SUMMARY NOTE

DATED 28 JUNE 2016

This Summary Note is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No 486/2012 of the 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015.

In respect of an Issue of up to €55,000,000 4% Secured Bonds 2026
of a nominal value of €100 per Secured Bond issued at par by

INTERNATIONAL HOTEL INVESTMENTS p.l.c.

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA
WITH COMPANY REGISTRATION NUMBER C 26136

with the joint and several Guarantee* of

IHI MAGYARORSZÁG ZRT.

A PRIVATE LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF HUNGARY
WITH COMPANY REGISTRATION NUMBER Cg.01-10-044660

ISIN:- MT0000111303

*Prospective investors are to refer to the Guarantee contained in Annex III of the Securities Note forming part of this Prospectus for a description of the scope, nature and term of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in this Registration Document and the Securities Note for a discussion of certain risk factors which should be considered by prospective investors in connection with the Secured Bonds and the Guarantee provided by IHI Magyarország Zrt.

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENTS ARE IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THESE SECURITIES.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.

APPROVED BY THE DIRECTORS

Joseph Fenech on behalf of: Alfred Pisani, Frank Xerri de Caro, Abdulnaser M.B. Ahmida, Douraid Zaghouani, Hamad Mubarak Mohd Buamin, Abuagila Almahdi, Khaled Amr Algonsel, Joseph Pisani, Winston V. Zahra, Joseph J. Vella.

Manager and Registrar	Sponsor	Legal Counsel
BOV Bank of Valletta	CHARTS WEALTH MANAGEMENT • CORPORATE BROKING	CAMILLERI PREZIOSI ADVOCATES

IMPORTANT INFORMATION

THIS SUMMARY NOTE CONSTITUTES PART OF A PROSPECTUS AND CONTAINS INFORMATION IN RELATION TO INTERNATIONAL HOTEL INVESTMENTS P.L.C. IN ITS CAPACITY AS ISSUER AND IHI MAGYARORSZÁG ZRT. IN ITS CAPACITY AS GUARANTOR. THIS DOCUMENT INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH: (A) THE COMPANIES ACT, (CAP. 386 OF THE LAWS OF MALTA) AND COMMISSION REGULATION (EC) NO. 809/2004 OF 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS (AS AMENDED BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF 30 MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4 JUNE 2012, COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30 APRIL 2013, COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014 AND COMMISSION DELEGATED REGULATION (EU) NO. 2016/301 OF 30 NOVEMBER 2015); AND (B) THE RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST OF THE MSE.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE ISSUER OTHER THAN THOSE CONTAINED IN THE PROSPECTUS AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, ITS DIRECTORS, OR ADVISORS. THE ADVISORS ENGAGED BY THE ISSUER FOR THE PURPOSE OF THIS SHARE ISSUE ARE ACTING EXCLUSIVELY FOR THE ISSUER.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY AND THE MSE, AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES. APPLICATION HAS BEEN MADE TO THE MSE, FOR THE SECURED BONDS TO BE ADMITTED TO THE OFFICIAL LIST OF THE MSE. **A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.**

THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THIS DOCUMENT. ACCORDINGLY NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN ANY FINANCIAL INSTRUMENTS AND SECURITIES ISSUED BY THE ISSUER.

ALL THE ADVISORS TO THE ISSUER HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON. NONE OF THE ADVISORS ACCEPT ANY RESPONSIBILITY TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE CONTENTS OF, AND ANY INFORMATION CONTAINED IN, THE PROSPECTUS, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH.

THE DIRECTORS OF THE ISSUER CONFIRM THAT WHERE INFORMATION INCLUDED IN THIS PROSPECTUS HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED, AND AS FAR AS THE DIRECTORS OF THE ISSUER ARE AWARE AND ARE ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. IF YOU NEED ADVICE WITH RESPECT TO THE BOND ISSUE, YOU SHOULD CONSULT A LICENSED STOCKBROKER OR AN INVESTMENT ADVISOR LICENSED UNDER THE INVESTMENT SERVICES ACT, CAP. 370 OF THE LAWS OF MALTA.

THIS DOCUMENT AND ALL AGREEMENTS, ACCEPTANCES AND CONTRACTS RESULTING THEREFROM SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF MALTA, AND ANY PERSON ACQUIRING ANY SECURED BONDS PURSUANT TO THE PROSPECTUS SHALL SUBMIT TO THE JURISDICTION OF THE MALTESE COURTS, WITHOUT LIMITING IN ANY MANNER THE RIGHT OF THE ISSUER TO BRING ANY ACTION, SUIT OR PROCEEDING, IN ANY OTHER COMPETENT JURISDICTION, ARISING OUT OF OR IN CONNECTION WITH ANY PURCHASE OF SECURED BONDS, OR AGREEMENT, ACCEPTANCE OR CONTRACT RESULTING HEREFROM, OR THE PROSPECTUS AS A WHOLE.

STATEMENTS MADE IN THIS DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THERETO.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

This Summary Note is prepared in accordance with the requirements of the Regulation.

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1– E.7). This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

Except where the context otherwise requires, the capitalised words and expressions used in this Summary Note shall bear the meanings assigned to them in the Registration Document and the Securities Note, as the case may be.

SECTION A – INTRODUCTION AND WARNINGS

A.1 Prospective investors are hereby warned that:

i. This summary is being provided to convey the essential characteristics and risks associated with the Issuer and the securities being offered pursuant to this document. This part is merely a summary and therefore should only be read as an introduction to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this summary in making a decision as to whether to invest in the securities described in this document. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor;

ii. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and

iii. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, and who applied for its notification, but only if the summary, when read together with the other parts of the Prospectus: is misleading, inaccurate or inconsistent; or does not provide key information in order to aid investors when considering whether to invest in such securities.

