THE PLAZA

Plaza Centres p.l.c.

Annual Report & Financial Statements

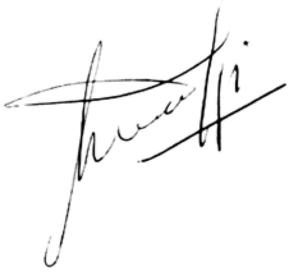
2008

Contents

Mission Statement

"To retain our position as Malta's leader in quality retailing and to use our strength to stimulate further growth"

Chairman's Statement



Albert Mizzi - Chairman
10 March 2009

It gives me great pleasure to report on our Company's positive results for the financial year ending 31 December 2008.

Notwithstanding the upheaval in the international financial markets during the third and fourth quarters of 2008, the Company's results are materially in line with the directors' expectations. In actual fact, Plaza Centres p.l.c. maintained a consistent level of growth both in terms of occupancy and profitability. During the year being reported, the Company's occupancy reached 96.8% with similar occupancy levels being anticipated during 2009.

During the year being reported, the Company's revenue increased mainly as a result of the lease of the new extension on Tower Road which came on stream in April 2008. Revenue for the year was €1,837,848 (2007: €1,611,700), whilst profit before tax amounted to €1,230,451 (2007: €1,166,487) representing an increase of 5.5% when compared to 2007. Profit after tax increased by 7.2% to €783,566 (2007: €730,778). The Company's costs were maintained at satisfactory levels and the 2008 cost to income ratio decreased marginally to 30.28%.

The Company's land and buildings were revalued at 31 December 2008. This valuation has been made on the basis of independent professional advice which has considered, inter alia, the projected future earnings from the Plaza Shopping and Commercial Centre, in the main based on current rental contracts projected over the longer term, its ongoing maintenance needs, and other relevant market factors. Additional property was also purchased in Bisazza Lane and the Company is waiting for the Malta Environment and Planning Authority to issue a building permit in this area, adjacent to the existing Plaza Commercial Centre. In line with its growth plans, the Company will continue to look at new opportunities for expansion on the local market.

Based on the 2008 positive results, the Board of Directors is recommending a final net dividend of €744,647 or €0.0791 per share (2007: €688,341 or €0.0731 per share) at the Annual General Meeting to be held on the 22 April 2009. The final net dividend will be paid to all shareholders on the Company's share register at close of trading on the Malta Stock Exchange on 1 April 2009.

Once again, I would like to conclude by extending my appreciation towards our Board of Directors, Management, Shareholders, Tenants and Staff for their valued contribution towards the Company's continued success.

Share Register Information

Share register information pursuant to the Malta Stock Exchange Bye-laws

Directors' interest in the share capital of the Company (shares held)

	Beneficial interests at 31.12.08	Beneficial interests at 02.03.09
Albert Mizzi	754,280	754,280
Brian R. Mizzi	755,095	755,095
Adrian Strickland	111,031	111,031
Gerald J. Zammit	125,100	125,100

Shareholders holding 5% or more of the equity share capital

	% holding at 31.12.08	% holding at 02.03.09
Middle Sea Valletta Life Assurance Co Ltd.	28.09	28.36
HSBC Bank p.l.c. as Custodian for Ammt Sicavs Malta	8.91	8.91
Mizzi Associated Enterprises Ltd.	8.02	8.02
Cenmed Ltd.	8.01	8.01
HSBC Bank p.l.c. as Custodian for HSBC Life Assurance (Malta) Ltd.	6.34	6.34

Shareholding details

As at 31 December 2008, Plaza Centres p.l.c.'s issued share capital was held by 411 shareholders, and as at 2 March 2009 by 412 shareholders. The issued share capital consists of one class of ordinary shares with equal voting rights.

