MALITA INVESTMENTS P.L.C.

Condensed Interim Financial Statements
30 September 2012

Company Registration Number: C 53047

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Interim directors' report

The directors present their report together with the condensed interim financial statements for the period ended 30 September 2012.

Incorporation

Malita Investments p.l.c. was incorporated on 3 June 2011 in terms of the Maltese Companies Act, 1995. These financial statements have been prepared for the period from 1 January to 30 September 2012.

The directors have elected for a review of the Interim Unaudited Financial Statements in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity.'

Principal activities

The company's principal activities include the development, management and operation of immovable property, in particular, projects of national and/or strategic importance, and the investment in local and foreign stocks and shares.

Review of the business

In the period under review, the company finalised the transfer of properties from the Government of Malta to Malita. In fact, on the 14th June 2012, Malita and the Government of Malta entered into the two transfer contracts pursuant to which Malita acquired the title of directum dominium over the sites of Malta International Airport (MIA) and Valletta Cruise Port (VCP). This real right entitles Malita to receive all payments of ground rent due by MIA and VCP respectively in terms of the emphyteutical grants originally granted by the Government with effect from the 1st December 2011. In consideration of the said transfers, Malita issued 68,108,064 fully paid up Ordinary A Shares of a nominal value of €0.50 per share in favour of the Government of Malta. Revenue during the period under review amounted to €1,060,970, which was generated from the ground rents received from MIA and VCP.

On the 26 June 2012, Malita and the Government of Malta entered into a public deed leading to the acquisition of a 65 year utile dominium over the Parliament Building and the Open Air Theatre. The consideration payable by Malita for the acquisition of the temporary emphyteusis is an annual revisable ground rent of €100,000 and a premium of €82,000,000.

In order to fund its obligations in terms of the deed, on 23rd July 2012, Malita opened subscriptions for an initial public offering consisting 20,000,000 Ordinary B Shares at a nominal value of €0.50 per share with a further optional over allotment of 10,000,000 Ordinary B Shares. As the share issue was fully subscribed, 30 million Ordinary B shares were admitted to the Official List of the Malta Stock Exchange on the 7 August 2012.

Furthermore, Malita successfully negotiated with the European Investment Bank a €40 million loan facility for the purchase of the Parliament Building and the Open Air Theatre. This loan, which was fully drawn down on the 1st October 2012, consists of a 20 year facility for €25 million and a facility for €15 million for 25 years.

Results and dividends

The condensed statement of comprehensive income is set out on page 7. The directors do not recommend the payment of a dividend.

Directors

The directors of the company who currently hold office are:
Kenneth Farrugia (Chairman)
Vince Mifsud
Frederick Mifsud Bonnici (appointed on 27 February 2012)
Publio Danny Rosso (appointed on 7 March 2012)
Anne Marie Tabone (appointed on 1 January 2012 and resigned on 31 October 2012)
Alfred Camilleri (resigned on 23 April 2012)

The company's Articles of Association require directors to retire after three years in office, but they are eligible for re-appointment.

Statement of directors' responsibilities for the financial statements

The directors are required by the Maltese Companies Act, 1995 to prepare financial statements which give a true and fair view of the state of affairs of the company as at the end of each reporting period and of the profit or loss for that period.

Directors' report - continued

Statement of directors' responsibilities for the financial statements - continued

In preparing the financial statements, the directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the company will continue in business as a going concern.

The directors are also responsible for designing, implementing and maintaining internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Maltese Companies Act, 1995. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements of Malita Investments p.l.c. for the period ended 30 September 2012 are included in the Condensed Interim Financial Statements – 30 September 2012, which is published in hard-copy printed form and will be made available on the company's website. The directors are responsible for the maintenance and integrity of the Report on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the company's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

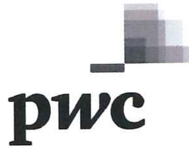
On behalf of the board

Kenneth Farrugia
Chairman

Frederick Mifsud Bonnici
Director

Registered office
Clock Tower
Level 1
Tigne` Point
Sliema
Malta

28 December 2012



Report on Review of Interim Financial Information

To the Directors of Malita Investments p.l.c.

