RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

Rizzo, Farrugia & Co (Stockbrokers) Ltd.
Airways House, Third Floor, High Street, Sliema SLM 1549, Malta
T. +356 2258 3000 F. +356 2258 3001
E. info@rizzofarrugia.com W. www.rizzofarrugia.com

The Board of Directors
Tumas Investments plc
Level 3,
Portomaso Business Tower,
Portomaso
St. Julian's STJ4011

30 June 2015

Dear Sirs,

Tumas Investments plc – 2015 Financial Analysis Summary ("2015 FAS")

In accordance with your instructions and in line with the requirements of the Listing Authority Policies, we have compiled the 2015 FAS set out on the following pages and which is being forwarded to you together with this letter.

The purpose of the 2015 FAS is that of summarising key financial data relating to Tumas Investments plc (the "**Company**", "**TI**", or "**Issuer**") and Spinola Development Company Limited (the "**Guarantor**", or "**SDC**") published in the prospectus dated 7 July 2014 in relation to the €25 million 5% Bond 2024 issued by the Company ("**2014 FAS**"). The 2015 FAS is prepared in line with the requirements of the Malta Financial Services Authority (MFSA) Listing Policies dated 5 March 2013.

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 2012 to 2014 extracted from both the Issuer and Guarantor's audited statutory financial statements for the three years in question;

(b) The forecast data for the financial year ending 31 December 2015 has been provided by management of the Issuer and Guarantor;

(c) Our commentary on the results of the Issuer and on its financial position is based on the explanations set out by the Issuer in the audited financial statements and assisted by management of the Issuer and Guarantor;

(d) The ratios quoted in the 2015 FAS have been computed by us applying the definitions set out beneath each ratio;

(e) Relevant financial data in Section 6 has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies.

The 2015 FAS is meant to assist existing and potential investors by summarising the more important financial data of the Issuer and the Guarantor. The 2015 FAS does not contain all data that is relevant to potential investors and is meant to complement and not replace independent financial and/or investment advice. The 2015 FAS does not constitute an endorsement by our firm of the Issuer's bonds currently listed on the Malta Stock Exchange and should not be interpreted as a recommendation to invest in the bonds or otherwise.

We shall not accept any liability for any loss or damage arising out of the use of the 2015 FAS and no representation or warranty is provided in respect of the reliability of the information contained herein. Potential investors are encouraged to seek professional advice before investing in the Issuer's debt securities.

Yours sincerely,

Vincent E Rizzo
Director

Table of Contents

Important Information

The information that is presented has been collated from a number of sources including the Company's website (*www.tumas.com*) and financial and management reports of the Issuer and the Guarantor, including annual reports and other management information as applicable. The source of all third party information is included in the document as and where applicable.

Historical financial information is being presented in thousands of Euro, unless otherwise stated and has been rounded to the nearest thousand. The rounding could potentially alter the figures quoted to those presented in full in the annual reports of the Issuer or the Guarantor.

Forecasts that are quoted in this document have been prepared and approved by the directors of the Issuer and Guarantor, who undertake full responsibility of the assumptions on which these forecasts are based.

Definitions

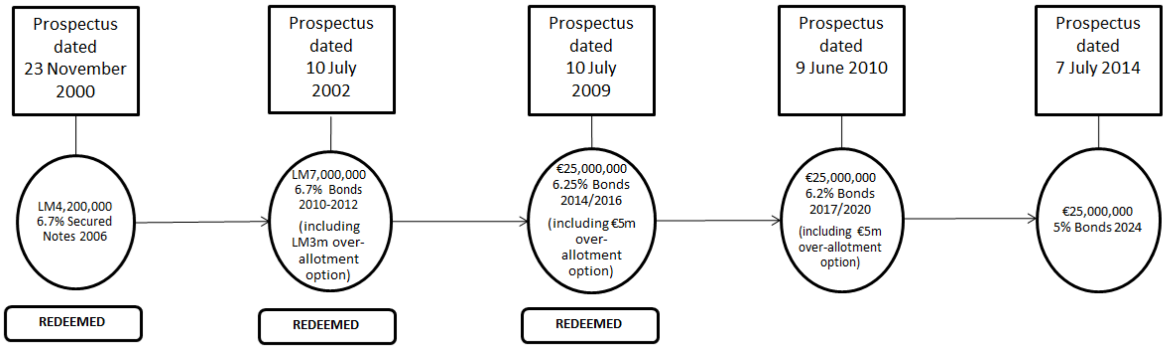
Halland Developments Company Limited ("HDCL")	A subsidiary of Spinola Development Company Limited which owns the freehold title of the Halland site and adjoining land.
Halland site	The site in Ibragg (formerly Halland Aparthotel) earmarked for development.
Laguna Apartments Project	An extension to the Portomaso Complex on its east side which will include the building of 44 residential units.
MEPA	Malta Environment and Planning Authority.
Portomaso Complex (or "Portomaso" or "Complex")	The Complex located in St Julian's set on a site owned by SDC comprising the Hilton Malta and its convention centre, the Portomaso Business Tower, residential apartments, a car park, a marina and commercial outlets.
Portomaso Leasing Company Limited (or "PLCL")	A subsidiary of Spinola Development Company Limited which manages the leasing of the long-term commercial and office components the Portomaso Complex.
Premium Real Estate Investments Limited (or "PREIL")	A subsidiary of Spinola Development Company Limited entrusted with acquiring property for investment purposes.
Prospectus	The Prospectus issued by Tumas Investments plc dated 7 July 2014.
Spinola Development Company Limited (or "Guarantor" or "SDC")	A company incorporated in Malta bearing registration number C331. SDC is a wholly-owned subsidiary of the Tumas Group Company Limited and acts as a guarantor to TI bond issues currently listed on the Malta Stock Exchange.
Tumas Group Company Limited ("Tumas Group" or "Group")	A group of companies involved in various sectors including hospitality, leisure, tourism, property, automotive and port operations.
Tumas Investments plc ("Company" or "Issuer" or "TI")	A company incorporated in Malta bearing registration number C27296.

1. Background and History

1.1 The Issuer – Tumas Investments plc

Tumas Investments plc is a public limited liability company incorporated in Malta on 17 November 2000 to act as the financing arm of SDC. Given the Issuer's nature of activities, i.e. raising finance for on-lending to SDC, there is an inherent dependence on SDC's cash flows and operations.

Since 2000, the Issuer has tapped the local bond market five times:



The first three bonds, issued in 2000, 2002 and 2009 respectively, have to date been redeemed. Meanwhile, the Issuer has two bonds outstanding, namely €25 million 6.2% bonds maturing between 2017 and 2020 and the €25 million 5% bond maturing in 2024.

1.2 The Guarantor – Spinola Development Company Ltd

SDC was set up as a limited liability company in Malta on 10 May 1966 and was acquired by the Tumas Group in 1986 (through Spinola Investments Limited). The business of SDC has, to date, comprised primarily of the continuous development, management and operation of the Portomaso Complex.

SDC owns three subsidiaries, namely PLCL, HDCL and PREIL, all of which are incorporated in Malta.

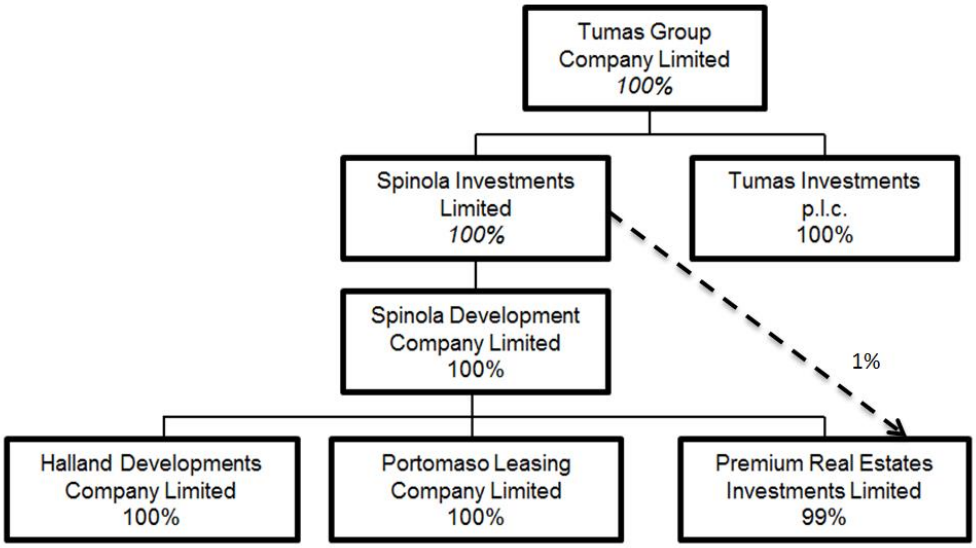
In 1996, the then Malta Hilton Hotel was demolished and Portomaso was developed. The land title was fully acquired by SDC from the Government of Malta and today the Guarantor benefits from freehold title of the site. For the purpose of management and administration of Portomaso, in 2004 SDC set up PLCL to focus primarily on the leasing of long-term commercial and office components of the Complex.