Distribution of shareholders analysed by range:

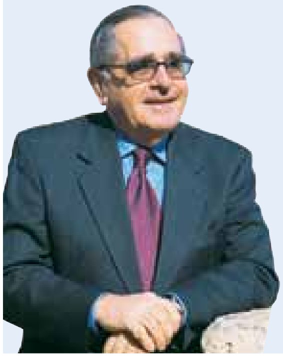
Range of shareholding	No of shareholders at 31.12.08	No of shareholders at 02.03.09	Shares at 31.12.08	Shares at 02.03.09
1-500 shares	65	67	25,972	26,232
501-1000 shares	92	90	78,680	77,080
1001 - 5000 shares	146	147	333,219	335,219
5001 & over	108	108	8,976,129	8,975,469

Company Secretary and Registered Office

Lionel A. Lapira MBA (Henley), AMD
The Plaza Commercial Centre
Penthouse Suite, Level 8
Bisazza Street
Sliema SLM 1640
Malta

10 March 2009

Board of Directors

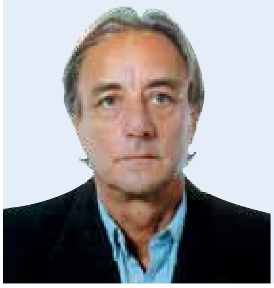


Albert Mizzi - Chairman

Mr. Mizzi was appointed Chairman of the Company in 1986. He has had an active career within the business community in Malta having led a number of major private sector initiatives and is currently Chairman of various companies including HSBC Bank Malta p.l.c., MIDI p.l.c., Consolidated Biscuit Co. Ltd., Supermarkets (1960) Ltd., Mizzi Associated Enterprises Ltd., Mellieha Bay Hotel Ltd. and Kemmuna Ltd. Mr. Mizzi is a director and shareholder in the Alf Mizzi & Sons Group. He has also served for many years as Executive Chairman on various state-owned companies, including Air Malta p.l.c. (19 years), Middle Sea Insurance, Sea Malta and Malta Shipbuilding. He has also served as Chairman of the Malta Council for Economic Development.

Anne Marie Tabone

A Certified Public Accountant by profession, Ms. Anne Marie Tabone, is Chief Finance Officer, of the Middlesea Group.



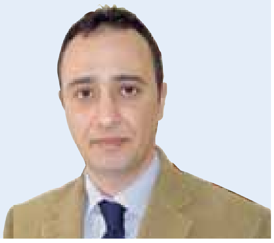
Brian R. Mizzi

Within Mizzi Organisation, Mr. Brian R. Mizzi holds the post of Managing Director of General Soft Drinks Co. Ltd., bottlers for Coca Cola products, Arkadia Marketing Ltd., The Waterfront Hotel and is also a director of various other companies in Mizzi Organisation, including the Institute of English Language Studies.

Charles J. Farrugia

Mr. Charles J. Farrugia is an Executive Director of HSBC Bank Malta p.l.c., a public listed company on the Malta Stock Exchange, and has been a director of the bank since 2004. Mr. Farrugia has worked in the banking sector for over 33 years and sits on a number of boards and committees within the HSBC Malta Group. He presently holds the post of Head Global Banking and Markets of HSBC Bank Malta p.l.c. He is also a non-executive director of Amalgamated Investments SICAV p.l.c. Mr. Farrugia served on the board of directors of Tug Malta Ltd. and in 2007 resigned from this position on the privatisation of the company.

Peter Borg



Mr. Borg is the Managing Director of the Bortex Group of Companies. He is also a Director on a number of other Boards including Roosendaal Hotels Ltd., Roosendaal Trading Ltd., Bortex Tunisie s.a.r.l. and Chansel UK Ltd.

Adrian Strickland KM

Mr. Strickland was formerly Chairman of CAM Group and has been Senior Vice President of the Malta Chamber of Commerce. Presently, he is Chairman of Strickland Ltd.

Gerald J. Zammit

A former member of the Plaza Executive Management committee. Today still actively involved in the Company's operations. Mr. Zammit is the Marketing Director of Communiqué Creative Ltd.