Introduction
We have reviewed the accompanying condensed statement of financial position of Malita Investments p.l.c. as of 30 September 2012 and the related condensed statement of comprehensive income, statement of changes in equity and statement of cash flow for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Directors are responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards as adopted by the European Union applicable to interim financial reporting (IAS 34). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

This report, including the conclusion, has been prepared for, and only for, the Company for the purpose of reporting on interim financial information and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers

78, Mill Street,
Qormi, QRM 3101
Malta

Simon Flynn
Partner

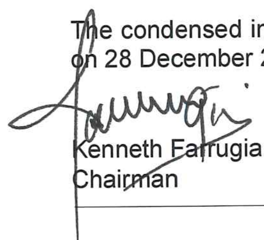
28 December 2012

Condensed statement of financial position

	Notes	As at 30 September 2012 €	As at 31 December 2011 €
ASSETS			
Non-current assets			
Property, plant and equipment		**2,881**	3,575
Investment property	4	**116,705,482**	-
		116,708,363	3,575
Current assets			
Premium on acquisition of property		**-**	82,000,000
Trade and other receivables		**1,015,934**	127,655
Cash and cash equivalents		**30,076,413**	15,036,144
		31,092,347	97,163,799
Total assets		**147,800,710**	97,167,374
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	5	**73,296,270**	15,000,000
Retained earnings		**841,929**	84,907
Total equity		**74,138,199**	15,084,907
Non-current liabilities			
Deferred tax		**446,200**	-
Current liabilities			
Capital creditor for acquisition of property		**69,863,254**	82,000,000
Trade and other payables		**2,981,718**	42,207
Current tax liabilities		**371,339**	40,260
		73,216,311	82,082,467
Total equity and liabilities		**147,800,710**	97,167,374

The notes on pages 8 to 17 are an integral part of these condensed interim financial statements.

The condensed interim financial statements on pages 5 to 17 were authorised for issue by the board on 28 December 2012 and were signed on its behalf by:



Kenneth Farrugia
Chairman

Frederick Mifsud Bonnici
Director

Condensed statement of comprehensive income

	Notes	Period from 1 January to 30 September 2012 €	Period from 3 June to 30 September 2011 €
Revenue	6	**1,060,970**	-
Administrative expenses		**(237,475)**	(18,662)
Change in fair value of investment property		**649,450**	-
Operating profit/(loss)		**1,472,945**	(18,662)
Finance income		**122,073**	18,025
Finance costs		**(2,146)**	-
Profit/(loss) before tax		**1,592,872**	(637)
Tax expense	7	**(835,850)**	(2,703)
Profit/(loss)for the period - total comprehensive income		**757,022**	(3,340)
Earnings per share (cents)	9	**1.05**	(0.02)

The notes on pages 8 to 17 are an integral part of these condensed interim financial statements.

Condensed statement of changes in equity

	Note	Share capital €	Accumulated profits €	Total €
Balance at 3 June 2011		-	-	-
Comprehensive income				
Loss for the period		-	(3,340)	(3,340)
Transactions with owners				
Issue of share capital		15,000,000	-	15,000,000
Balance at 30 September 2011		**15,000,000**	**(3,340)**	**14,996,660**
Balance at 1 January 2012		15,000,000	84,907	15,084,907
Comprehensive income				
Profit for the period		-	757,022	757,022
Transactions with owners				
Issue of Ordinary A shares	5	44,054,032	-	44,054,032
Issue of Ordinary B shares	5	14,242,238	-	14,242,238
Balance at 30 September 2012		**73,296,270**	**841,929**	**74,138,199**

The notes on pages 8 to 17 are an integral part of these condensed interim financial statements.

