MIDI plc (The 'Company')

Company Announcement

Interim Financial Information

The following is an announcement issued by the Company pursuant to Chapters 8 and 9 of the Malta Financial Services Authority Listing Rules.

Quote

The Board of Directors of the Company, at a meeting held on Friday 20 August 2010, approved the attached Condensed Consolidated Interim Financial Information for the six month period ended on 30 June 2010.

The Condensed Consolidated Interim Financial Information for the period ended 30 June 2010 is available for viewing and download on the Company's website : www.midimalta.com

Unquote

Luke Coppini
Company Secretary

31 August 2010

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Company Registration No. C 15836
Bankers: Bank of Valletta p.l.c. – HSBC Bank Malta p.l.c.

MIDI plc

Condensed Consolidated Interim Financial Information
30 June 2010

Contents

Interim Directors' Report pursuant to Listing Rule 9.44q

This interim report is published in terms of the Malta Financial Services Authority Listing Rules Chapters 8 and 9 and the Prevention of Financial Markets Abuse Act, 2005. The consolidated interim financial information included in this report has been extracted from MIDI plc's unaudited consolidated financial information for the six months ended 30 June 2010 prepared in accordance with IAS 34 'Interim Financial Reporting'. This interim report has been reviewed in accordance with the requirements of ISRE 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'.

Principal Activity
The principal activity of the group is the development of the Manoel Island and Tigné Point Project.

Review of Financial Performance
During the period under review, the group completed construction works on 'The Point' shopping mall and Pjazza Tigné. Both the shopping mall and the Pjazza, together with the underlying car parking, were launched and opened to the general public in March 2010. 'The Point' is Malta's largest shopping mall with 14,000 square metres of retail space a vast majority of which is occupied by tenants, principally operating as flagship stores for well established brands.

The finishes of the T10 residential block proceeded according to plan and this phase, which consists of 59 apartments, is drawing close to completion. By 30 June 2010, the group has entered into promise of sale agreements for a significant number of these apartments. The deeds of sale delivering these apartments to their owners are expected to commence during the second half of this financial year. Other construction works were concentrated in the foundations and basement levels of the T14 to T17 phase areas. These phases will consist principally of a mix of commercial and residential units. In accordance with the emphyteutical grant entered into with the Government of Malta, MIDI continued carrying out various infrastructural and restoration obligations both at Tigné Point and Manoel Island.

During the course of the six-month period ended 30 June 2010, the group delivered 12 apartments in T8 and T9 residential block with an aggregate sales value amounting to €8.1 million. New apartment sales by way of preliminary agreements for the first six months of 2010 remained satisfactory and at sustained price levels. There are no particular risks and uncertainties that are expected to have a significant impact on the financial results of the group for the forthcoming six-month period and its financial position as at 31 December 2010.

Dividends
The directors do not recommend the payment of an interim dividend.

On behalf of the board

Albert Mizzi
Chairman

Paul Bonello
Director

20 August 2010

Company Secretary: Luke Coppini
Registered Office:
North Shore,
Manoel Island
Malta
Telephone No. (+356) 2065 5500

Condensed Consolidated Statement of Financial Position

	as at 30 June 2010 (unaudited)	as at 31 December 2009 (audited)
ASSETS	**€**	€
Non-current assets		
Property, plant and equipment	**60,036,908**	50,227,037
Investment property	**26,301,657**	23,321,750
Other non-current assets	**1,109,116**	390,287
Total non-current assets	**87,447,681**	73,939,074
Current assets		
Inventories - Development project	**147,589,676**	149,016,437
Other current assets	**17,406,621**	15,314,331
Total current assets	**164,996,297**	164,330,768
Total assets	**252,443,978**	238,269,842
EQUITY		
Capital and reserves	**33,267,995**	32,679,422
LIABILITIES		
Non-current liabilities		
Trade and other payables	**22,718,569**	24,615,089
Borrowings	**86,420,302**	76,079,221
Other non-current liabilities	**11,950,626**	1,765,070
Total non-current liabilities	**121,089,497**	102,459,380
Current liabilities		
Trade and other payables	**69,645,948**	75,840,195
Borrowings	**28,440,538**	27,290,845
Total current liabilities	**98,086,486**	103,131,040
Total liabilities	**219,175,983**	205,590,420
Total equity and liabilities	**252,443,978**	238,269,842