During 2009, HDCL was set up with the main objective being that of acquiring the freehold title of the Halland site and adjoining land from St Andrews Hotels Limited, a sister company within the Tumas Group.

PREIL was incorporated during 2011, with the principal objective of acquiring property for investment purposes. The only major transaction that this company has entered into since its incorporation was in 2012 when the company acquired *dominium directum* on a portion of Portomaso properties from SDC. PREIL is owned to the extent of 99% by SDC and 1% by Spinola Investments Limited.

1.3 THE ISSUER AND GUARANTOR WITHIN THE TUMAS GROUP

Both TI and SDC are wholly-owned subsidiaries of Tumas Group Company Limited, one of the largest private business groups in Malta, which has expanded significantly since its foundation. The Tumas Group is primarily active in the hospitality, leisure, tourism, property, automotive and port operations sectors. The Issuer and the Guarantor's positions within the Tumas Group are depicted below.



Tumas Group Company Limited is beneficially owned by individual members of the Fenech family.

2. Directors and Senior Management

2.1 Directors

2.1.1 Directors of the Issuer

Since the publication of the 2014 FAS, the Issuer's board of directors changed following the demise of two of its directors – Mr George Fenech (deceased on 2 December 2014) and Mr Lino Spiteri (deceased on 14 November 2014). Following the demise of Mr Fenech, Mr Yorgen Fenech was appointed to the board of TI on 2 December 2014. Consequently, the Issuer's Board of Directors now consists of the following members:

Members of the Board - Issuer	
Mr Raymond Fenech	Executive Chairman and Managing Director
Mr Yorgen Fenech	Executive Director
Mr Raymond Sladden	Executive Director and Company Secretary
Dr Michael Grech	Non-Executive Director

Management has advised that the seat vacated following the demise of Mr. Spiteri is likely to be filled shortly and the regulator is being kept updated in this regard.

2.1.2 Directors of the Guarantor

Similarly, the Guarantor's Board members changed following the demise of Mr George Fenech. Mr Yorgen Fenech and Mr Emmanuel Fenech were appointed to the board of SDC on 2 December 2014.

Members of the Board - Guarantor	
Mr Raymond Fenech	Executive Chairman and Managing Director
Mr Emmanuel Fenech	Executive Director
Mr Yorgen Fenech	Executive Director

2.2 Senior Management

2.2.1 Senior Management of the Issuer

No employees are directly engaged by the Issuer, as it relies on the employees of the Guarantor and the Tumas Group for its management and administration.

2.2.2 Senior Management of the Guarantor

Senior Management - Guarantor	
Mr Raymond Sladden	Tumas Group Finance Director & Company Secretary
Mr Maurice Tabone	SDC Sales and Marketing Director
Mr Matthew Mullan	General Manager of Hilton Malta
Mr Gerald Debono	Tumas Group Architect
Mr Kevin Spiteri	Tumas Group Engineer

3. Updates on Operations

3.1 The Issuer's Operations

As the financing arm of SDC, the Issuer's operations have inherently been limited to the raising of financing for capital projects and advancing such funds to SDC. The bond issue of 2014 was extended as a loan to SDC, regulated through a loan agreement that mirrors the bond characteristics and includes an additional margin that covers TI administrative and other costs.

3.1.1 Major Assets

The assets of the Issuer are predominantly made up of the loans receivable from SDC which amount to over 90% of the Issuer's asset base as summarized in the table hereunder for the financial years ending 31 December 2012, 2013 and 2014.

Year	Total Assets	Loans Receivable from SDC	Loans Receivable from SDC as a % of Total Assets
2012	61,874	58,380	94.4%
2013	63,688	57,416	90.2%
2014	57,163	54,504	95.3%

3.1.2 Material Contracts

The agreements summarized below are currently in force between TI and SDC and are in relation to the two outstanding bonds and a third agreement in relation to bank borrowings raised by TI in order to refinance a bond that matured in 2006.

Date of Agreement	Amount	Term of Loan	Purpose of Loan	Interest Rate	Financed by TI through
26/07/10	€ 24,661,081	8 July 2020	Refinancing of existing borrowings	6.30% p.a.	Bond Proceeds
01/01/14	€ 8,036,000	3 instalments in November 2014, 2015 and 2016	Originally for the refinancing of bond which matured in November 2006	Loan bank rate + 0.2% p.a.	Bank Loan
31/07/14	€24,718,514	31 July 2024	Refinancing of existing borrowings	5.1% p.a.	Bond Proceeds

3.2 THE GUARANTOR

The Guarantor's project development works mainly comprise Portomaso which was launched by SDC in 1996. It is, to date, considered to be the largest single private sector real estate development undertaken in the Maltese Islands and the major asset on SDC's books. The Complex is a waterfront development in St Julian's spread over an area of 128,000 square metres, comprising a variety of elements blended together in one development. Portomaso is constructed around a sheltered excavated marina that extends the natural waterfront of the site and serves to enhance the environment of all the constituent components. These include the Hilton Malta and its convention centre, residential apartments, the business tower, commercial areas, catering outlets, extensive underground public car park facilities and the marina. Portomaso is a Special Designated Area which also aims to attract foreign investors who could potentially benefit fiscally from investing in the Complex.

The operations of SDC can be sub-divided into four segments and are being described in more detail in the section below as Major Assets of the Guarantor.

A. The hotel and its ancillary operations;

B. Property development;

C. Rental operations;

D. Complex management operations.

3.2.1 MAJOR ASSETS OF THE GUARANTOR

A. THE HOTEL AND ITS ANCILLARY OPERATIONS

This segment comprises the Hilton Malta, the conference centre and ancillary operations, including underground car park, the marina and Level Twenty-Two (a wine lounge on the twenty-second floor of the Business Tower). The carrying value of these assets within SDC's financial statements amounted to €74.6 million or 51.7% of total assets as at 31 December 2014 (2013: €76.7 million; 2012: €80 million) and are recorded under Property, Plant and Equipment. The decline is a result of depreciation charge which offset capital increases during the year relating to upkeep and improvements.

i) Hilton Malta

The Hilton Malta is a five-star 410-room hotel, with modern conference facilities, a health centre, themed restaurants, a large indoor pool and a number of outside pools and beach clubs. SDC has an operating agreement with Hilton International in place until 2031 for the operation of the hotel using the Hilton brand, whereby Hilton International markets and manages the hotel and its adjacent conference centre as an integral part of its world-wide chain.

ii) Portomaso Car Park

The Portomaso underground car park is located underneath the Portomaso Complex and has a capacity of *circa* 1,200 publicly-available car spaces, with residents and tenants of the business tower having reserved areas for their exclusive use. This structure is ancillary to the hotel and contributes to this segment's returns albeit to a much smaller extent.

iii) Portomaso Marina

The Portomaso marina has been in operation since 1999 and has a capacity of approximately 130 berths. The marina offers ancillary services to the tenants, including mooring assistance, security around the whole perimeter, and water and electricity facilities, amongst others and can accommodate a range of boats and yachts in its three basins.

iv) Twenty-Two wine lounge

Twenty-Two is a wine lounge located on the twenty-second floor of the Business Tower offering a concept of evening entertainment attracting an elite and exclusive customer base.

B. Property Development

Portomaso includes a total of 445 residential units, most of which have been sold. Of the 445, only ten remain unsold and to date, five are subject to a promise of sale agreement.

SDC is currently engaged on the next extension of the Complex, developing a parcel of land spread over an area of approximately 8,500 square metres on the east shore of the site on which the Complex stands. This is being referred to as the Laguna Apartments Project and involves the construction of 44 residential units. Construction works started during the second quarter of 2014 and picked up during the course of the first few months of 2015. Management explained that construction is on target and delivery of the first units is expected to be in 2018.

Concurrently, the Guarantor recently announced plans to construct a nine-storey building on top of the existing cafeteria adjacent to the business tower. Subject to MEPA permits, the building will comprise *circa* 4,000 square metres of new office space for lease. An application for development has been lodged at MEPA and, if approved, works are expected to commence during the last quarter of 2015.