Condensed statement of cash flows

	Note	**Period from 1 January to 30 September 2012 €**	Period from 3 June to 30 September 2011 €
Cash flows from operating activities			
Cash generated from/(used in) operations	10	**759,223**	(4)
Interest received		**95,409**	18,025
Interest paid		**(2,146)**	-
Tax paid		**(58,571)**	(2,703)
Net cash generated from operating activities		**793,915**	15,318
Cash flows from investing activities			
Payments to acquire investment property		**(9,995,884)**	-
Net cash used in investing activities		**(9,995,884)**	-
Cash flows from financing activities			
Issue of share capital		**25,000,000**	15,000,000
Issue costs		**(757,762)**	-
Net cash generated from financing activities		**24,242,238**	15,000,000
Net movement in cash and cash equivalents		**15,040,269**	15,015,318
Cash and cash equivalents at beginning of period		**15,036,144**	-
Cash and cash equivalents at end of period		**30,076,413**	15,015,318

The notes on pages 9 to 17 are an integral part of these condensed interim financial statements.

Notes to the condensed interim financial statements

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these unaudited financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Maltese Companies Act, 1995. They have been prepared under the historical cost convention as modified by the fair valuation of investment property.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires directors to exercise their judgement in the process of applying the company's accounting policies (see note 3 – Critical accounting estimates and judgements).

The current liability position reflected in the condensed statement of financial position will be funded with the drawdown of the €40 million loan facility negotiated with the European Investment Bank and fully drawn down on 1st October 2012, which will be applied to the payment of the capital creditor for acquisition of property, and other operating cash flows generated by the Company

Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the company's accounting periods beginning after 1 January 2012. The company has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the company's directors are of the opinion that there are no requirements that will have a possible significant impact on the company's financial statements in the period of initial application.

1.2 Investment property

Investment property is held for long-term rental yields or for capital appreciation or both, and is not occupied by the company. Investment property also includes property that is being constructed or developed for future use as investment property, when such identification is made.

Investment property is measured initially at its historical cost, including related transaction costs and borrowing costs. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Borrowing costs which are incurred for the purpose of acquiring or constructing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway. Capitalisation of borrowing costs is ceased once the asset is substantially complete and is suspended if the development of the asset is suspended. After initial recognition, investment property is carried at fair value. Fair value is based on active market prices. Given that there is no active market for the investment property held by the company, the company establishes fair value by using valuation techniques, including the use of discounted cash flow analyses.

1. Summary of significant accounting policies - continued

1.2 Investment property - continued

Investment property that is being redeveloped for continuing use as investment property continues to be measured at fair value. Fair value measurement on property under construction is only applied if the fair value is considered to be reliably measurable. The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

1.3 Impairment

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The company first assesses whether objective evidence of impairment exists. The criteria that the company uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation.

For financial assets carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount at the beginning of the financial period and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is accordingly reduced and the amount of the loss is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

1. **Summary of significant accounting policies** - continued

1.4 Trade and other receivables

Trade receivables comprise amounts due from the emphyteuta of the properties, in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment (note 1.4). The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss.

1.5 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

1.6 Trade and other payables

Trade payables comprise obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.7 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1. Summary of significant accounting policies - continued

1.8 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for ground rents in the ordinary course of the company's activities. Sales are recognised net of sales tax, returns, rebates and discounts.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the company's activities as described below.

(a) Interest income

Interest income is recognised for all interest-bearing instruments using the effective interest method.

(b) Dividend income

Dividend income is recognised when the right to receive payment is established.

(c) Rental income from investment property

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease.

1.9 Borrowing costs

Borrowing costs which are incurred for the purpose of acquiring or constructing qualifying property, plant and equipment, investment property or property held for development and resale are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway, during the period of time that is required to complete and prepare the asset for its intended use. Capitalisation of borrowing costs is ceased once the asset is substantially complete and is suspended if the development of the asset is suspended. All other borrowing costs are expensed. Borrowing costs are recognised for all interest-bearing instruments on an accrual basis using the effective interest method. Interest costs include the effect of amortising any difference between initial net proceeds and redemption value in respect of interest-bearing borrowings.

1.10 Dividend distributions

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's directors in the case of any interim dividends whilst final dividends that may be proposed by the board will be recognised as a liability once they are approved by the shareholders of the Company.

2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised).