The condensed consolidated interim financial information on pages 2 to 10 was authorised for issue by the board of directors on 20 August 2010 and was signed on its behalf by:

Albert Mizzi
Chairman

Paul Bonello
Director

Condensed Consolidated Income Statement

	Six Months Ended 30 June	
	2010	2009
	(unaudited)	(unaudited)
	€	€
Revenue	**9,124,911**	19,667,606
Gross profit	**2,335,176**	2,218,508
Operating profit	**1,946,458**	1,667,353
Net finance costs	**(917,291)**	(55,154)
Share of loss of joint venture	**(187,250)**	(233,773)
Profit before tax	**841,917**	1,378,426
Tax expense	**(412,177)**	(564,270)
Profit for the period	**429,740**	814,156
Earnings per share	**0.03**	0.06

Condensed Consolidated Statement of Comprehensive Income

	Six Months Ended 30 June	
	2010	2009
	(unaudited)	(unaudited)
	€	€
Profit for the period	**429,740**	814,156
Other comprehensive income:		
Cash flow hedges, net of deferred tax	**158,833**	-
Total comprehensive income for the period	**588,573**	814,156

Condensed Consolidated Statement of Changes in Equity

	Share capital €	Hedging reserve €	Retained earnings €	Total €
Balance at 1 January 2010	29,358,000	(317,825)	3,639,247	**32,679,422**
Comprehensive income				
Profit for the period	-	-	429,740	**429,740**
Other comprehensive income:				
Cash flow hedges, net of deferred tax	-	158,833	-	**158,833**
Total comprehensive income	-	158,833	429,740	**588,573**
Balance at 30 June 2010	**29,358,000**	**(158,992)**	**4,068,987**	**33,267,995**
Balance at 1 January 2009	29,358,000	-	2,679,074	**32,037,074**
Comprehensive income				
Profit for the period	-	-	814,156	**814,156**
Balance at 30 June 2009	**29,358,000**	**-**	**3,493,230**	**32,851,230**

Condensed Consolidated Statement of Cash Flows

	Six Months Ended 30 June	
	2010	2009
	(unaudited)	(unaudited)
	€	€
Net cash used in operating activities	**(19,859,491)**	(16,035,609)
Net cash from/(used in) investing activities	**3,965,354**	(13,505,051)
Net cash from financing activities	**20,659,848**	32,319,856
Net movement in cash and cash equivalents	**4,765,711**	2,779,196
Cash and cash equivalents at beginning of period	**2,695,070**	542,257
Cash and cash equivalents at end of period	**7,460,781**	3,321,453

Notes to the Condensed Consolidated Interim Financial Information

1. General information

MIDI plc is a public limited liability company with its principal activity being the development of the Manoel Island and Tigné Point Project. During the interim period under review, the group completed construction works on 'The Point' shopping mall and Pjazza Tigné, which together with the underlying car parking were launched and opened to the general public in March 2010. Furthermore, during the course of the six-month period ended 30 June 2010, the group continued its delivery of apartments in Tigné South.

This condensed consolidated interim financial information has been reviewed in accordance with the requirements of ISRE 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'.

2. Basis of preparation

The condensed consolidated interim financial information for the six months ended 30 June 2010 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2009, which have been prepared in accordance with IFRSs as adopted by the EU.

Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2009, as described in those financial statements, with the following exceptions.

- Property, plant and equipment

With effect from 1 January 2010, the group changed its accounting policy with respect to subsequent measurement of the land and buildings component of property, plant and equipment whereby these assets shall be carried at a revalued amount, being fair value at the date of the revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Increases in the carrying amount as a result of a revaluation shall be recognised in other comprehensive income and accumulated in equity. Revaluations shall be carried out on a regular basis to ensure that the carrying amount of property does not differ materially from that which would be determined using fair values at the end of the reporting period. Land and buildings were previously carried at cost less any accumulated depreciation and any accumulated impairment losses.