Management

Lionel A. Lapira - Chief Executive Officer

Mr. Lapira joined the Company on 1 July 1994 and has since occupied a number of posts within the Company including Commercial Manager, Company Secretary, Compliance Officer and, till January 2004, member of the Company's executive management committee. He has been a member of the ICSC (International Council of Shopping Centres) since 1995 and in 1999 was awarded AMD (Accredited Marketing Director) status by the ICSC. In January 2000, the Company appointed him General Manager with responsibilities for finance, operations, human resources, leasing, marketing and property management. With qualifications and experience in management, finance, marketing and diplomatic studies, Mr. Lapira obtained his MBA at Henley-Brunel University in 2005. Prior to joining Plaza Centres p.l.c., he occupied senior management positions in the local hospitality, entertainment and leisure industry. Mr. Lapira was appointed Chief Executive Officer on 1 January 2005.

Directors' Report

The directors present their report and the audited financial statements for the year ended 31 December 2008.

Principal activities

The Company's principal activity, which is unchanged since last year, is to lease and manage the Plaza Shopping and Commercial Centre.

Review of the business

Plaza Centres p.l.c.'s revenue for the year ended 31 December 2008 was €1,837,848 (2007: €1,611,700) whilst profit before tax amounted to €1,230,451 (2007: €1,166,487) representing an increase of 5.5% when compared with 2007. During the period being reported, the Company increased revenue from its new extension on Tower Road which came on stream as of April 2008. Profit after tax amounted to €783,566 (2007: €730,778) whilst the Company's cost to income ratio decreased marginally to 30.28% (2007: 30.93%). In 2008, occupancy was 96.8% and similar occupancy levels are anticipated during 2009.

The Company's land and buildings were revalued at 31 December 2008 as further described in Note 1 to the financial statements. Additional property was also purchased in Bisazza Lane and the Company is waiting for the Malta Environment and Planning Authority to issue a building permit in this area, adjacent to the existing Plaza Commercial Centre. In line with its growth plans, the Company will continue to look at new opportunities for expansion on the local market.

Results and dividends

The income statement is set out on page 14. The directors recommend the payment of a final dividend of €744,647 (2007: €688,341).

Going concern statement pursuant to Listing Rule 9.44

The directors are satisfied that, having taken into account the strength of the Company's statement of financial position and the level of profitability, it is reasonable to assume that the Company has adequate resources to continue operating for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the financial statements.

Directors

The directors of the Company who held office during the year were:

Albert Mizzi - Chairman
Peter Borg
Charles J. Farrugia - appointed 25 April 2008
Brian R. Mizzi
Adrian Strickland
Anne Marie Tabone
Gerald J. Zammit
Michael Soler - resigned 25 April 2008

The directors are required in terms of the Company's Articles of Association to retire at the forthcoming Annual General Meeting and may offer themselves for re-appointment or re-election.

A shareholder holding not less than 14% of voting rights of the issued share capital or a number of shareholders who between them hold not less than 14%, shall appoint one director for every such 14% holding by a letter addressed to the Company. All shares not utilised to make appointments in terms of the above shall be entitled to vote at the Annual General Meeting to elect the remaining directors. The Memorandum and Articles of the Company provides for a Board of Directors of not less than five and not more than seven members.

Auditors

PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board

Albert Mizzi
Chairman

Anne Marie Tabone
Director

Registered office:
The Plaza Commercial Centre
Penthouse Suite, Level 8
Bisazza Street
Sliema SLM 1640
Malta

10 March 2009

Corporate Governance
Statement of Compliance

Pursuant to Listing Rules 8.37 and 8.38 issued by the Listing Authority of the Malta Financial Services Authority, Plaza Centres p.l.c. (the "Company") is hereby reporting on the extent of its adoption of the Code of Principles of Good Corporate Governance (the "Principles") contained in the Listing Rules.