3. Segment reporting

The directors have reviewed the disclosure requirements of IFRS 8, 'Operating Segments' and determined that the company effectively has one operating segment, which is the development, management and operation of immovable property, taking cognisance of the information utilised within the company for the purpose of assessing performance.

4. Investment property

On 14 June 2012, the company and the Government entered into the Transfer Contracts pursuant to which it acquired from the Government of Malta the title of dominium directum over the MIA and VCP sites, which real right entitles the company to receive, with effect from 1 December 2011, all payments of ground rent due by each of VCP and MIA in terms of the temporary emphyteutical grants originally granted by the Government. In consideration of the said transfers, the company issued in favour of the Government an aggregate amount of 68,108,064 fully paid up Ordinary A Shares of a nominal value of €0.50 per share. The company is also vested with the privileges and hypothecs originally reserved by or granted to the Government on the said original emphyteutical deeds.

On 26 June 2012, the company and the Government of Malta entered into a public deed pursuant to which the Issuer acquired the 65-year utile dominium over the Parliament Building and Open-Air Theatre. The consideration payable by the company for the acquisition of the temporary emphyteusis is an annual revisable ground rent of €100,000 and a premium of €82,000,000. On 28 December 2011, the company and the Government entered into a Novation Agreement pursuant to which, subject to a number of conditions, the company assumed the Government's obligation to pay GHRC the compensation due to it in terms of the Contracting Agreement (that is, in connection with the construction and development of City Gate area), subject to the maximum amount of €82,000,000. Such assumption was done by way of prepayment of the premium that would have become due on the publication of the Emphyteutical Grants.

The movement in the fair value of investment property comprises the movement in the fair value of the directum dominium of the MIA and VCP properties. The fair value of investment property is calculated with reference to the cash flows receivable by the company in terms of its contractual agreements, discounted to present value as at 30 September 2012. Accordingly, the fair value of the investment property is subject to variation owing to, amongst other things, movements in market interest rates and changes in the contractual cash flows owing to the passage of time.

The discount rate, used to discount the cash flows, is based on the yield to maturity on the longest term MGS in issue at the time when the prospectus was published plus a premium reflecting the risk inherent in the underlying cash flows. The directors believe that there have been no substantive changes in the domestic macro-economic indicators to suggest that the discount rate applied on 2 July 2012 (the date of the prospectus) is no longer applicable at the date of these financial statements.

5. Share capital

	30 September 2012 €	31 December 2011 €
Authorised		
113,000,000 Ordinary A shares of €1 each	-	113,000,000
37,000,000 Ordinary B shares of €1 each	-	37,000,000
150,000,000 Ordinary A shares of €0.50 each	**75,000,000**	-
50,000,000 Ordinary B shares of €0.50 each	**25,000,000**	-
	100,000,000	150,000,000
Issued and fully paid		
15,000,000 Ordinary A shares of €1 each	-	15,000,000
118,108,064 Ordinary A shares of €0.50 each	**59,054,032**	-
30,000,000 Ordinary B shares of €0.50 each	**15,000,000**	-
	74,054,032	15,000,000

	30 September 2012 €	31 December 2011 €
Issued share capital including issue costs		
15,000,000 Ordinary A shares of €1 each	-	15,000,000
118,108,064 Ordinary A shares of €0.50 each	**59,054,032**	-
30,000,000 Ordinary B shares of €0.50 each	**15,000,000**	-
Issue Costs	**(757,762)**	
	73,296,270	150,000,000

The company was incorporated on 3 June 2011 under the terms of the Maltese Companies Act, 1995 with an issued share capital of 15,000,000 shares of €1 each fully paid.

Ordinary A and Ordinary B shares rank *pari passu* for all intents and purposes of the law, except that holders of Ordinary A shares shall not be entitled to receive a dividend or other distribution in respect to profits generated by the Company during the period between the date of incorporation and 31 December 2014.