'The Point' shopping mall, the group's principal asset within this category, became ready for its intended use during the interim period under review and depreciation of the property and related asset components commenced. The group utilises the straight-line method to allocate the cost or revalued amounts of the assets to their residual values over their estimated useful lives, as follows:

	%
Land and buildings	1 - 4
Electrical and plumbing installations	2 - 10
Plant, machinery and operational equipment	4 - 6.67
Fixtures and fittings	2 - 6.67

Notes to the Condensed Consolidated Interim Financial Information - continued

2. Basis of preparation - continued

- Investment property
With effect from 1 January 2010, the group also changed its accounting policy with respect to subsequent measurement of investment property whereby these assets shall be fair valued and carried at fair value at the end of each reporting period. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Gains or losses arising from changes in the fair value of investment property shall be recognised in profit or loss for the period in which they arise. Investment property was previously carried at cost less any accumulated depreciation and any accumulated impairment losses.

These changes in accounting policies result in the financial statements providing reliable and more relevant information about the effects of events or conditions on the entity's financial position and financial performance. The changes in accounting policies did not have any impact on the group's financial results for the six-month period under review and its financial position as at 30 June 2010. The carrying amount of the land and buildings component of property, plant and equipment and investment property was not deemed to be materially different from their fair value at 30 June 2010.

Standards, interpretations and amendments to published standards effective in 2010
In 2010, the group adopted new standards, amendments and interpretations to existing standards that are mandatory for the group's accounting period beginning on 1 January 2010. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in changes to the group's accounting policies.

3. Segment information
Operating segments are reported in a manner consistent with the internal reporting provided to the Board of directors, which reports are utilised to make strategic decisions. The group has two operating segments:

- development and sale of property, which comprises primarily the construction and sale of residential units within the Tigné Point and Manoel Island Project; and
- property rental and management, which currently mainly involves the management of and lease of retail space within 'The Point' shopping mall together with the rental of other areas in the project.

The board of directors assesses the performance of the segments on the basis of segment operating result, before financing costs and tax impacts. The financial information for the reportable segments in relation to the six-month period ended 30 June 2010 is as follows:

	Development and sale of property €	Property rental and management €	Group €
Segment revenue	8,112,874	1,012,037	**9,124,911**
Segment result - operating profit	1,182,542	763,916	**1,946,458**

With respect to the six-month period ended 30 June 2009 the group's revenue and operating profit were principally derived from development and sale of residential units.

Notes to the Condensed Consolidated Interim Financial Information - continued

4. Property, plant & equipment

Additions to property, plant & equipment during the six-month period under review relate to finalisation works carried out at 'The Point' shopping mall prior to commissioning and commencement of business therefrom, which activity commenced in late March 2010, and consolidation of the land element of the mall within this category. Depreciation of the assets comprising the shopping mall also commenced with effect from the date on which 'The Point' was ready for intended use.

5. Inventories – Development project

The decrease in the carrying amount of inventories is the net effect of:
- additions to inventories mainly comprising mechanical and electrical installations together with finishes of the T10 residential block and construction works on the foundations and basement levels of the T14 to T17 phase areas; and
- transfer from inventories to income statement of the cost of apartments sold by way of final deeds, in T8 and T9 residential block, during the six-month period ended 30 June 2010 together with reclassifications to property, plant and equipment and investment property upon determination of intended use.

6. Borrowings

The group non-current bank borrowings increased by €10.7 million reflecting financing required to sustain the development stages of the different project phases.

7. Other non-current liabilities

Other non-current liabilities comprise advances from shareholders amounting to €10 million (31 December 2009: nil).

8. Related party transactions

All companies forming part of the respective groups of which Alf. Mizzi & Sons Limited, Bank of Valletta p.l.c., Gatt Investments Limited, Gee Five Limited (Gasan Group), Fortress Developments Limited, Middle Sea Valletta Life Assurance Co. Limited, Investors Limited, Polidano Brothers Limited, Vassallo Builders Group Limited and Lombard Bank Malta p.l.c. form part, together with First Gemini p.l.c. and Pininfarina Extra s.r.l., are considered by the directors to be related parties by virtue of the shareholding of the companies referred to in MIDI plc. Accordingly, all entities owned, controlled or significantly influenced by the group's ultimate shareholders, the parent company's directors and close members of their families together with all entities owned, controlled or significantly influenced by these individuals are the principal related parties of the group.