C. Rental Operations

SDC, through its subsidiary PLCL, leases out areas within the business tower (*circa* 3,346 square metres) and other commercial and office areas within the Complex (*circa* 11,000 square metres). Currently, Portomaso has reached full capacity.

D. Complex Management Operations

The maintenance and administration of Portomaso is responsible for services in relation to landscaping, cleaning, maintenance, security and the utilities within the common areas of the Complex and within each block of apartments and the Business Tower. SDC apportions the expenses incurred in the management of the Complex and recharges the relative costs to the residential tenants, the Hilton Malta and the office and commercial areas. Moreover, SDC receives a management fee for this activity from the various tenants within the Portomaso Complex.

3.2.2 Material Contracts – An update

A. Lease Agreements

SDC's lease agreements with office and commercial tenants in the main have a term of between 1 and 5 years. As a matter of update, the 2014 composition of minimum lease payments receivable in relation to the lease agreements in force amounted to *circa* €5.7 million of which €2.4 million related to lease payments receivable within one year, €2.5 million receivable later than one year but not later than five years and €0.7 million receivable after five years (refer to table below). The lease agreements provide for renewal terms and periodic inflationary increments.

	2012	**2013**	**2014**
	€'000	€'000	€'000
Not later than 1 year	2,119	2,379	2,425
Between 1 and 5 years	2,560	2,661	2,490
More than 5 years	1,084	903	749
	5,763	**5,943**	**5,664**

B. Residential Apartments

As at the date of the last FAS, SDC had a stock of 17 unsold apartments and another 6 were, at the time, subject to a promise of sale agreement. Management informed us that during 2014, SDC managed to conclude sale contracts for 7 apartments. During the first few months of 2015, the company has entered into promise of sale agreements in relation to five of the remaining unsold stock.

C. Current Contracts / Guarantees to Group Companies

As at 31 December 2014, the company had guarantees of €8.2 million issued on behalf of other fellow subsidiaries' bank facilities. The guarantees are supported by general and special hypothecs over various Group assets.

D. Extension Adjacent to the Business Tower

SDC has lodged an application with MEPA for the development of an eight-storey office block above the existing cafeteria and adjacent to the Business Tower. SDC plans to acquire bank funding for this project.

E. Agreements with Tumas Group

Apart from other rental, management fee and finance agreements with the Tumas Group companies, SDC has a number of loan agreements to provide short term funding to other subsidiaries within the Group which are repayable on call. These group companies have stand-by funding facilities which can be used at any time should SDC request the repayment of the outstanding amounts.

3.3 Market Overview

A. The Property Market in Malta

The Individual Investor Programme and a budget measure assisting first time buyers are amongst recent initiatives which seem to have helped maintain a buoyant property market in 2015. This was also aided by the low interest rate environment that made property an appealing investment.

As such, the property market in Malta continued to be buoyant. The performance of the property market in Malta, as evidenced by recent statistics published by the Central Bank of Malta (see below) is clearly maintaining its upward trend. However, certain niche areas, such as higher quality properties, remain favoured especially by foreign investors and these continued to perform well even in less favourable times, mainly due to the quality standards of the property and their location, but also aided by the various incentives implemented by Government to encourage purchases including the ones mentioned above.

Malta experienced a brief property boom between 2002 and 2005 and continued to grow at a more normalised rate from 2005 to 2007. The subsequent two years saw a slump in the general property market price index primarily as a result of the global financial crisis. Performance in the years 2010 to 2013 was relatively stable but still below levels registered in prior years. 2014 however, saw a renewed uplift in prices across almost all categories of property.

The analysis of property price movements is shown in the chart below and is based on the Central Bank of Malta's residential property price index, which tracks movements in advertised residential property prices.

Source: Central Bank of Malta

National statistics relating to commercial property in Malta are not readily available and it is therefore more difficult to gauge the relative state of this specific segment. Notwithstanding the lack of such data, given the progressive evolvement of Malta as a services-oriented economy and the success achieved to date in attracting foreign companies specifically from sectors such as financial services, gaming and IT, it is evident that demand for good quality commercial property has increased markedly leading to a situation where demand seems to exceed supply. In fact, most, if not all, high quality commercial developments in key locations, are currently fully let and management has also confirmed that demand for its property far outweighs availability justifying its intentions to expand its commercial offering further.

B. The Tourism Industry

Note: Data quoted in this section has been sourced from "The Contribution of the Tourism Industry to the Maltese Economy", authored by E-Cubed Consultants for the Ministry for Tourism in March 2015.

A recurrent and significant part of SDC's revenues are directly correlated with the tourism sector in Malta. Tourism is an important contributor to GDP for the Maltese economy and in 2014 tourist arrivals, nights spent and expenditure recorded all increased when compared to the levels in 2014. Tourist arrival amounted to just under 1.7 million visitors which compare well with the average 5% increase during peak months in the Mediterranean. Meanwhile, it is estimated that the total visitors' expenditure during 2014 was around €1.5 billion – an increase of 6.1% from 2013.

Tourism remains a key pillar of the Maltese economy and recent performance is indicative of the progress registered in this very important industry which has a direct impact on a multitude of sectors across the economy.

4. Performance and Financial Review – the Issuer

4.1 Financial Analysis of the Issuer

In the 2014 FAS, the Issuer published forecasts of 2014 and projections for 2015. This update considers:

- a review of the actual figures for the year ended 31 December 2014; and
- an update of the projections (now forecasts) for 2015.

4.1.1 Statement of Financial Position – Issuer

	2012 (A) €'000	2013 (A) €'000	2014 (A) €'000	Updated 2015 (F) €'000
<u>Assets</u>				
Non-Current Assets				
Loans and Receivables	58,380	54,504	51,593	49,380
Held-to-Maturity Financial Assets	928	924	-	-
Total Non-Current Assets	**59,308**	**55,428**	**51,593**	**49,380**
Current Assets				
Loans and Receivables	-	2,912	2,912	2,213
Trade and Other Receivables	1,819	1,738	1,504	1,513
Current Tax Assets	10	-	1	-
Cash and Cash Equivalents	737	3,610	1,154	1,733
Total Current Assets	**2,566**	**8,260**	**5,570**	**5,459**
Total Assets	**61,874**	**63,688**	**57,163**	**49,682**
<u>Equity and Liabilities</u>				
Capital and Reserves				
Share Capital	233	233	233	233
Retained Earnings	239	257	352	374
Total Equity	**472**	**490**	**585**	**607**
Non-Current Liabilities				
Borrowings	58,642	54,886	51,808	49,682
Trade and Other Payables	1,156	3,809	200	700
Total Non-Current Liabilities	**59,798**	**58,695**	**52,008**	**50,382**
Current Liabilities				
Borrowings	-	2,912	2,912	2,213
Trade and Other Payables	1,604	1,590	1,658	1,637
Total Current Liabilities	**1,604**	**4,503**	**4,570**	**3,850**
Total Liabilities	**61,402**	**63,198**	**56,578**	**54,232**
Total Equity and Liabilities	**61,874**	**63,688**	**57,163**	**54,839**

While in 2013, the Issuer's balance sheet was valued at €63.7 million, by the end of 2014 the Issuer's total asset base amounted to €57.2 million. The composition of the Company's assets was in the main the same as that of 2013 (and previous years), consisting of loans and receivables from the various sister companies within the Tumas Group. A portfolio of financial assets valued at €0.9 million was sold during 2014. Meanwhile the Company's cash balances, including also the balances of the sinking fund went down from €3.6 million to €1 million, as €3.1 million attributable to the matured bond was released, while a contribution of €0.5 million was made in respect of the 6.2% bond listed on the Malta Stock Exchange.

The variance between the forecasted balance sheet for the year ended 31 December 2014 and the actual as reported in the Issuer's financial statements was negligible. The only notable change was in total equity, which increased by 10.3% on the back of higher profits for the year.

In 2015, TI is expected to reduce its borrowing levels in line with what has already been forecasted (€2.9 million) as the Company made timely repayments of its bank and other debt obligations. Since borrowings are backed by loans advanced to SDC, loans and receivables are expected to reduce accordingly. Equity has been revised upward to reflect the higher level of retained earnings that was generated in 2014.

ANALYSIS OF LOANS RECEIVABLE FROM THE GUARANTOR

	2012 (A) €'000	2013 (A) €'000	2014 (A) €'000
At beginning of year	58,380	58,380	57,416
Repayments	-	(964)	(27,630)
Additions	-	-	24,719
At end of year	**58,380**	**57,416**	**54,504**

During 2014, the Issuer's principal activity remained that of raising funds through bond issues and bank borrowings on behalf of the Guarantor. The Issuer had an equivalent amount of loans receivable from the Guarantor, which is backed by the Issuer's borrowing commitments. Such loan receivables generate finance income for the Issuer.

