**(9,123,708)**
Cash and cash equivalents at beginning of period	12,814,754	28,844,123
Cash and cash equivalents at end of period	**11,443,662**	**19,720,415**

Selected Explanatory Notes

Basis of Preparation

The published figures have been extracted from the unaudited management financial statements for the six months ended 30 June 2013 and its comparative period in 2012. Comparative balance sheet information as at 31 December 2012 has been extracted from the audited financial statements for the year ended on that date. This report is being published in terms of Listing Rule 5.74 issued by the Malta Financial Services Authority - Listing Authority, and has been prepared in accordance with the applicable Listing Rules and the International Accounting Standard 34, "Interim Financial Reporting". The financial statements published in this Half-Yearly Report are condensed in accordance with the form and content requirements of this standard. In terms of Listing Rule 5.75.5 the Directors are stating that this Half-Yearly Financial Report has not been audited or reviewed by the Company's independent auditors.

Accounting Policies

The accounting policies adopted in the preparation of the Group's Half-Yearly Report are the same as those adopted in the preparation of the audited financial statements for the year ended 31 December 2012 and therefore in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union, and in accordance with the Companies Act, 1995.

Notwithstanding the above, and in view of the fact that investment property is stated at fair value in the company's balance sheet, the directors are of the opinion that, as at the reporting date, there is no need to test the investment property for impairment as required by IAS 36. This assessment is based on the positive developments in the political situation in Libya, the improved financial performance and the increase in the signing up of units at Palm City; all of which had a positive impact on the cash flows of the company such that, it is believed that there is no indication that the investment property may be impaired.

Principal Activities

The principal activity of the Group is to directly or indirectly acquire and develop real estate opportunities in North Africa and invest in any related trade and business venture.

Review of performance

During the period under review, the Group achieved an operating profit of €12,092,922 against an operating profit of €9,033,690 achieved during the corresponding period last year. The profit after tax for the period amounted to €8,454,510 (2012 - Profit after tax- €4,438,774). This significant improvement in the financial performance when compared to the corresponding period last year was primarily the result of the income generated from the leasing out of additional units at Palm City Residences. The improved performance was achieved after providing for finance costs amounting to €4,054,546 (2012 - €4,671,382) and also a fair value gain on interest rate swap, provided for in terms of IAS 39, amounting to €135,500 (2012 - Loss €135,000).

Management of Palm City Residences continued with negotiations to secure more lease contracts and in fact, up till 30 June 2013, 394 out of 413 units had been leased. The revenue generated from the units during the period gave the necessary stimulus to the performance and liquidity of Palm City and ultimately to the group.

State of Affairs

During the first six months of 2013, the group's asset base grew to €351.8 million from €346.3 million at the end of 31 December 2012. This resulted mainly from the increase in trade and other receivables. During the month of February 2013 another repayment was effected in terms of the revised bank loan repayment schedule thereby reducing the total debt of the group from €122 million to €119 million.

Significant progress has also been registered on various fronts of the Medina Tower project. The sub and superstructure design have now been completed. A number of design coordination meetings have been organized over the last months during which the project team, composed of the executive committee, the project's consultants, the contractor and his sub-contractors and consultants, discussed a number of design issues which were rigorously analysed, options were assessed and final decisions taken with a view to either improve the original concept or materials used, or with the objective of achieving the same quality of build and finish but identifying alternative materials to lower the cost.

Outlook

During the second part of 2013, through its subsidiary Palm City Limited, the company will remain focused on improving the performance of Palm City Residences by securing its achieved occupancy levels and retaining its goodwill as the leading provider of high-end residential properties for rent in the Libyan market. Overall occupancy is spread across various term contracts; in the short/medium term, between one and twelve months and in the long term, from two to five years. Furthermore the company will continue with its efforts to finalise other negotiations necessary to push forward with the commencement of the construction of the Medina Tower project in Tripoli, Libya.

To date, MIH, as a 25% shareholder in Medina Tower Joint Stock Company for Real Estate Investment and Development (MTJSC), the joint venture company registered in Libya that owns and that will be developing the Medina Tower project, has invested a total of €13 million in this project.

Statement pursuant to Listing Rule 5.75.3 issued by the

We confirm that to the best of our knowledge:

- this condensed set of consolidated financial statement, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position, and profit or loss of Mediterranean Investments Holding p.l.c.; and
- includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.

Alfred Pisani
Chairman

Samuel Dean Sidiqi
Deputy Chairman

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