In terms of an extraordinary resolution dated 29 May 2012, the shareholders, pursuant to the Article of Association of the Company, unanimously resolved that the nominal value of the Ordinary A shares and Ordinary B shares in the Company be converted from €1.00 to €0.50 per share, and that both the authorised share capital and the issued share capital of the Company be re-denominated in shares of a nominal value of €0.50 each. The shareholders further resolved to decrease the authorised share capital of the Company from €150,000,000 divided into 226,000,000 and 74,000,000 Ordinary B shares to €100,000,000 dividend into 150,000 Ordinary A shares and 50,000,000 Ordinary B shares, each having a nominal value of €0.50 per share.

5. Share capital - continued

On the 23 July 2012, the company opened subscriptions for an initial public offering. The company has issued to the public 20,000,000 ordinary B shares at a nominal value of €0.50 each with a further over allotment of 10,000,000 ordinary B shares. The shares were offered at an issue price of €0.50. The share issue was fully subscribed and were admitted to listing on the Official List of the Malta Stock Exchange on 7 August 2012.

The company has incurred €757,762 in issue costs which include selling commissions and professional, publicity, printing, listing, registration, sponsorship, management and other expenses. The total of these costs is in line with what had been announced in the prospectus of the initial public offering in accordance with the company's accounting policy. These costs are shown in equity as a deduction, net of tax, from the proceeds.

6. Revenue

In terms of the agreement for the acquisition of the temporary directum dominium over the MIA and VCP sites (described in note 4), the company became eligible to receive ground rents from this investment property as from 1 December 2011.

7. Tax expense

The tax charge for the year is made up as follows:

	Period from 1 January to 30 September 2012	Period from 1 January to 30 September 2011
	€	€
Current tax expense	**(389,650)**	(2,703)
Deferred tax expense	**(446,200)**	-
Tax expense	**(835,850)**	**(2,703)**

7. Tax expense - continued

The tax on the company's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Period from 1 January to 30 September 2012	Period from 1 January to 30 September 2011
	€	€
Profit before tax	**1,592,872**	(637)
Tax on profit at 35%	**557,505**	(223)
Tax effect of:		
Income subject to 15% final withholding tax	**(24,415)**	(3,606)
Expenses not deductible for tax purposes	**83,868**	6,532
Movement in fair value of investment property	**(227,308)**	-
Tax charge in the accounts	**389,650**	2,703

8. Deferred tax

Deferred tax is provided for using the liability method for temporary differences arising on movements in the fair value of immovable investment property. The calculation of the deferred tax provision is based on the assumption that the Company will retain the immovable investment property beyond the initial seven-year period from acquisition in which the Company has the option to select the tax regime under which the fair value gain would be brought to tax. Accordingly, the Company provides annually for deferred tax so as to accumulate a provision equivalent to the principal tax rate of 12% of the fair value of investment property by the end of the expiry of the initial seven year period from acquisition.

The deferred tax balance as at 30 September 2012 represents:

	Period from 1 January to 30 September 2012	Period from 1 January to 30 September 2011
	€	€
Temporary differences on:		
Fair value gains	**(446,200)**	-

9. Earnings per share

Earnings per share is calculated by dividing the profit/(loss) attributable to owners of the company by the total number of ordinary shares in issue during the period.

	Period from 1 January to 30 September 2012	Period from 3 June to 30 September 2011
Profit/(loss) for the period (€)	**757,022**	(3,340)
Total number of ordinary shares in issue	**72,240,069**	15,000,000
Earnings per share (cents)	**1.05**	(0.02)

10. Cash generated from operations

Reconciliation of operating profit to cash generated from/(used in) operations:

	Period from 1 January to 30 September 2012 €	Period from 3 June to 30 September 2011 €
Operating profit/(loss)	**1,472,945**	(18,662)
Adjustments for:		
Depreciation of property, plant and equipment	**694**	-
Change in fair value of investment property	**(649,450)**	-
Changes in working capital:		
Trade and other receivables	**(861,615)**	-
Trade and other payables	**796,649**	18,658
Cash generated from/(used in) operations	**759,223**	(4)

The following non-cash transactions were carried out during the period:

	Period from 1 January to 30 September 2012 €
Acquisition of investment property dominium directum in exchange for share capital	**34,054,032**

11. Statutory information

Malita Investments p.l.c. is a public limited liability company and is incorporated in Malta.