A.2 **Consent required in connection with the use of the Prospectus by the Authorised Financial Intermediaries**

Prospective investors are hereby informed that:

i. for the purposes of any subscription for Secured Bonds through any of the Authorised Financial Intermediaries and any subsequent resale, placement or other offering of Secured Bonds by such Authorised Financial Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive, the Issuer consents to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale or placement or other offering of Secured Bonds, provided this is limited only:

   a. in respect of Secured Bonds subscribed for through Authorised Financial Intermediaries listed in Annex I of the Securities Note during the Preferred Applicants' Offer Period and the Public Offer Period;

   b. to any resale or placement of Secured Bonds subscribed for as aforesaid, taking place in Malta;

   c. to any resale or placement of Secured Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus.

ii. **in the event of a resale, placement or other offering of Secured Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary shall be responsible to provide information to investors on the terms and conditions of the resale, placement or other offering at the time such is made.**

SECTION B – ISSUER AND GUARANTOR

B.1 (B.19) The legal and commercial name of the Issuer is International Hotel Investments p.l.c. The legal and commercial name of the Guarantor is IHI Magyarország Zrt. (full name IHI Magyarország Szolgáltató zártkörűen működő részvénytársaság).

B.2 (B.19) The Issuer was registered in Malta in terms of the Act on 29 March 2000, as a public limited liability company. The Issuer is domiciled in Malta. The Guarantor was registered in Hungary on 30 July 2001, as a company limited by shares (unlisted). The Guarantor is domiciled in Hungary.

B.4b (B.19) The following is an overview of the most significant recent trends affecting the Issuer and the Guarantor and the markets in which the Group operates:

Libya – The continued instability and state of uncertainty prevailing since the 2011 uprising continues to have a negative effect on Libya's economy and as a result, on the performance and operation of the Corinthia Hotel Tripoli. Low occupancy at the Corinthia Hotel Tripoli is expected in 2016. Moreover, development of a number of the Group's properties in Libya (including Medina Tower and the Benghazi Project) will remain on hold until such time when there are clear signs that the turmoil in Libya has subsided and a gradual recovery in business activity has commenced.

Russia – Lower oil prices, a decline in real wages, the weakening of the Rouble and the impact from external economic factors continued to weigh on the Russian economy in 2015 and the first part of 2016. However, initial signs of stabilisation are coming from the industrial sector, while performance in the agricultural sector is also looking better. The Corinthia Hotel St Petersburg has been affected by a reduction in corporate travel to the Russian Federation and a significant reduction in the value of the Rouble against the Euro. The challenges set, and so far acted upon, by the Hotel's management team have been to source alternative markets, targeting in particular as much business as possible from within the Russian Federation itself, and to operate the Hotel with a wide range of room rates targeting upscale corporate to luxury travellers.

Malta – Tourism in Malta has in recent years been performing at a strong level and this trend continued in 2015 as well. Although tourists residing in collective accommodation (hotels, guesthouses, hostels, B&Bs, etc) made up 71.7% of the market in 2015, preference for private accommodation has been growing in the last years at a faster pace, and actually increased by 18.2% from 2014. Beyond 2015, Malta's EU Presidency in 2017 together with Valletta serving as the European City of Culture in 2018 are widely expected to generate increased demand for hotels and enhance Malta's image as a tourist and leisure destination, which would in turn generate future growth. In the light of the above developments, the Group's hotel properties in Malta have performed exceptionally well both in terms of revenue generation and profitability, achieving significant year-on-year growth.

Hungary – Hungary's economy picked up pace in the fourth quarter of 2015 as GDP growth accelerated from 2.4% in Q3 2015 to 3.2% in Q4. The pick-up in growth was driven by a robust performance from the domestic economy. Although a deceleration in funding inflows from the EU is limiting growth, steps taken by the Central Bank of Hungary and the Government should mitigate the impact. The Central Bank of Hungary is projecting rising incomes and increased lending, which should support consumption and GDP growth. In 2015, the number of nights spent by domestic tourists increased by 6.4% and that of international tourism nights increased by 4.6% compared to a year earlier. Key markets that are contributing to growth in incoming travel include Germany, Austria, Russia, UK and the US. Overall, tourism prospects in Hungary are believed to be promising. The conflict in neighbouring Ukraine and the escalating economic difficulties in Russia, however, pose great uncertainties as both are important feeder markets and drastic changes in arrival numbers could affect the performance. In line with the country's economic improvements, the Group's five star hotel property achieved significant year-on-year growth both in revenue generation and in profitability

Czech Republic – The Czech Republic's economic performance was extraordinarily strong in 2015 and a third consecutive annual expansion above 4.0% was recorded (2015: 4.3%). The economy will likely decelerate in 2016 and expand at a more sustainable pace, partly because inflows of EU funds and government spending are projected to slow. In 2015, Czech hotels reported an increase in overnight stays of 10.2% year-on-year to 47.1 million and guest numbers (both resident and foreign guests) increased by 9.6% to 17.2 million. Most significant source markets are Germany, Russia, Italy, UK, US, Slovakia and Poland, while demand is also increasing from other markets such as China and South Korea. This positive trend was also witnessed at the Group's five star hotel property in Prague where over the past couple of years there has been significant year-on-year growth both in revenue streams and profitability.

Portugal – Portugal's gross domestic product expanded in the three months through December 2015 from the prior quarter as a rise in exports helped offset a drop in investment. In 2015, tourism accommodation establishments hosted 17.4 million guests (+8.6%) and registered 48.9 million overnight stays (+6.7%). Compared to the corresponding year, the internal market grew by 5.3% registering 14.5 million overnight stays. The coordination between tourism and aviation authorities to expand available routes turned out to be crucial for Portugal's success in the tourism industry. With the introduction of low cost airline carriers to the country, Portugal is perceived as a 'value for money' destination and this has been one of the leading factors contributing to the growth in hospitality numbers detailed above. The Group's hotel property in Lisbon has likewise benefitted from this upsurge in business registering significant year-on-year growth both in revenue and profitability.

United Kingdom – The UK economy grew by 0.5% in Q4 2015, taking the annual rate of growth for 2015 to 2.2% (0.7% lower than the 2.9% growth registered in 2014). Uncertainty following the referendum result for UK to leave the European Union, weak overseas growth and financial market volatility are all creating an unsettling business environment and point to downside risks to the economy in 2016. In the 12 months to December 2015, the number of visits to the UK was 4% higher (to 35.8 million visits) than a year earlier and earnings remained the same during this period (non-residents spent £21.8 billion in 2015). Visits from North America and Europe were up by 8% and 3% respectively and visits from 'Other Countries' grew by 6%. Business trips grew 6%, holiday visits increased by 1% and visits to friends or relatives was up 7%. Since its launch in 2011, the Corinthia Hotel & Residences London managed to increase both its revenue generation and operating profits annually. 2015 has been the best performing year for the hotel as it is now approaching its stabilised years of performance.