ANALYSIS OF BORROWINGS OF THE ISSUER

The Issuer's borrowings complemented the loans it extended to SDC, and were composed of the following:

	2012 (A) €'000	2013 (A) €'000	2014 (A) €'000
250,000 6.25% bonds 2014-2016	25,000	25,000	-
250,000 6.20% bonds 2017-2020	25,000	25,000	25,000
250,000 5.00% bonds 2024	-	-	25,000
	50,000	**50,000**	**50,000**
Issue Costs	(679)	(679)	(647)
Accumulated Amortisation	321	441	242
Amortised Cost at 31 December	49,642	49,762	49,595
Bank Loans	9,000	8,036	5,125
Total Borrowings	**58,642**	**57,798**	**54,720**

During the 2014, the Issuer repaid €2.9 million of bank loans from its available cash balances, reducing bank borrowings to €5.1 million by the end of 2014 from €8 million a year earlier. During the year ending 31 December 2014, TI exercised its early redemption option in relation to the €25 million 6.25% bond 2014-2016 and replaced it with a €25 million 5% bond 2024..

4.1.2 INCOME STATEMENT - ISSUER

	2012 (A) €'000	2013 (A) €'000	2014 (A) €'000	Updated 2015 (F) €'000
Finance Income	3,765	3,772	3,473	3,272
Finance Costs	(3,625)	(3,616)	(3,374)	(3,103)
Operating Profit	**140**	**156**	**99**	**169**
Administrative expenses	(132)	(128)	(133)	(136)
Profit before tax	**8**	**28**	**95**	**33**
Tax expense	(5)	(10)	(0)	(12)
Profit for the financial year	**3**	**18**	**95**	**21**

The Issuer on-lends funds that it borrows (through bank loans or bond issues) to the Guarantor at a rate superior to that at which it is borrowing, thus generating a marginal profit to cover its administrative expenses.

During the financial year ending 31 December 2014, the Issuer's income stream continued to be generated in the main from the loans to SDC. Given that during the year TI exchanged its 6.25% bond to a 5% bond, finance income from SDC was lower.

Finance costs were lower at €3.4 million on the back of the lower coupon payable to the new bondholders. The €3.4 million charge was made up of €0.3 million (€0.4 million in 2013) in bank loan interest and €3.1 million (€3.2 million in 2013) of interest payable on the bonds. Administrative expenses amounted to €0.1 million in 2014, in line with previous years.

TI's performance during 2014 was in the main in line with the projected income statement presented last year.

As the operations and asset composition of TI is not envisaged to materially change during 2015, the variances in the projections that were presented last year are marginal. Finance income is expected to amount to €3.27 million against a forecasted €3.33 million. Management explained that since the costs associated with the 5% bond that was issued in 2014 were lower than anticipated, that benefit was passed on to SDC and therefore the facility fee charged to SDC will be lower. This affects also the amortisation of issue costs, which stand at €0.09 million against a forecasted €0.11 million. In this respect, the net interest income is expected to amount to €0.17 million against the projected €0.20 million in view of the net differences presented above. After deducting an administrative charge of €0.14 million, profit before tax is expected to amount to €0.03 million against a projected €0.06 million, and profit after tax at €0.02 million against €0.04 million.

KEY PROFITABILITY RATIOS - ISSUER:

	2012 (A)	2013 (A)	2014 (A)
Net Income Margin (Net interest income / finance income)	3.70%	4.10%	2.85%
Interest Cover Ratio (EBITDA / net finance costs)	1.04x	1.04x	1.03x

4.1.3 STATEMENT OF CASH FLOWS - ISSUER

	2012 (A) €'000	2013 (A) €'000	2014 (A) €'000	Updated 2015 (F) €'000
Net cash generated from operating activities	10	221	374	79
Net cash generated from / (used in) investing activities	(833)	964	3,941	1,912
Net cash generated from / (used in) financing activities	556	(1,411)	(4,171)	(1,912)
Net movement in cash and cash equivalents	**(267)**	**(226)**	**143**	**79**
Cash and cash equivalents at beginning of year	504	237	11	154
Cash and cash equivalents at end of year	**237**	**11**	**154**	**233**
Cash in Bond Redemption Fund	500	3,600	1,000	1,500
Total Cash Position	**737**	**3,611**	**1,154**	**1,733**

Cash flows generated through the operating activities of the Issuer consisted primarily of the net movements in cash of amounts owed to the Issuer from SDC and other trade receivables, netted off by the amounts that the Issuer owed to other related parties and trade payables, which for 2014 resulted in a net inflow of €0.4 million, aided by the €0.1 million gain on investments.

The cash flows from investing activities of the Issuer in 2014 included a repayment of €2.9 million received from SDC which was then used to partially repay its own bank borrowings. Additionally, on redemption of the 6.25% bond, the Company released €3.1 million that was placed in the bond redemption fund. This was used to service other borrowings repayments.

The variance in the end cash position of the Company between the projections presented in the 2014 FAS and the actual figures for 2014 was minimal. The cash flows from investing activities were higher than those in the previous years. In terms of inflows from operating activities, the decline in cash flows is related to the lower profit figure expected to be generated in 2015 based on the lower fee that is charged to SDC on the new bond, as a result of lower cost for TI on the issue of the bond.

The cash flows of the Company contemplate the receipt of funds from SDC to repay its dues in respect of the loans that TI would have borrowed on its behalf. Moreover, in line with its sinking fund contributions, TI will be increasing the contribution to the fund by €0.5 million during 2015.

5. Performance and Financial Position – the Guarantor

5.1 Financial Analysis of the Guarantor

In the 2014 FAS, the Guarantor published forecasts of 2014 and projections for 2015. This update considers:

- a review of the actual figures for the year ended 31 December 2014;
- an analysis of the variances (by revenue segment) between the actual figures for the financial year 2014 and the forecasts that were published last year for the same period; and
- an update of the projections (now forecasts) for 2015 (by revenue segment and consolidated) and how these compare to the previous projections as published last year.

Changes to the assumptions

Since the projections published last year, two scenarios on the basis of which the 2015 projections were set have since been altered to reflect developments in certain capital expenditure requirements and the timing of such. Indeed, refurbishment works on the hotel and common areas has since changed and are indeed more extensive. The updated projections reflect this new scenario.

Furthermore, the revised 2015 scenario factors in a change in the number of apartment sales for 2015 in view of developments in 2014 where more sales were registered compared to forecast. A re-scheduling of forward sales has thus taken place.

5.1.1 STATEMENT OF FINANCIAL POSITION - GUARANTOR

	2012 (A) €'000	2013 (A) €'000	2014 (A) €'000	Updated 2015 (F) €'000
Assets				
Non-Current Assets				
Property, Plant & Equipment	80,000	76,660	74,616	75,502
Investment Property	13,532	14,197	15,794	20,027
Trade & Other Receivables	5,535	6,958	3,921	4,421
Total Non-Current Assets	**99,067**	**97,815**	**94,332**	**99,950**
Current Assets				
Inventories	18,086	16,361	15,052	14,690
Trade & Other Receivables	23,277	23,937	30,259	29,962
Current Tax Assets	260	173	-	-
Cash & Cash Equivalents*	6,233	3,020	4,409	4,001
Total Current Assets	**47,856**	**43,491**	**49,719**	**48,653**
Total Assets	**146,923**	**141,306**	**144,051**	**148,603**
Equity & Liabilities				
Capital & Reserves				
Share Capital	13,653	13,653	13,653	13,653
Revaluation Reserve	19,223	19,160	19,028	25,529
Retained Earnings	16,405	15,554	17,327	18,302
Total Equity	**49,281**	**48,367**	**50,008**	**57,484**
Non-Current Liabilities				
Borrowings	69,839	64,408	59,604	65,515
Trade & Other Payables	2,664	2,346	2,295	2,669
Deferred Tax Liabilities	11,378	11,827	12,393	5,649
Total Non-Current Liabilities	**83,881**	**78,581**	**75,543**	**73,833**
Current Liabilities				
Borrowings	-	2,912	4,162	2,213
Trade & Other Payables	13,117	11,335	14,578	14,245
Current Taxation	644	111	1,010	828
Total Current Liabilities	**13,761**	**14,358**	**18,501**	**17,286**
Total Liabilities	**97,642**	**92,939**	**94,043**	**91,119**
Total Equity & Liabilities	**146,923**	**141,306**	**144,051**	**148,603**

** The bank overdraft which in the annual financial statements of the Guarantor is recognised in current borrowings is being netted against cash & cash equivalents in the above table.*

As reported in the 2014 FAS, SDC's principal asset is Property, Plant and Equipment (PPE), which comprises the Portomaso Complex. The book value of this asset was €74.6 million as at end of 2014 (€76.7 million in 2013). The decline in value is a result a depreciation charge for the year which nets off the effect of impact of additional assets and any capitalisation of upkeep costs to PPE. Investment property comprises the owned parts of the business tower and the other commercial outlets currently leased out principally to third parties. During 2014, SDC commenced construction works in relation to the Laguna Apartments Project and costs amounting to €2.2 million were capitalised as Investment Property in line with accounting standards. By the end of the year, capital commitments related directly to the Laguna Apartments Project amounted to *circa* €11 million.

