COMPANY ANNOUNCEMENT

2010 final results compared to projections

The Board of Directors of Mediterranean Investments Holding p.l.c. (MIH) has approved the Audited Consolidated Financial Statements of the MIH Group for the year ended 31 December 2010.

The loss for the year under review amounted to €0.79 million, which is €19.4 million lower that the projected results contained in the latest set of projections that were published by way of annex in the company's prospectus issued in June 2010. It must, however, be noted that the projected results in the prospectus included a property uplift, net of tax, of €19.1 million based on the valuation of the Palm City project on a 99 year lease basis. Since as at the reporting date the transfer of the lease in favour of Palm City was not yet concluded, the underlying valuation of Palm City residences was based on the existing 65-year build-operate-transfer agreement. In consequence of the shorter tenure of use, and the higher discount rate applied in arriving at the fair value of the project at the reporting date, the projected uplift in value did not materialize. Furthermore, turnover for the year was short of the projected turnover by €4.3m principally due to the fact that although leases have been signed, tenants had not yet moved in and therefore income from these tenancies could not be accrued.

Due to the fact that the planned Initial Private Offering was not concluded during the year under review, the associated issue costs of €4.6m have not been incurred. The Directors have decided, in the best interest of the public offering, to postpone the issue temporarily. Finally, the Directors report that its wholly-owned subsidiary company has provided for an unrealized loss on exchange amounting to €430,000 in respect of the Libyan Dinar portion of the loan converted at the applicable rate of exchange as at balance sheet date which amount could not have been anticipated when the forecasts were prepared.

During the year more units were handed over to the management of the Principal Subsidiary to enable it to continue accepting tenants and generate an operating profit of €6,419,382 from such leases. Administrative expenses amounted to €1,316,249 (2009 – €429,594) and marketing costs amounted to €577,192 (2009 – €523,938). The comparatively higher costs incurred in 2010 are directly attributable to the increased number of employees that by year-end numbered 117, along with increased marketing activities in gearing up for the operations of the village subsequent to completion as well as the increased exposure to the leasing of the units under development.

Reginald A Cuschieri
Company Secretary

29th April 2011