B.5 (B.19) The Issuer was set up and promoted by the Corinthia Group as the principal vehicle for the international expansion of the Group's hotels and mixed use developments. The Issuer is principally engaged, directly or through subsidiaries and/or associated entities, in investments that are predominantly focused on the ownership, development and operation of mixed-use real estate developments that consist principally of hotels, residences, offices, retail areas, as well as industrial and event catering, in various countries. Whilst CPHCL holds directly 58.49% of the share capital in the Issuer, Istithmar and LFICO both act as strategic investors in the company with direct holdings of 21.95% and 10.97% respectively. The remaining shares in the Issuer are held by the general investing public. The Guarantor is a fully owned subsidiary of the Issuer.

B.9 Not Applicable: no profit forecasts or estimates have been included in the Prospectus.

B.10 (B.19) Not Applicable: the audit reports on the audited financial statements for the years ended 31 December 2013, 2014 and 2015 of both the Issuer and the Guarantor do not contain any material qualifications. However, the audit report contained in the audited consolidated financial statements of the Issuer for the year ended 31 December 2015 includes an emphasis of matter relating to the significant political and economic uncertainties prevailing in Libya and their impact on the Group for 2015.

B.12 The historical financial information for the two financial years ended 31 December 2013 and 2014 as audited by Grant Thornton and for the financial year ended 31 December 2015 as audited by PricewaterhouseCoopers are set out in the consolidated financial statements of the Issuer. Such audited consolidated financial statements are available on the Issuer's web-site www.ihiplc.com.

The financial information about the Guarantor is included in the audited financial statements for each of the financial years ended 31 December 2013, 2014 and 2015, which have been audited by PricewaterhouseCoopers Könyvvizsgáló Korlátolt Felelősségű Társaság. The said statements have been published and are available at its registered office.

There has been no material adverse change in the prospects of the Issuer and the Guarantor since the date of their respective last published audited financial statements.

There were no significant changes in the financial or trading position of the Issuer and the Guarantor since the date of their respective last published audited financial statements.

Extracts of the historical financial information of the Issuer and the Guarantor referred to above are set out below:

International Hotel Investments p.l.c.

Condensed Consolidated Income Statement	**2013**	**2014**	**2015**
for the year ended 31 December	**(€'000)**	**(€'000)**	**(€'000)**
Revenue	123,734	116,379	134,074
Net operating expenses	(112,516)	(105,919)	(122,050)
Movement in fair value of investment property	571	(15,391)	193
Net impairment of hotel properties	5,000	2,081	11,639
Results from operating activities	**16,789**	**(2,850)**	**23,856**
Share of loss: equity accounted investments	(5,788)	(14,537)	(2,557)
Net finance costs	(15,940)	(13,035)	(22,199)
Other	906	587	551
Loss before tax	**(4,033)**	**(29,835)**	**(349)**
Taxation	4,299	13,549	(3,398)
Loss for the year	**266**	**(16,286)**	**(3,747)**

International Hotel Investments p.l.c. Condensed Consolidated Balance Sheet as at 31 December	2013 (€'000)	2014 (€'000)	2015 (€'000)
Non-current	1,042,268	961,305	1,091,247
Current	50,404	50,735	68,396
Total assets	**1,092,672**	**1,012,040**	**1,159,643**
Total equity	**626,491**	**594,814**	**608,288**
Non-current	390,061	354,402	451,356
Current	76,120	62,824	99,999
Total liabilities	**466,181**	**417,226**	**551,355**
Total equity and liabilities	**1,092,672**	**1,012,040**	**1,159,643**

IHI's revenue for FY2015 amounted to €134.1 million, an increase of €17.7 million from a year earlier. The increase in revenue is attributable to the increased revenues in IHI's European operations (€9.8 million) and the consolidation of the IHGH results for the second half of 2015 (€17.6 million). Against this, there was combined reduction of €9.7 million from the Group's hotels located in St Petersburg and Tripoli. Results from operating activities in FY2015 amounted to €23.9 million, a significant increase when compared to the loss incurred in FY2014 of €2.9 million. In 2015, the Group registered net property uplifts, before tax, of €42.6 million on account of the improved trading performance of the Group's hotels located in Europe. This contrasts sharply with the net impairment charge, before tax, of €24.4 million registered in 2014. These uplifts are reflected as to €11.8 million through the income statement (2014: impairment of €13.3 million) with the balance of €30.8 million being recognised through the comprehensive income statement (2014: impairment of €11.1 million). In FY2015, IHI reported a loss for the year of €3.7 million (FY2014: loss of €16.3 million).

IHI Magyarország Zrt. Condensed Income Statement for the year ended 31 December	2013 (€'000)	2014 (€'000)	2015 (€'000)
Revenue	19,043	20,756	23,139
Net operating expenses	(16,387)	(16,962)	(18,350)
Net finance costs	(1,149)	(1,044)	(855)
Profit before tax	**1,507**	**2,750**	**3,934**
Taxation	(26)	95	(2,232)
Profit for the year	**1,481**	**2,845**	**1,702**

IHI Magyarorszag Zrt. Condensed Balance Sheet as at 31 December	2013 (€'000)	2014 (€'000)	2015 (€'000)
Non-current	86,214	95,300	104,800
Current	6,720	7,203	6,919
Total assets	**92,934**	**102,503**	**111,719**
Total equity	**15,176**	**27,342**	**37,885**
Non-current	70,694	68,529	66,088
Current	7,064	6,632	7,746
Total liabilities	**77,758**	**75,161**	**73,834**
Total equity and liabilities	**92,934**	**102,503**	**111,719**

In 2015, the hotel registered revenues of €23.1 million - an improvement of 12% on FY2014 levels. This increase was underpinned by further increases in occupancy and average room rates from 74% to 78% and from €114 to €127 respectively. Revenue per available room increased by 16% to €99 from FY2014 levels. Profit for the year was lower in 2015 by €1.1 million to €1.7 million when compared to the prior year (2014: €2.8 million).

