



Mediterranean Investments Holding p.l.c.

GROUP HALF-YEARLY FINANCIAL REPORT

For the Period 1 January to 30 June 2017

Condensed Income Statement

	Unaudited 1 January to 30 June 2017 €	Unaudited 1 January to 30 June 2016 €
Revenue	3,016,070	1,911,813
Operating expenses	(1,377,026)	(1,214,902)
Gross profit	<u>1,639,044</u>	<u>696,911</u>
Marketing expenses	(1,226)	(4,585)
Administrative expenses	(567,010)	(700,756)
Operating Profit / (Loss)	<u>1,070,807</u>	<u>(8,431)</u>
Finance income	1,197	19,548
Finance costs	(1,987,249)	(2,435,422)
Fair value gain/(loss) on interest rate swap	85,249	132,096
Loss before income tax	<u>(829,995)</u>	<u>(2,292,208)</u>
Tax expense	(458)	(52,687)
Loss for the period	<u>(830,452)</u>	<u>(2,344,895)</u>
Basic loss per share	<u>(0.017)</u>	<u>(0.049)</u>

Consolidated Statement of Changes in Equity

	Share capital €	Other components of equity €	Retained earnings €	Total €
At 1 January 2016	48,002,000	831,137	89,662,988	138,496,125
Loss for the period	-	-	(2,344,895)	(2,344,895)
At 30 June 2016	<u>48,002,000</u>	<u>831,137</u>	<u>87,318,093</u>	<u>136,151,230</u>
Loss for the period	-	-	(4,097,632)	(4,097,632)
Other comprehensive loss	-	(374,650)	-	(374,650)
At 31 December 2016	<u>48,002,000</u>	<u>456,487</u>	<u>83,220,461</u>	<u>131,678,948</u>
Loss for the period	-	-	(830,452)	(830,452)
At 30 June 2017	<u>48,002,000</u>	<u>456,487</u>	<u>82,390,009</u>	<u>130,848,496</u>

Condensed Balance Sheet

	Unaudited At 30 June 2017 €	Audited At 31 December 2016 €
ASSETS		
Non-current	272,847,056	272,868,665
Current	<u>8,814,268</u>	<u>4,309,335</u>
Total assets	<u>281,661,324</u>	<u>277,178,000</u>
EQUITY		
Total equity	<u>130,848,496</u>	<u>131,678,948</u>
LIABILITIES		
Non-current	93,742,293	91,357,698
Current	<u>57,070,535</u>	<u>54,141,354</u>
Total liabilities	<u>150,812,828</u>	<u>145,499,052</u>
Total equity and liabilities	<u>281,661,324</u>	<u>277,178,000</u>

Condensed Consolidated Statement of Cash Flows

	1 January to 30 June 2017 €	1 January to 31 December 2016 €
Net cash from operating activities	2,098,997	(730,759)
Net cash used in investing activities	(31,923)	347,479
Net cash used in financing activities	1,597,880	(3,554,224)
Net decrease in cash and cash equivalents	<u>3,664,955</u>	<u>(3,937,504)</u>
Cash and cash equivalents at beginning of period	1,497,081	5,434,585
Cash and cash equivalents at end of period	<u>5,162,036</u>	<u>1,497,081</u>

Selected Explanatory Notes

Basis of Preparation

The published figures have been extracted from the unaudited management consolidated financial statements of Mediterranean Investments Holding p.l.c. for the six months ended 30 June 2017 and its comparative period in 2016. Comparative balance sheet information as at 31 December 2016 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 2016 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.

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 ventures.

Review of performance

During the period under review, the Group's revenues amounted to €3,016,070 (2016 - €1,911,813) whilst operating profit amounted to €1,070,809 (2016 loss - €8,430). The increase in revenue is a result of new lease agreements that have been secured with existing and new clients in addition to an increase in short-term rental business at Palm City. Tight controls have been kept on both operating and administrative expenses with the result that the additional year-on-year income was mostly converted to EBITDA.

The loss after tax for the period amounted to €830,452 (2016 - €2,344,895). The decrease in the loss is primarily due to increased operating profit and a decrease in finance costs, most notably from an increase in the unrealised gain on exchange when compared to the same period last year.

State of Affairs

By the end of June 2017, Palm City reached an occupancy of 18.25%. This is a significant improvement over the low occupancy levels of 10% sustained at Palm City during the latter part of 2016. There is a cautious optimism for this year with a number of lease agreements being signed in 2017 primarily with embassies, NGO's, security companies, contractors and companies involved in the oil & gas business.

As at the end of the reporting period under review, the group's assets stood at €281.66 million, up from €277.18 million as at the 31 December 2016. This increase is primarily due to an increase in cash and cash equivalents.

Outlook

The situation on the ground is much calmer and one is starting to experience a sense of normality returning to the city of Tripoli. A number of oil fields have started production and foreign emissaries have been visiting the capital with the intention to re-open the embassies. Interest in business setting up a presence started again towards the end of last year and since then a number of lease contracts have been concluded with these entities during the first semester of 2017. Management feels confident that further leases will be concluded during the second semester of this year.

Management has taken a number of measures to continue to keep the property in pristine condition, allowing Palm City to be able to accommodate clients as soon as leases are concluded.

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.


Mirred Pisani
Chairman


Samuel Dean Sidiqi
Deputy Chairman