While PPE is periodically revalued, Investment property is kept in the books of the Guarantor at historical cost less accumulated depreciation. The net book value of Investment Property in the books of the Guarantor at the end of 2014 was €15.8 million however, management indicated that its fair value was estimated to be approximately €35.2 million.

Inventory includes the Halland site, a stock of apartments that are available for sale, as well as the *directum dominium* related to Portomaso, all of which are recorded at cost.

Trade and other receivables are in the main dues from other companies within the Tumas Group as they accounted for around 75% of the total receivables by the end of 2014. Meanwhile, trade receivables from third parties amounted to €4.9 million in 2014 (€3.7 million in 2013). Other prepayments and accrued income amounted to €3.4 million (€0.6 million in 2013), the increase being related primarily to the advance payments on projects as the Laguna Apartments Project commenced during 2014. As SDC operates a treasury function of the Tumas Group companies, it utilises any excess cash to lend to other companies within the group on a short term basis, as further explained hereunder. The treasury element amounted to €14.6 million at the end of 2014 (€9.5 million in 2013).

Total borrowings by SDC, both current and non-current, decreased by €6.1 million between 2012 and 2014, as the company reduced its bank borrowings by €1.5 million and its intra-group borrowings by €3.1 million. Trade and other payables increased in 2014, going up to €16.9 million from €13.7 million a year earlier, the increase being related to dues in relation to capital expenditure incurred in relation to the Laguna Apartments Project.

CAPITALISATION AND INDEBTEDNESS

SDC's net borrowings declined from €51 million in 2013 to €44.6 million by the end of 2014. As SDC seeks to minimise the overall finance costs of the Tumas Group, any excess funds available at the SDC level and not immediately required are advanced to other subsidiaries in the form of short term loans or overnight deposits, renewable at SDC's discretion depending on its commitments. This amount stood at €14.6 million by the end of 2014.

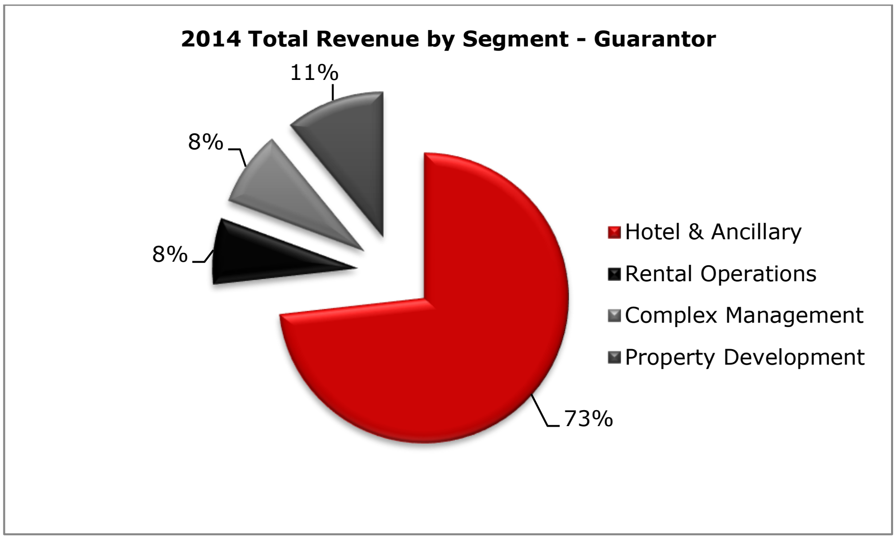
Reported equity increased from €48.4 million in 2013 to €50 million in 2014 as a result of retained profits. The Guarantor's gearing ratio, calculated as the level of net borrowings in relation to the company's reported equity plus borrowings, improved from 51.3% in 2013 to 47.1% in 2014 as borrowing levels diminished.

	2012 (A) €'000	**2013 (A)** €'000	**2014 (A)** €'000
Total Borrowings	70,618	68,449	63,934
Cash & Cash Equivalents	(7,012)	(4,149)	(4,577)
Group Treasury Funds	(11,475)	(9,470)	(14,601)
Advances to TI (for bond redemption fund)	(1,156)	(3,809)	(200)
Net Borrowings	50,975	51,021	44,556
Reported Equity	49,281	48,367	50,008
Gearing Ratio (Net Borrowings / Equity + Net Borrowings)	**50.80%**	**51.30%**	**47.12%**
FV Adjustment of Investment Property	13,611	14,395	15,349
Reported Equity (restated)	62,892	62,762	65,356
Gearing Ratio (restated)	**44.80%**	**44.80%**	**40.54%**

In accordance with its accounting policies, the Guarantor reports its investment property (principally comprising floors in the business tower and commercial and office outlets, held for long-term rental yields) in its financial statements at cost, disclosing the market value (based on directors' annual revision of active market prices) within the notes in its annual report. Calculating the gearing ratio on the basis of market value of investment property would result in an improved gearing ratio as highlighted in the table above.

5.1.2 INCOME STATEMENT - ANALYSIS BY SEGMENT - GUARANTOR

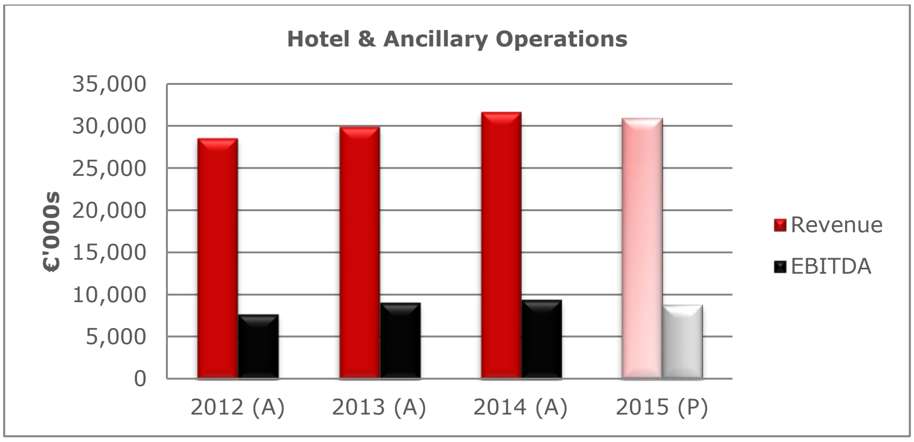
The operations of the Guarantor are split into four main segments. Hotel and ancillary operations was the biggest revenue generating segment in 2014. Property development follows despite the limited amount of apartments available for sale compared to earlier years.



A. HOTEL AND ANCILLARY OPERATIONS (HAO)

HAO is the largest income segment at SDC which has, over the years, also been a very profitable segment. This segment comprises the Hilton Malta, the car park, the marina and Twenty Two wine lounge.

Contribution from this segment reached in excess of 70% of revenues in 2014 principally as a result of a mix of improved hotel occupancy and room rates concurrently.



To date, the Hilton Malta performed better than its 5 star peers as can be seen below for the periods 2012 – 2014, both in terms of market penetration and revenue generation. The indices below have been extracted from information available in an industry report commissioned by the Malta Hotels and Restaurants Association.

	2012	2013	2014
Market Penetration Index (MPI)	1.01	1.04	1.07
Average Rate Index (ARI)	1.16	1.15	1.22
Revenue Generation Index (RGI)	1.17	1.19	1.28

Source: Competitor Set Analysis: The MHRA Hotel Survey by Deloitte - 2014 Q4 & YTD- issued 11 May 2015. Information as provided by management.

The Hilton Malta reported higher occupancy yet again in 2014, surpassing the average by 7% and three percentage points better than its own MPI of the previous year. Revenue per room was between 20% and 30% better than the average rate index (ARI) and revenue generation index (RGI) of its 5 star peers.