B.13 Not Applicable: neither the Issuer nor the Guarantor are aware of any recent events which are to a material extent relevant to the evaluation of their solvency.

B.14 (B.19) The Issuer was set up by the Corinthia Group in 2000. Following a successful initial public offering that same year, the Issuer's shares were listed on the Official List. CPHCL holds directly 58.49% of the share capital in the Issuer. Istithmar and LFICO both act as strategic investors in the company with direct holdings of 21.95% and 10.97% respectively. LFICO also owns 50% of CPHCL, whilst half of its direct holding of 10.97% is subject to a call option in favour of CPHCL. The remaining shares in the Issuer are held by the general investing public. As the holding company of the Group, the Issuer is ultimately dependent upon the operations and performance of its subsidiaries and their respective operations.

The Guarantor was set up as a fully owned subsidiary of the Issuer and its principal business, as a hotel-owning company, is that of providing hotel services. The Guarantor is not dependent upon the operations and performance of any Group companies.

B.15 (B.19) As at the date of the Prospectus, the Issuer serves as the principal vehicle for the international expansion of the Group's hotels and mixed use developments. In terms of its Memorandum and Articles of Association, the principal object of the Issuer is to carry on the business of a finance and investment company in connection with the ownership, development, operation and financing of hotels, resorts, leisure facilities, tourism related activities and such other activities as may from time to time be ancillary or complimentary to the foregoing whether in Malta or overseas.

The principal business of the Guarantor, a hotel-owning company, is that of providing hotel services.

B.16 (B.19) CPHCL holds directly 58.49% of the share capital in the Issuer, whilst Istithmar and LFICO both act as strategic investors in the company with direct holdings of 21.95% and 10.97% respectively. LFICO also owns 50% of CPHCL and half of its direct holding of 10.97% is subject to a call option in favour of CPHCL. The remaining shares in the Issuer are held by the general investing public.

The entire issued share capital of the Guarantor is held by the Issuer.

B.17 Not Applicable: Neither the Issuer nor the Guarantor has sought the credit rating of an independent rating agency, and there has been no assessment by any independent rating agency of the Secured Bonds issued by the Issuer.

B.18 For the purposes of the Guarantee, the Guarantor irrevocably and unconditionally guarantees to each Bondholder that if for any reason the Issuer fails to pay any sum payable by it to such Bondholder pursuant to the terms and conditions of the Secured Bonds as and when the same shall become due under any of the foregoing, the Guarantor will pay to such Bondholder on demand the amount payable by the Issuer to such Bondholder. The obligations of the Guarantor under the Guarantee shall remain in full force and effect until no sum remains payable to any Bondholder pursuant to the issue of the Secured Bonds.

SECTION C – SECURITIES

C.1 The Issuer shall issue an aggregate of €55,000,000 in Secured Bonds having a face value of €100 per bond, subject to a minimum holding of €2,000 in Secured Bonds. The Secured Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. On admission to trading the Secured Bonds will have the following ISIN: MT0000111303. The Secured Bonds shall bear interest at the rate of 4% per annum.

C.2 The Secured Bonds are denominated in Euro (€).

C.5 The Secured Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.

C.8 Investors wishing to participate in the Secured Bonds will be able to do so by duly executing an Application Form in relation to the Secured Bonds. Execution of the Application Form will entitle such Bondholder to:

(i) the repayment of capital;

(ii) the payment of interest;

(iii) the benefit of the Security Interest through the Security Trustee, as explained in Element E.3(3) below;

(iv) attend, participate in and vote at meetings of Bondholders in accordance with the terms and conditions of the Secured Bond; and

(v) enjoy all such other rights attached to the Secured Bonds emanating from the Prospectus.

The payment of the principal under the Secured Bonds and interest thereon shall be secured by the Guarantee as well as by a first-ranking mortgage over the Security Property which the Guarantor, pursuant to a Trust Deed entered into with the Issuer and Security Trustee, has agreed to constitute in favour of the Security Trustee for the benefit of Bondholders.

In terms of Hungarian law, upon creation of the Security Interest over the Security Property, until such time as such Security Interest remains in force no prior-ranking security interest may be registered over the Security Property. With respect to the remaining assets of the Guarantor, third party security interests may be registered which, for so long as such third party security interests remain in effect, will rank in priority to the Secured Bonds in respect of such other assets of the Guarantor.

Without prejudice to the aforesaid, with reference to the Issuer, investors' attention is drawn to the fact that third party security interests may be registered which, for so long as such third party security interests remain in effect, will rank in priority to the Secured Bonds in respect of the assets of the Issuer.

C.9 The issue and allotment of the Secured Bonds is conditional upon: (i) the Secured Bonds being admitted to the Official List of the MSE; and (ii) the Security Interest being constituted in favour of the Security Trustee. Subject to the Bond Issue becoming unconditional, the Secured Bonds shall bear interest from and including 29 July 2016 at the rate of 4% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The nominal value of the Secured Bonds will be repayable in full upon maturity on the Redemption Date unless they are previously re-purchased and cancelled. The first interest payment will be effected on 29 July 2017 (covering the period 29 July 2016 to 28 July 2017). Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Secured Bonds at Redemption Date is four per cent (4%). The remaining component of Element C.9 is Not Applicable, given that no representative of debt security holders has been appointed.

C.10 Not Applicable: there is no derivative component in the interest payments on the Secured Bonds.

C.11 The Listing Authority has authorised the Secured Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 28 June 2016. Application has been made to the MSE for the Secured Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List. The Secured Bonds are expected to be admitted to the MSE with effect from 5 August 2016 and trading is expected to commence on 8 August 2016.

SECTION D – RISKS

D.2 Key information on the key risks specific to the Issuer:

Holding of a Secured Bond involves certain risks. Prospective investors should carefully consider, with their own independent financial and other professional advisors, the following risk factors and other investment considerations as well as all the other information contained in the Prospectus before deciding to acquire Secured Bonds. Prospective Investors are warned that by investing in the Secured Bonds they may be exposing themselves to significant risks that may have the consequence of losing a substantial part of all of their investment.