The principal transactions carried out with related parties were as follows:

i) Purchase of goods and services

	Six Months Ended 30 June	
	2010	2009
	€	€
Purchase of services from related parties	**5,695,792**	10,520,472

At 30 June 2010, the group had outstanding contractual commitments with related parties for project development for the amount of €2,296,455 (31 December 2009: €4,824,778).

Notes to the Condensed Consolidated Interim Financial Information - continued

8. Related party transactions - continued

ii) Sale of apartments to related parties

The group had total deposits on promise of sale agreements as at 30 June 2010 amounting to €14,019,825 (31 December 2009: €19,490,955) and the gross value of contracts relating to these promise of sale agreements was €42,253,396 (31 December 2009: €46,397,270), of which those contracted with related parties are scheduled hereunder:

	as at	as at
	30 June	31 December
	2010	2009
	€	€
Deposits on promise of sale agreements	**6,102,002**	7,933,099
Value of contracts relating to the above promise of sale agreements	**15,456,069**	17,287,166

During the interim period under review, no apartment sales in the form of final public deeds were concluded with related parties (30 June 2009: sales value in terms of final public deeds amounted to €866,560).

iii) Bank loans from shareholder banks

	as at	as at
	30 June	31 December
	2010	2009
	€	€
Outstanding balances	**50,096,063**	46,954,275

The interest charged on loans from related parties during the six month periods ended 30 June 2010 and 2009 amounted to €1,069,523 and €1,026,568 respectively. As at 30 June 2010 the Group has banking facilities of €55,712,090 (31 December 2009: €55,712,090) sanctioned by related parties.

iv) Deposits with shareholder banks

	as at	as at
	30 June	31 December
	2010	2009
	€	€
Outstanding balances	**7,188,637**	7,054,151

The interest income earned on deposits with related parties during the six month periods ended 30 June 2010 and 2009 amounted to €19,822 and €140,953 respectively.

Notes to the Condensed Consolidated Interim Financial Information - continued

8. Related party transactions - continued

v) Bonds held by related parties

	Face value of bonds held at		Interest payable during the six months ended	
	30 June 2010	31 December 2009	**30 June 2010**	30 June 2009
	€	€	**€**	€
Shareholders	**1,844,100**	1,844,100	**64,544**	55,579
Directors and other officers of the company, together with close family members of these individuals	**120,981**	117,721	**4,234**	3,548
Other related parties	**500,000**	500,000	**17,500**	15,069
Held by related parties as nominees in the ordinary course of their business	**868,432**	664,114	**30,395**	20,016

The group has also entered into a cross currency interest rate swap agreement, reflecting a derivative asset of €901,079 as at 30 June 2010 (31 December 2009: derivative liability of €54,227), with a financial institution which is a related party.

The transactions, undertaken with related parties, disclosed above were carried on commercial terms in the normal course of business and are subject to scrutiny by the Board of Directors.

Balances outstanding as at end of the reporting period with respect to related parties were as follows:

	as at 30 June 2010	as at 31 December 2009
	€	€
Amounts owed to related parties	**(3,664,432)**	(1,588,035)
Amounts owed by joint venture	**61,439**	23,798

Directors' Statement pursuant to Listing Rule 9.44k.3

We hereby confirm that to the best of our knowledge:

- The condensed consolidated interim financial information gives a true and fair view of the financial position of the group as at 30 June 2010, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (IAS 34, 'Interim Financial Reporting').
- The interim directors' report includes a fair review of the information required in terms of Listing Rule 9.44q.

Albert Mizzi
Chairman

Paul Bonello
Director

20 August 2010

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of MIDI plc

Introduction
We have reviewed the accompanying condensed consolidated statement of financial position of MIDI plc as at 30 June 2010 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended. The directors are responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU applicable to interim financial reporting (IAS 34 'Interim Financial Reporting'). Our responsibility is to express a conclusion on this interim financial information 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 the Listing Rules of the Malta Financial Services Authority 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
167 Merchants Street
Valletta
Malta

FAxisa

Fabio Axisa
Partner

20 August 2010

a) The maintenance and integrity of the MIDI plc website is the responsibility of the directors of the company; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the condensed consolidated interim financial information since they were initially presented on the website.
b) Legislation in Malta governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.