The Refurbishment

In 2014, the Guarantor announced a refurbishment of the Hilton Hotel and its common areas. This refurbishment was expected to take place during 2014 and 2015 at a total cost of *circa* €9 million. Earlier on this year, however, it was decided to extend the refurbishment in view of envisaged ongoing demand and performance of the hotel and the overall cost is now expected to amount to *circa* €14.5 million with the period for refurbishment spilling over to 2016 and 2017, while some of the more extensive works to common areas and food and beverage venues are expected to take place. This extensive refurbishment project will focus on the upgrading of guest rooms including total replacement of furniture and bathrooms. Other areas that will be refurbished within the hotel include bars and restaurants, creating new terraces, engineering works including the replacement of lifts and upgrading of soft furnishings in common areas of the hotel.

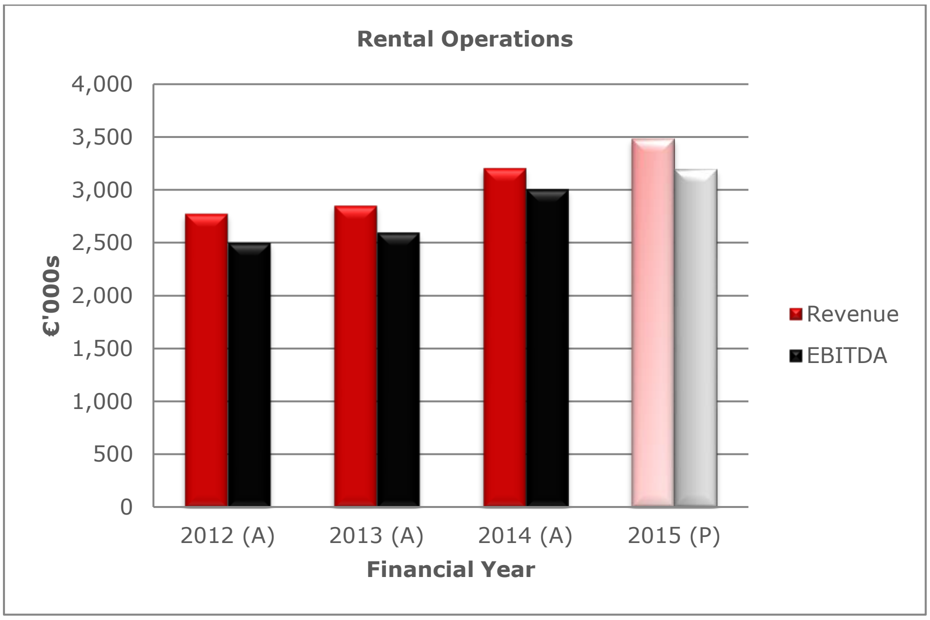
Variances and Projections

Hotel and Ancillary Operations	**2014 (A)**	**2014 (F)**	**Variance**	**Updated 2015 (F)**	**2015 (P)**	**Variance**
	€'000	€'000		€'000	€'000	
Revenue	31,701	30,886	2.60%	30,946	31,012	-0.20%
EBITDA	9,372	8,985	4.30%	8,779	8,845	-0.70%

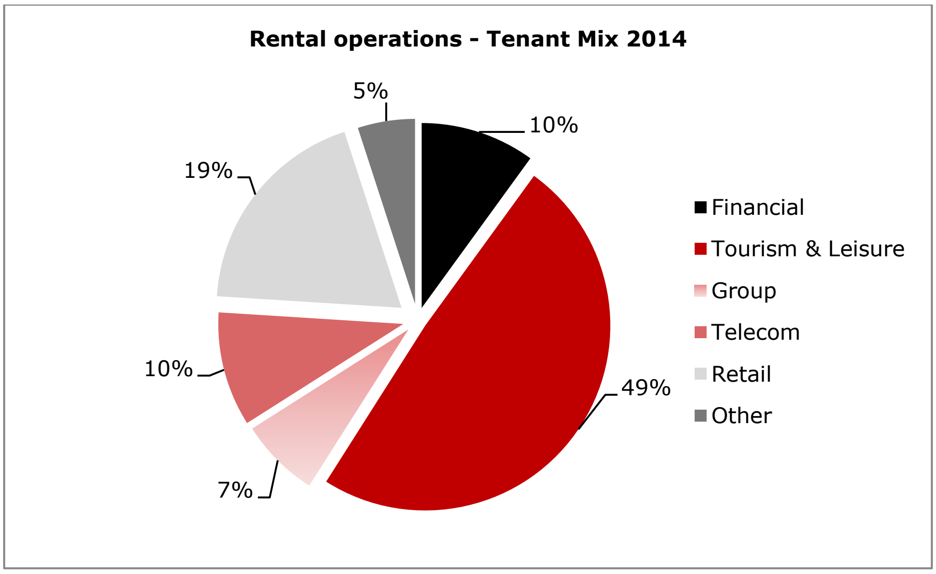
During 2014, HAO fared better than expected both in terms of revenue (+2.6%) and EBITDA (+4.3%). The projections for 2015 anticipate a slight decline in revenues and EBITDA in view of the extensive refurbishment that is expected to marginally impact occupancy levels.

B. Rental Operations

Rental operations consist of areas within the business tower, the marina, the Luxe Pavillion, recently added office space, other retail outlets and the supermarket area adjacent to the underground carpark. This segment operates on a very lean cost structure where EBITDA stands at over 90% of revenues.



During 2014, SDC's income stream from rental operations increased as a result of an expanded rentable area principally office space, additional storage and some other periphery areas. This additional capacity reduced the average rental rate per square metre slightly, as the extended areas attract lower rental income per square metre than the other commercial areas. The areas available for rent are practically fully occupied and comprise the following mix of tenants:



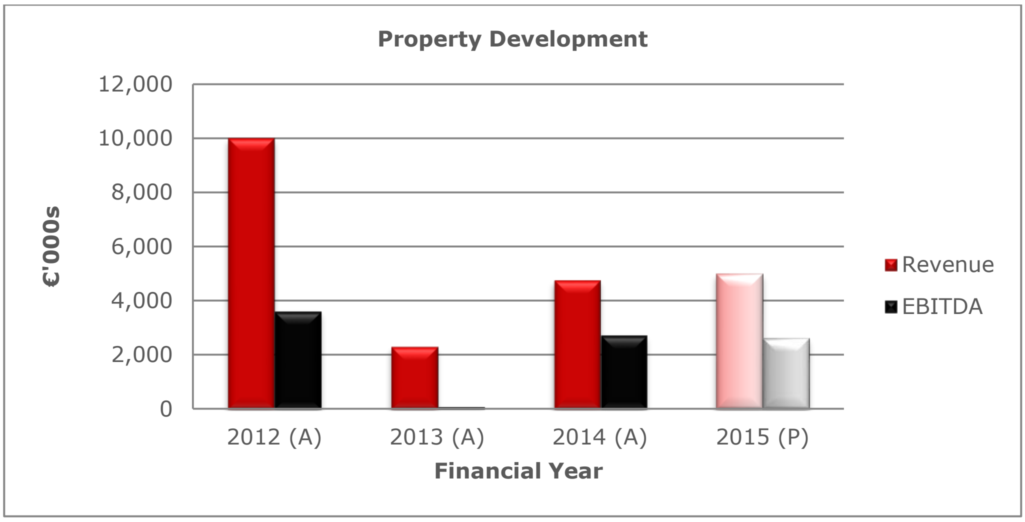
VARIANCES AND PROJECTIONS

One of the assumptions on which the figures presented last year were based was that revenue from rental operations will be increasing at an average of 2.8% during 2014 and 2015. In 2015, management is projecting an increase in revenue of 3.6% over the previously-projected revenue figures. This is based on the performance achieved so far this year.

Rental Operations	2014 (A)	2014 (F)	Variance	Updated 2015 (F)	2015 (P)	Variance
	€'000	€'000		€'000	€'000	
Revenue	3,206	3,297	-2.70%	3,485	3,363	3.60%
EBITDA	3,009	3,011	-0.10%	3,199	3,124	2.40%

C. Property Development

The property development segment generates its revenues from apartment sales and its costs relate to the construction and development of new saleable units. As such, the financial performance of this segment is volatile given its dependency on the number of apartments available for sale, the timing of new developments and the timing of final contracts with buyers. As stock levels vary and generally declined, it is understandable that this segment of revenue is the most volatile and unpredictable.