This document contains statements that are, or may be deemed to be, "forward-looking statements", which relate to matters that are not historical facts and which may involve projections of future circumstances. They appear in a number of places throughout the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and/or its' Directors. These forward looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer's Directors. No assurance is given that the future results or expectations will be achieved.

Prospective investors are advised to read the Prospectus in its entirety and, in particular, the sections entitled "Risk Factors" in the Registration Document and Securities Note, for an assessment of the factors that could affect the Issuer's and Guarantor's future performance.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds will be repayable in full upon maturity, unless the Bonds are previously re-purchased and cancelled. An investment in the Bonds involves certain risks, including those described below.

An investment in the Issuer and the Secured Bonds may not be suitable for all recipients of the Prospectus and prospective investors are urged to consult an independent investment advisor licensed under the Investment Services Act (Cap 370 of the laws of Malta) as to the suitability or otherwise of an investment in the Secured Bonds before making an investment decision.

The risk factors set out below are a summary of the principal risks associated with an investment in the Issuer and the Secured Bonds – there may be other risks which are not mentioned in this summary.

The following is a summary of some of the principal risks relating to the Group and its Business:

i. **The Issuer's operations and the results of its operations are subject to a number of factors that could adversely affect the Group's business, many of which are common to the hotel and real estate industry and beyond the Group's control.**

ii. **The Issuer's business is reliant on mixed use developments having hotels as their principal component, spread across various countries. Severe competition in certain countries and changes in economic and market conditions could adversely affect the Issuer's business and operating results.**

iii. The Issuer's business model remains primarily reliant on hotel assets, with a diversified strategy resulting in increased reliance on non-hotel assets, mainly in commercial and residential real estate. Accordingly the Issuer's prospects should be considered in light of the risks and difficulties generally encountered by companies operating in similar markets and industry sectors.

iv. The Group has operations situated in emerging markets, specifically Libya and the Russian Federation. Businesses in emerging markets may not be operating in a market-oriented economy as is generally associated with developed markets. As the political, economic and social environments in certain countries in which the Group has invested remain subject to continuing development, investments in these countries are characterised by a degree of uncertainty. Any unexpected changes in the political, social, economic or other conditions in these countries may have an adverse effect on any investments made. The consequences may be profound and accordingly prospective investors should take into account the unpredictability associated therewith.

v. The legal and judicial system of certain countries in which the Group operates may be different from that which some investors may be more familiar with in certain civil and common law jurisdictions, and investors in Malta may consider such systems as not providing, in various aspects, the level of comfort for investment which they are used to under the Maltese legal system or other civil and common law jurisdictions, and accordingly they may consider that the Issuer may face difficulties in enforcing its legal rights relating to the properties owned in such countries.

vi. The room rates and occupancy levels of hotels forming part of the Group could be adversely impacted by a number of events including political, social and economic instability, amongst others, all of which could have the effect of reducing domestic or international travel and consequently decreasing the demand for hotel rooms, which may have an adverse impact on the Group's operations and financial results. With particular reference to the Group's operations in Libya and the Russian Federation:

- Libya: The continued instability and state of uncertainty prevailing since the 2011 uprising continues to have a negative effect on travel to Libya and accordingly on the performance and operation of the Group's hotel in Tripoli as well as on the financial results of the Group relative to that particular hotel. Economic uncertainty and political risk remain high in Libya with prevalent threats to positive development, including the rising incidence of violent acts resulting from conflicts and terrorist activity in several parts of the country, with some areas such as the Sirte basin being affected particularly badly. Locations visited by foreigners, including diplomatic interests and other symbolic targets, have been the subject of attacks. Security concerns resulting from the above, as well as social unrest and lack of clarity on the political situation have also brought about a decline in investor confidence, investment (including foreign direct investment) and capital spending.
- The Russian Federation: The Russian Federation's actions in Ukraine have elicited international criticism and resulted in the imposition of a series of European and international sanctions on the Russian Federation's financial, defence and energy sectors. Furthermore, the Russian Federation has been negatively impacted by a significant drop in prices of its largest export, oil. Reliance on tax revenues from the oil industry makes the Russian Federation particularly sensitive to price movements. The Rouble has weakened significantly as a result of the foregoing.

Such negative political or economic factors and trends may continue to negatively affect the operating results of the Group and could also have a material impact on the business of the Issuer in these regions.

vii. Natural disasters, the spread of contagious disease, industrial action, travel-related accidents, terrorist activity and war and the targeting of hotels and popular tourist destinations in particular, have in the past had a significant negative impact on the hotel industry globally and such events could have a similarly negative impact in the future. Events such as the aforementioned in locations where the Group owns or operates hotels could have an adverse impact on occupancy levels in hotels owned or operated by the Group, and on the business, financial condition, results of operations and prospects of the Group.

viii. To varying degrees, the Group is reliant upon technologies and operating systems (including IT systems) developed by third parties for the running of its business, and is exposed to the risk of failure of such systems. Whilst the Group has service agreements and disaster recovery plans with third party providers of these systems to ensure continuity and stability of these systems, there can be no assurance that the service or systems will not be disrupted. Disruption to such technologies or systems and/or lack of resilience in operational availability could adversely affect the efficiency of the Group's business, financial condition and/or operating results.

ix. If one or more of the members of the executive management team and other key personnel were unable or unwilling to continue in their present position, the Group might not be able to replace them within the short term, which could have a material adverse effect on the Group's business, financial condition and results of operations.

x. With respect to losses for which the Group is covered by its insurance policies, it may be difficult and may take time to recover such losses from insurers. No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates.

xi. The Issuer's business, either directly or through subsidiaries or associated entities, consists of the acquisition, development and operation of real estate projects having a hotel as their main component. Property acquisition and development projects are subject to a number of specific risks including, amongst others, the inability to source adequate opportunities, cost overruns and the insufficiency of resources to complete the projects. If these risks were to materialise, they would have an adverse impact on the Issuer's revenue generation, cash flows and financial performance. Furthermore, the Group is subject to various counter-party risks. Such parties may fail to perform or default on their obligations to the Group due to insolvency, lack of liquidity, market or economic downturns, operational failure or other reasons which are beyond the Group's control. If such risks, many of which are common to the real estate industry, were to materialize, they could have an adverse impact on the Group's revenue generation, cash flows and financial performance.