The Laguna Apartments Project

The development of 44 units spread across the 8,500 sqm area of this project commenced during 2014 and sales (promise of sale agreements) of a portion of the project have commenced. Cash flowing in from these sales is staggered in terms of the promise of sale agreements and will affect revenue once the deed of sale is signed.

Variances and Projections

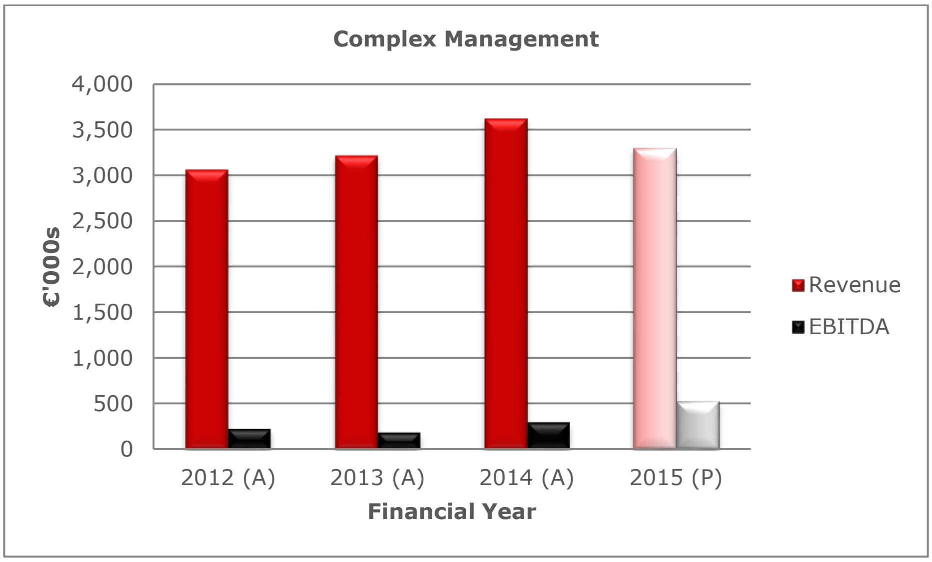
During 2014, SDC reported a higher revenue from that budgeted in last year's forecasts for the property development segment. The reason behind this increase was that SDC managed to sell more apartments than anticipated and at a higher price than that envisaged at the time the forecasts were published.

Similarly for 2015, SDC is envisaging the sale of seven apartments against the sale of two apartments that were projected last year. Once again, the promise of sale agreements that have already been entered into by the company as well as the sale prices form the basis for the improved projections of this segment of revenue.

Property Development	**2014 (A)**	**2014 (F)**	**Variance**	**Updated 2015 (F)**	**2015 (P)**	**Variance**
	€'000	€'000		€'000	€'000	
Revenue	4,761	2,532	88.00%	4,992	2,330	114.20%
EBITDA	2,726	1,367	99.40%	2,625	621	322.70%

D. Complex Management

This segment encompasses the management of the Portomaso Complex, including the landscaping, repairs and maintenance, cleaning and security of the common areas. The expenses incurred by this segment are recharged to residential apartment tenants, the hotel and commercial and office space tenants. Furthermore, SDC receives a management fee in return for the performance of its functions.



In last year's projections, SDC assumed that revenue from this activity will increase at inflationary rates, while costs were expected to decline as the company forecasted increased cost efficiencies in this business segment. Overall differences between actual and forcasts figues are shown below.

Variances and Projections

Complex Management	**2014 (A)**	**2014 (F)**	**Variance**	**Updated 2015 (F)**	**2015 (P)**	**Variance**
	€'000	€'000		€'000	€'000	
Revenue	3,627	3,223	12.50%	3,303	3,303	-
EBITDA	293	324	-9.60%	527	375	40.50%

INCOME STATEMENT - CONSOLIDATED ANALYSIS

for the year ended 31 December	**2012 (A)** €'000	**2013 (A)** €'000	**2014 (A)** €'000	**Updated 2015 (F)** €'000
Revenue	**44,414**	**38,323**	**43,295**	**42,726**
HAO	*28,577*	*29,942*	*31,701*	*30,946*
Rental	*2,775*	*2,851*	*3,206*	*3,485*
Property Development	*9,992*	*2,306*	*4,761*	*3,303*
Complex Management	*3,069*	*3,223*	*3,627*	*4,992*
Cost of Sales	(24,407)	(20,224)	(21,063)	(21,586)
Gross Profit	**20,007**	**18,099**	**22,232**	**21,140**
Administrative Expenses	(6,529)	(6,477)	(6,992)	(7,164)
Other Income & Expenses	73	74	160	27
EBITDA	**13,551**	**11,696**	**15,400**	**14,003**
Depreciation	(5,105)	(5,342)	(5,145)	(5,536)
Finance Income	346	290	245	288
Finance Costs	(4,558)	(4,475)	(4,158)	(4,087)
Profit before Tax	**4,234**	**2,169**	**6,342**	**4,668**
Tax Expense	(1,574)	(860)	(2,480)	(1,479)
Net Profit	**2,660**	**1,309**	**3,861**	**3,189**

During 2014, SDC generated revenue amounting to €43.3 million, up €5 million from 2013. This increase was mainly attributable to property sales during the year and additional revenue generated from hotel and ancillary operations, particularly the hotel. EBITDA remained at healthy levels, improving from those of 2013 particularly as property sales have higher unit contributions to EBITDA.

SDC's finance costs declined from €4.5 million in 2013 to €4.2 million on the back of lower rates applicable on its borrowings and supported by a reduced level of borrowing. Depreciation charge was marginally lower on the back of a lower net book value attributable to PPE. In view of all of the above, profit before tax was just below threefold that of 2013, at €6.3 million (2013: €2.2 million).

Actual 2014 figures exceeded those forecasted primarily on apartment sales at higher values than anticipated. The better than expected performance of the hotel was also a main contributor to these results. As such, profitability in 2014 was substantially ahead of forecast.

The revised 2015 projections depict an improved level of revenue compared to the previous 2015 projections primarily based on property sales brought forward.

5.1.3 Statement of Cash Flows

as at year ended 31 December	2012 (A) €'000	2013 (A) €'000	2014 (A) €'000	Updated 2015 (F) €'000
Net cash generated from / (used in) operating activities	3,188	5,169	8,595	8,647
Net cash generated from / (used in) investing activities	2,024	(3,557)	(1,347)	(10,778)
Net cash generated from / (used in) financing activities	(3,215)	(4,825)	(5,860)	1,724
Net movements in cash and cash equivalents	1,997	(3,213)	1,389	(407)
Cash and cash equivalents at beginning of year	4,236	6,233	3,020	4,409
Cash and cash equivalents at end of year	**6,233**	**3,020**	**4,409**	**4,002**

Increased cash flows from operations result from the property sales that were reported earlier in this report. Dividends paid are in line with those paid in 2013 while borrowings in 2014 reduced by €3.5 million. These payments resulted in a net outflow of cash used in financing activities of €5.8 million, compared to €4.8 million in 2013.

Updated 2015 projections now include additional property sales that SDC was not forecasting in the 2014 FAS, which are also expected to lead to a healthier cash position by the end of the year 2015. The €10.8 million cash to be used in investing activities include the cash outflow projected for the refurbishment of the hotel, while the positive cash flow generated from financing activities takes into account the loan that SDC will be taking to carry out this extensive refurbishment.

5.1.4 RATIO ANALYSIS

The following are key ratios of the Guarantor covering both the historic and forecast periods:

	2012 (A)	2013 (A)	2014 (A)	Updated 2015 (F)
Gross Profit Margin (Gross Profit / Revenue)	45.0%	47.2%	51.3%	49.5%
Net Profit Margin (Net Profit / Revenue)	6.0%	3.4%	8.9%	7.5%
EBITDA Margin (EBITDA / Revenue)	30.5%	30.5%	35.6%	32.8%
Interest Cover Ratio (EBITDA / Net Finance Cost)	3.22x	2.79x	3.794x	3.69x
Gearing Ratio (Net Borrowings / Equity + Net Borrowings)	56.34%	57.07%	54.27%	52.58%
Gearing Ratio (2) (Total Borrowings / Equity + Total Borrowings)	58.63%	58.19%	56.05%	54.09%
Gearing Ratio (3) (Net Borrowings / FV adjusted Equity + Net Borrowings)	50.28%	50.61%	47.59%	46.67%
Return on Assets (Profit before Tax / Total Assets)	2.88%	1.53%	4.40%	3.14%
Return on Equity (Net Profit / Total Equity)	5.40%	2.71%	7.72%	5.55%
Return on Capital Employed (EBIT / Equity + Borrowings)	7.09%	5.49%	9.01%	6.76%

Profitability ratios improved during 2014 over those registered in 2013 for the reasons highlighted earlier in this report. The resultant improvement in interest cover and gearing is worthy of note. 2015 ratios are expected to be mainly in line with those registered in 2014. Nevertheless, it is anticipated that gearing will continue to reduce while interest cover remains very healthy and stable.