xii. The Group may not be able to secure sufficient financing for its current and future investments. No assurance can be given that sufficient financing will be available on commercially reasonable terms. Any weakness in the capital markets may limit the Group's ability to raise capital for completion of projects that have commenced or for development of future properties.

xiii. The Group has a material amount of debt and it expects to incur additional debt in connection with its future growth in terms of acquisitions and developments. A substantial portion of the Group's generated cash flows will be required to make principal and interest payments on the Group's debt. Substantial borrowings under bank credit facilities are expected to be at variable interest rates, which could cause the Group to be vulnerable to increases in interest rates. The agreements regulating the Issuer's bank debt impose and are likely to impose significant operating restrictions and financial covenants on the Issuer which could limit the Issuer's ability to obtain future financing, make capital expenditure, withstand a future downturn in business or economic conditions generally, or otherwise inhibit the ability to conduct necessary corporate activities.

xiv. Although the Group seeks to hedge against interest rate fluctuations, this may not always be economically practicable, and the possibility of hedging may become more difficult in the future due to the unavailability or limited availability of hedging counterparties. An increase in interest rates which is not hedged by the Issuer may have a material adverse effect on the business, financial condition and results of operations of the Group.

The following is a summary of some of the principal risks relating to the operations of the Issuer and the Guarantor:

xv. The Issuer's and Guarantor's financial statements, which are presented in Euro, can be affected by foreign exchange fluctuations through both translation risk and transaction risk. The Issuer and Guarantor are also exposed to the inherent risks of global and regional adverse economic developments. The implementation of austerity measures in an effort to reduce government deficits in a number of EU member states, as well as any further unexpected changes in the political, social or economic conditions of certain countries, may reduce leisure and business travel to and from those affected countries, which, in turn, may adversely affect room rates and/or occupancy levels and other income-generating activities, and could potentially lead to increased costs through increased taxes in those particular countries, ultimately resulting in the deterioration of the business and/or operating results of the Issuer in the affected countries and of the Guarantor.

xvi. A significant portion of the Issuer's and Guarantor's costs are fixed and the Issuer's and Guarantor's operating results are vulnerable to short-term changes in its revenues. The Issuer's and Guarantor's inability to react quickly to changes in its revenue by reducing its operating expenses could have a material adverse effect on their business, financial condition and results of operations.

xvii. The lack of liquidity and alternative uses of real estate investments could significantly limit the Issuer's and Guarantor's ability to respond to adverse changes in the performance of its properties thereby potentially harming its financial condition. Furthermore, the Issuer's ability to sell, in a timely fashion, one or more of their properties in response to changing economic, financial and investment conditions, is limited.

xviii. Lack of resilience or failure of the Group's proprietary central reservation system could lead to service disruption and may result in significant interruption in processing room bookings and reservations, which could negatively impact revenues. There can be no assurance that the continued stability of this system will not be disrupted and inadequate investment in this system or failure to maintain an effective e-commerce strategy may adversely affect the competitiveness and market share of the Issuer and Guarantor.

The following risks relate specifically to the property valuation and guarantee referred to in the Prospectus:

xix. The valuation of property is inherently subjective, due to, among other things, the individual nature of each property and the assumptions upon which the valuation is carried out. Accordingly, there can be no assurance that the valuation referred to in the Prospectus reflects actual values that could be achieved on a sale, even where any such sale were to occur shortly after the valuation date. Actual values may be materially different from any future values that may be expressed or implied by forward-looking statements set out in the valuation or anticipated on the basis of historical trends, as reality may not match the assumptions made. There can be no assurance that such valuation of property will reflect actual market values.

xx. If the Issuer were to default on its payment obligations in terms of the Secured Bonds, Bondholders would have to rely on claims for payment under the Guarantee, which is subject to certain risks and limitations, particularly the risk relating to the fact that claims against the Guarantee may only be made following the taking of enforcement action against the Guarantor in Hungary in respect of the Security Property. It will only be possible for the Security Trustee acting on behalf of the Bondholders to make a claim against the Guarantee once there has been an Event of Default (as defined in the Securities Note) by the Issuer which has not been remedied within the prescribed time. Only the Security Trustee has the right to enforce the Security Interest relating to the Security Property on behalf of the Bondholders.

Accordingly, Bondholders will not have direct security interests in the Security Property and will not be entitled to take enforcement action in respect of the Security Property securing the Secured Bonds, except through the Trustee. The Issuer is incorporated under the laws of Malta. The Guarantor is organized under the laws of Hungary, with the Security Property located in Hungary. The ability of the Security Trustee to enforce the security interests of the Bondholders is subject to the laws of Hungary.

D.3 Key information on the key risks specific to the Secured Bonds:

An investment in the Secured Bonds involves certain risks, including those set out below in this section. In deciding whether to make an investment in the Secured Bonds, prospective investors are advised to carefully consider, with their own independent financial and other (including tax, accounting, credit, legal and regulatory) professional advisors, the following risk factors (not listed in order of priority) and other investment considerations, together with all the other information contained in the Prospectus.

i. There can be no assurance that an active secondary market for the Secured Bonds will develop, or, if it develops, that it will continue. Nor can there be any assurance that an investor will be able to sell or otherwise trade in the Secured Bonds at or above the Bond Issue Price or at all. A public trading market depends on a number of factors over which the Issuer has no control.

ii. Investment in the Secured Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Secured Bonds.

iii. A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Secured Bonds (€) and the Bondholder's currency of reference, if different.

iv. No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Secured Bonds prevailing from time to time.

v. The Secured Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank pari passu, without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, without any priority or preference to all other present and future unsecured obligations of the Issuer. However the Secured Bonds shall be guaranteed, in respect of both the interest and the principal amount due, by the Guarantor by virtue of the Security Interest over the Security Property, and accordingly in respect of the Security Property the Guarantor's obligations towards the Security Trustee (for the benefit of Bondholders) shall constitute the general, direct, unconditional and secured obligations of the Guarantor and shall at all times rank with priority or preference over all indebtedness of the Guarantor present and future, if any (whether such indebtedness is secured or unsecured), over the Security Property, but without priority or preference over all other assets of the Guarantor.