5.1.5 Related Party Transactions

All companies forming part of the Tumas Group are considered related parties since these companies are all ultimately owned by Tumas Group Company Limited, which is the ultimate controlling party. Related party transactions are carried out at arm's length between TI and SDC, as well as transactions between SDC and other companies within the group.

As the Tumas Group aims to maximise the use of available funds within the group and minimise (external) financing costs, SDC regularly operates within the group treasury function and has arrangements with a number of fellow subsidiaries within the group whereby any excess funds available at SDC are transferred to subsidiaries of the group for overnight placements and other short-term periods. Furthermore, the Guarantor regularly enters into trading transactions with fellow subsidiaries and associates within Tumas Group in its normal course of business. Such transactions being conducted include rental charges, management fees, recharging of expenses and financing charges. Related parties also include foreign Hilton Hotels and related affiliates.

SDC retains the right, at all times, to call on these funds and have such balances transferred to its bank accounts as and when needed. Indeed, such treasury operations are covered by banking facilities or cash at the respective individual companies.

6. COMPARABLES

The table below compares the Issuer's bond maturing in 2024 to other bond issues falling within a comparable maturity date as listed on the Malta Stock Exchange.

Bond Details	Outstanding Amount	Total Assets	Total Equity	Gearing	Interest Cover	YTM
6.0% AX INVESTMENTS PLC 06.03.2024	40,000,000	188,377,554	102,171,230	38%	2.80	4.16%
6.0% IHG HOLDINGS PLC 15.05.2024	35,000,000	149,763,762	40,372,697	59%	2.60	4.60%
5.3% MARINER FINANCE PLC 03.07.2024	35,000,000	60,034,264	20,905,032	62%	4.53	3.89%
5.0% HAL MANN VELLA GROUP PLC 06.11.2024	30,000,000	77,287,058	30,138,276	55%	0.41	3.77%
5.1% PTL HOLDINGS PLC 04.12.2024	36,000,000	72,475,129	6,132,620	86%	0.89	3.66%
5.0% TUMAS INVESTMENTS PLC 31.07.2024	**25,000,000**	**144,219,142**	**50,007,762**	**54%**	**3.79**	**3.63%**

Gearing: Net borrowings / [Net borrowings + Equity]
Source: Yield to Maturity from rizzofarrugia.com, based on bond prices of 26.06.2015. Ratio workings and financial information quoted have been based on the issuers' published financial data, including:
- *AX Investments plc – figures based on the Guarantor (AX Holdings Limited) FY2014 annual report;*
- *Island Hotels Group plc FY2014 Annual Report;*
- *Mariner Finance plc FY2014 Annual Report;*
- *Tumas Investments plc – figures based on SDC FY2014 Annual Report;*
- *HalMann Vella Group plc – figures based on the issuer's FY2014 annual report;*
- *PTL Holdings plc – figures based on the issuer's FY2014 annual report.*

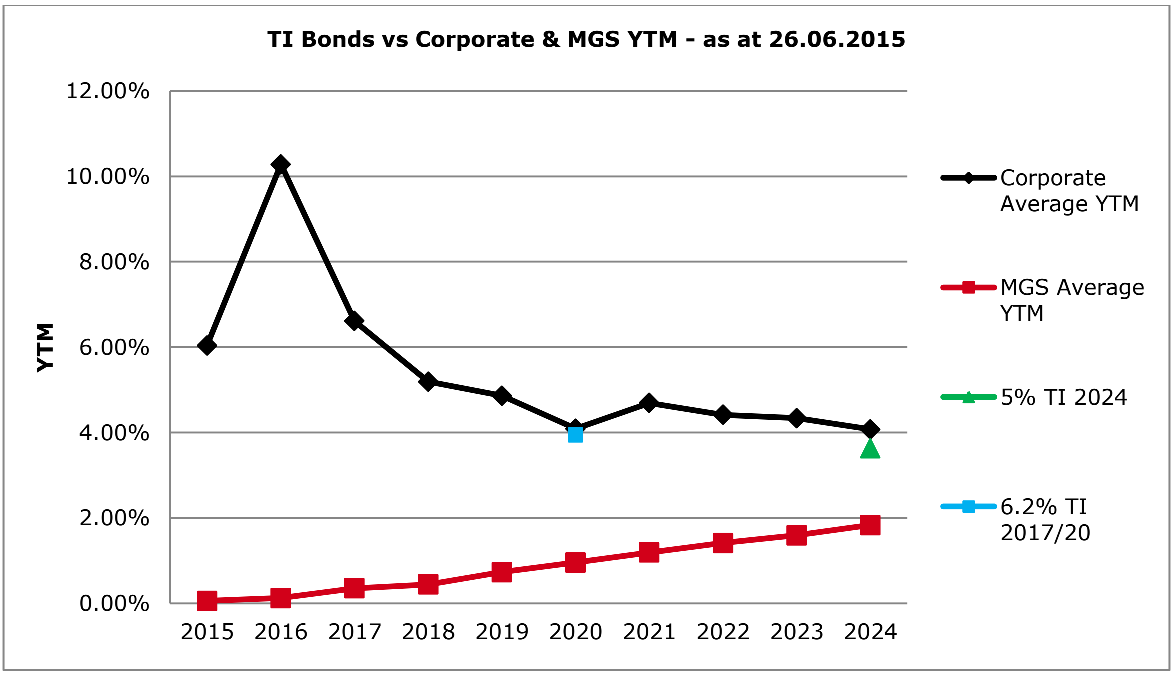
Despite the significant variances between the Issuer's operations and that of the other listed comparables (including different industries, principal markets, competition and capital requirements), this analysis aims to provide an indication how the Issuer's bond compares with other listed bonds.

Interest cover (representing the number of times the net interest expense is covered by the generated earnings before interest, tax, depreciation and amortisation) and the gearing ratio (representing the degree of financial leverage) are amongst the more important indicators one would tend to analyse with respect to bonds.

The Issuer's debt securities presently listed on the Malta Stock Exchange are as follows:

ISIN	Bond Detail	Amount Outstanding	Maturity Date	Current Price*	Current YTM*
MT0000231234	6.2% TUMAS INVESTMENTS PLC 2017/2020	€ 25,000,000	09/07/2020**	110.22	3.94%
MT0000231242	5.0% TUMAS INVESTMENTS PLC 2024	€ 25,000,000	31/07/2024	110.5	3.63%

** Price and YTM as at 26/06/2015*
***Early redemption option between 09/07/2017 and 08/07/2020*



The corporate average YTM averages out all listed corporate bonds in EUR, excluding those issued by banks.

A Malta Government Stock maturing in 2024 currently yields 1.83%. The spread between the yield on Malta Government Stock and the Issuer's bond maturing in 2024 currently stands at 180 basis points, whereas the spread on the 2020 paper is currently 299 basis points.

7. Glossary

Income Statement Explanatory Definitions

Revenue	Total revenue generated by the company from its business activity during the financial year.
Cost of Sales	The costs incurred in direct relation to the operations of the Issuer or Guarantor
Gross Profit	The difference between Revenue and Cost of Sales.
EBITDA	Earnings before interest, tax, depreciation and amortization, reflecting the company's earnings purely from operations.
Depreciation and Amortization	An accounting charge to compensate for the reduction in the value of assets and the eventual cost to replace the asset when fully depreciated.
Finance Income	Interest earned on cash bank balances and from the intra-group companies on loans advanced.
Finance Costs	Interest accrued on debt obligations.
Net Profit	The profit generated in one financial year.

Cash Flow Statement Explanatory Definitions

Cash Flow from Operating Activities	The cash used or generated from the company's business activities.
Cash Flow from Investing Activities	The cash used or generated from the company's investments in new entities and acquisitions, or from the disposal of fixed assets.
Cash Flow from Financing Activities	The cash used or generated from financing activities including new borrowings, interest payments, repayment of borrowings and dividend payments.

Balance Sheet Statement Explanatory Definitions

Assets	What the company owns which can be further classified in Current and Non-Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Liabilities	What the company owes, which can be further classified in Current and Non-Current Liabilities.
Current Liabilities	Obligations which are due within one financial year.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Equity	Equity is calculated as assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.