In view of the fact that the Secured Bonds are being guaranteed by the Guarantor, Bondholders are entitled to request the Guarantor to pay both the interest due and the principal amount under said Secured Bonds if the Issuer fails to meet any amount, when due in terms of the Prospectus. The guarantee also entitles the Bondholders to take action against the Guarantor without having to first take action against the Issuer for defaults of the Issuer. The strength of this undertaking on the part of the Guarantor and, therefore, the level of recoverability by the Bondholders from the Guarantor of any amounts due under any of the Secured Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantor and the value of the Security Property. Furthermore, third party security interests may be registered which will rank in priority to the Secured Bonds against the assets of the Issuer and in priority to the obligations of the Guarantor towards the Security Trustee against the assets of the Guarantor (save for the Security Property), in either case for so long as such security interests remain in effect. In terms of Hungarian law, upon creation of the Security Interest over the Security Property, until such time as such Security Interest remains in force no prior-ranking security interest may be registered over the Security Property. With respect to the remaining assets of the Guarantor,, third party security interests may be registered which, for so long as such third party security interests remain in effect, will rank in priority to the Secured Bonds in respect of such other assets of the Guarantor. Without prejudice to the aforesaid, with reference to the Issuer, investors' attention is drawn to the fact that third party security interests may be registered which, for so long as such third party security interests remain in effect, will rank in priority to the Secured Bonds in respect of the assets of the Issuer.

vi. The issue and allotment of the Secured Bonds is conditional upon the Secured Bonds being admitted to the Official List and on the Security Interest being constituted in favour of the Security Trustee. In the event that either of the aforesaid conditions is not satisfied within 60 Business Days from 29 July 2016 (the "Prepayment Date"), the Security Trustee shall return the Bond Issue proceeds to Bondholders

vii. Privileges or similar charges accorded by law in specific situations may arise during the course of the business of each of the Issuer and Guarantor which may rank with priority or preference to the Secured Bonds and/or the Security Interest, as applicable.

viii. In the event that the Issuer wishes to amend any of the Terms and Conditions of the Bond Issue it shall call a meeting of Bondholders in accordance with the provisions of section 5.12 of the Securities Note. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

ix. **The Terms and Conditions of the Bond Issue are based on the requirements of the Listing Rules of the Listing Authority, the Companies Act and the Commission Regulation EC No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council in effect as at the date of the Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of the Prospectus.**

SECTION E – OFFER

E.2b The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €54 million, will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

(i) a maximum amount of €29 million will be used by the Issuer to refinance bank borrowings relating to the Security Property;

(ii) a maximum amount of €5 million will be used by the Issuer to partly fund the remaining balance of the consideration due for the acquisition of IHGH, which balance is payable on 10 August 2016;

(iii) a maximum amount of €4.6 million will be used by the Issuer to fund the consideration due in respect of the acquisition of 80% of the entire shareholding in QPM, of which the Issuer is currently a 20% shareholder;

(iv) a maximum amount of €10 million will be used by the Issuer to fund professional fees relating to the St George's Bay Development, such professional fees representing payments due to architectural firms, interior design firms, mechanical and electrical consultants, project managers and other professional firms engaged in producing detailed drawings and plans leading to the submission of a full building permit application on or around, the Issuer expects, the end of 2016; and

(v) the remaining balance of the net Bond Issue proceeds will be used by the Issuer for general corporate funding purposes and for expenses incurred on new development projects of the Group.

In the event that the Issuer does not receive subscriptions for the full €55,000,000 in Secured Bonds, the Issuer will proceed with the listing of the amount of Secured Bonds subscribed for, and it shall firstly apply the net proceeds received in the manner and order of priority set out above. Any residual amounts required by the Issuer for the purposes of the uses specified in this Element E.2b which shall not have been raised through the Bond Issue shall be financed from the Group's general cash flow and/or bank financing.

In terms of the Prospectus and Trust Deed, the Security Trustee shall not release any of the Bond Issue proceeds other than such amount as is required to settle the payment specified in para (i) above (as a result of which all the existing security over the Security Property will be released as aforesaid), until such time as the Security Interest is duly constituted in favour of the Security Trustee in accordance with Hungarian law.

The issue and allotment of the Secured Bonds is conditional upon: (i) the Secured Bonds being admitted to the Official List; and (ii) the Security Interest being constituted in favour of the Security Trustee. In the event that either of the aforesaid conditions is not satisfied, the Security Trustee shall return Bond Issue proceeds to Bondholders.

E.3 The Secured Bonds are open for subscription to all categories of investors, which may be broadly split as follows:

i. The Issuer has reserved an aggregate amount of Secured Bonds amounting to €30 million, together with any amounts which were reserved for the general public (detailed in para (ii) below) but which were not fully taken up, for subscription by Preferred Applicants. In the event that this amount reserved for Preferred Applicants is not fully taken up, the unutilised portion of this reserved amount shall become available for allocation to the general public (detailed in para (ii) below);

ii. The remaining balance of €25 million in Secured Bonds shall be made available for subscription by the general public. In the event that this amount reserved for the general public is not fully taken up, the unutilised portion of this reserved amount shall become available for allocation to Preferred Applicants (detailed in para (i) above).

The following is a synopsis of the general terms and conditions applicable to the Secured Bonds. A Bondholder is deemed to have invested only after having received, read and understood the contents of the Prospectus, including the full terms and conditions contained in the annexes thereto:

1. Form, Denomination and Title

The Secured Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. The Secured Bonds will be issued without interest coupons, in denominations of any integral multiple of €100 provided that on subscription the Secured Bonds will be issued for a minimum of €2,000 per individual Bondholder. Financial intermediaries subscribing to the Secured Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client. Any person in whose name a Secured Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments) as the absolute owner of such Secured Bond. Title to the Secured Bonds may be transferred as provided in the Securities Note.

2. Interest

Details of interest payable on the Secured Bonds is provided in Element C.9 of this Summary Note.

3. Status of the Secured Bonds and Security

The Secured Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, without any priority or preference to all other present and future unsecured obligations of the Issuer. However the Secured Bonds shall be guaranteed, in respect of both the interest and the principal amount due, by the Guarantor in terms of the Guarantee. Furthermore, by virtue of the Security Interest over the Security Property, specifically in respect of the Security Property, the Guarantor's obligations towards the Security Trustee (for the benefit of Bondholders) shall constitute the general, direct, unconditional and secured obligations of the Guarantor and shall at all times rank with priority or preference over all indebtedness of the Guarantor present and future, if any, whether secured or unsecured, over the Security Property, but with no priority or preference over all other assets of the Guarantor.

Bondholders shall benefit from the Security, consisting of a joint and several guarantee by the Guarantor backed by a first ranking mortgage to be registered with the Budapest real estate registry over the Security Property in favour of the Security Trustee. The Issuer and the Guarantor have entered into a Trust Deed with the Security Trustee which consists of the covenants of the Issuer and the Guarantor *inter alia* to pay the principal amount under the Secured Bonds on the Redemption Date and interest thereon and covenants relating to the constitution and maintenance of the first ranking Hungarian law mortgage over the Security Property and all the rights and benefits under the Trust Deed.

4. Payments

Payment of the principal amount of a Secured Bond will be made in Euro by the Issuer to the person in whose name such Secured Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time. Such payment shall be effected within seven (7) days of the Redemption Date. Payment of interest on a Secured Bond will be made to the person in whose name such Secured Bond is registered at the close of business fifteen (15) days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time. Such payment shall be effected within seven (7) days of the Interest Payment Date.

5. Redemption

Unless previously purchased and cancelled, the Secured Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 29 July 2026.

6. Events of Default

The Secured Bonds shall become immediately due and repayable, at their principal amount together with accrued interest, in an event of default. Subject to agreed exceptions, materiality qualifications, reservations of law and grace periods, an acceleration event shall occur if: (i) the Issuer shall fail to pay any interest and/or principal on any Secured Bond when due; or (ii) the Issuer shall be in breach of any material obligation contained in the Prospectus; or (iii) any Security Interest shall be declared invalid or unenforceable; or (iv) the Issuer and/or Guarantor are *inter alia* dissolved, liquidated or bankrupt; or (v) the Issuer or the Guarantor stops or suspends payments, or announces to do so, to all or any class of its debts or ceases or threatens to cease to carry on its business or a substantial part thereof; or (vi) the Issuer or the Guarantor is unable to pay its debts; or (vii) the Issuer and/or the Guarantor commit a material breach of any of the covenants or provisions contained in the trust deed; or (viii) a judgment by a court is made against the Issuer and/or Guarantor for the payment in excess of €10 million; or (ix) any default occurs relating to any financial indebtedness of the Issuer and/or Guarantor in excess of €10 million; or (x) all or a material part of the ownership interests in the Issuer and/or Guarantor are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government.

7. Transferability of the Secured Bonds

The Secured Bonds are freely transferable and, once admitted to the Official List shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time. All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Secured Bonds and to any applicable laws and regulations. The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer. The Issuer will not register the transfer or transmission of Secured Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Secured Bonds.

8. Register of Bondholders

Certificates will not be delivered to Bondholders in respect of the Secured Bonds in virtue of the fact that the entitlement to Secured Bonds will be represented in an uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD. There will be entered in such electronic register the names, addresses, identity card numbers, registration numbers and MSE account numbers of the Bondholders and particulars of the Secured Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of Bondholders held at the CSD for the purpose of inspecting information held on their respective account.

9. Further Issues

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further debentures, debenture stock, bonds, loan notes, or any other debt securities either having the same terms and conditions as any outstanding debt securities of any series (including the Secured Bonds) and so that such further issue shall be consolidated and form a single series with the outstanding debt securities of the relevant series (including the Secured Bonds) or upon such terms as the Issuer may determine at the time of their issue, provided that no issue may be made that would rank senior to the Secured Bonds in respect of the Security Interest.

10. Meetings of Bondholders

The Terms and Conditions of the Secured Bonds may be amended or waived with the approval of the Bondholders at a meeting called for that purpose by the Issuer.

11. Governing Law and Jurisdiction

The Secured Bonds shall be governed by and shall be construed in accordance with Maltese law. Any legal action, suit, action or proceeding against the Issuer and/or the Guarantor arising out of or in connection with the Secured Bonds shall be brought exclusively before the Maltese Courts and the Bondholder shall be deemed to acknowledge that it is submitting to the exclusive jurisdiction of the Maltese Courts as aforesaid.

E.4 Save for the possible subscription for Secured Bonds by Authorised Financial Intermediaries (which includes Bank of Valletta p.l.c., Charts Investment Management Service Limited and the latter's sister company Mediterranean Bank plc), and any fees payable in connection with the Bond Issue to Charts Investment Management Service Limited as Sponsor and Bank of Valletta p.l.c. as Manager and Registrar, so far as the Issuer is aware no person involved in the Issue has an interest material to the Issue.

E.7 Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €1 million.

Time-Table

1.	Application Forms mailed to Preferred Applicants	1 July 2016
2.	Application Forms available to the general public	4 July 2016
3.	Closing of Preferred Applicants' Offer Period	19 July 2016
4.	Opening and closing of subscription lists relative to Public Offer Period	20 July 2016 and 22 July 2016 respectively
5.	Commencement of interest on the Secured Bonds	29 July 2016
6.	Prepayment of existing lenders of the Guarantor by Security Trustee for commencement of process leading to creation of Security Interest	29 July 2016
7.	Expected date of announcement of basis of acceptance	29 July 2016
8.	Refunds of unallocated monies	5 August 2016
9.	Expected dispatch of allotment letters	5 August 2016
10.	Expected date of admission of the securities to listing	5 August 2016
11.	Expected date of commencement of trading in the securities	8 August 2016

The Issuer reserves the right to close the Offer of Secured Bonds before 22 July 2016 in the event of over-subscription, in which case the events set out in steps 7 and 8 above shall be brought forward, although the number of working days between the respective events shall not be altered.