In deciding on the most appropriate manner in which to ensure adherence with the Principles, the Board of Directors of Plaza Centres p.l.c. (the "Board") has taken cognisance of the Company's size and the modest scale of its operations. The Company employs a staff complement of eight. This limitation of size inevitably impacts on the structures required to implement the Principles, without diluting the effectiveness thereof.

Roles and responsibilities

The Board acknowledges its statutory mandate to conduct the administration and management of Plaza Centres p.l.c. The Board, in fulfilling this mandate and discharging its duty of stewardship of the Company, assumes responsibility for the following:

(a) reviewing and approving the business plan and targets that are submitted by management and working with management in the implementation of the business plan;
(b) identifying the principal business risks for the Company and overseeing the implementation and monitoring of appropriate risk management systems;
(c) ensuring that effective internal control and management information systems for the Company are in place;
(d) assessing the performance of the Company's executive officers, including monitoring the establishment of appropriate systems for succession planning and for approving the compensation levels of such executive officers; and
(e) ensuring that the Company has in place a policy to enable it to communicate effectively with shareholders, other stakeholders and the public generally.

The Board delegates authority to and accountability for the Company's day to day business to a team, which during 2008 was composed of the Chairman, Mr. Albert Mizzi, the Chief Executive Officer, Mr. Lionel A. Lapira and Mr. Gerald J. Zammit. Matters relating to administration, finance and strategy are discussed at Board level.

Composition of the Board

Pursuant to the Company's Articles of Association, the appointment of directors to the Board is reserved exclusively to the Company's shareholders. A shareholder holding not less than 14% of voting rights of the issued share capital or a number of shareholders who between them hold not less than 14%, shall appoint one director for every such 14% holding by a letter addressed to the Company; three members of the Board, including the Chairman, were appointed in 2008 in terms of this rule. All shares not utilised to make appointments in terms of the above shall be entitled to vote at the Annual General Meeting to elect the remaining directors, leading in 2008 to the election of four directors.

During 2008 the Board was composed of Mr. Albert Mizzi, Chairman, Mr. Peter Borg, Mr. Michael Soler, Mr. Brian R. Mizzi, Mr. Adrian Strickland, Ms. Anne Marie Tabone and Mr. Gerald J. Zammit. Mr. Michael Soler resigned on 25 April 2008 and Mr. Charles J. Farrugia was appointed in his stead. All directors serve in a non-executive capacity.

As at 2 March 2009, the interests of the directors in the shares of the Company were as follows (shares held):

	Beneficial interests
Albert Mizzi	754,280
Brian R. Mizzi	755,095
Adrian Strickland	111,031
Gerald J. Zammit	125,100

Mr. Adrian Strickland sold 140,000 shares from 28 March 2008 to 10 March 2009. No other material transactions in the Company's shares, in which any director had a beneficial or non-beneficial interest, were effected.

Contracts are entered into in the ordinary course of business with shareholders and other parties in which the directors have a beneficial interest. As at the financial year end, these contracts included:

(a) income from lettings representing 5.6% of the total square meters rented by Plaza Centres p.l.c. as at the financial year end. The total income is disclosed in Note 23 to the financial statements.

(b) purchase of services and assets, including inter alia, advertising, insurance and capital expenditure. Further information is disclosed in Note 23 to the financial statements.

Terms and conditions of new contracts negotiated with related parties are reviewed by the Company's Audit Committee.

Each director receives an annual remuneration of €2,329.

The exercise of the role of the Board

The activities of the Board are exercised in a manner designed to ensure that it can function independently of management and effectively supervise the operations of the Company.

In connection with each Board meeting, the directors are served with a report by management. This report sets out the Company's management accounts circulated monthly to each director; it includes a management commentary on the results and on relevant events and decisions; and it sets out background information on any matter requiring the approval of the Board.

Apart from setting the strategy and direction of the Company, the Board retains direct responsibility for approving and monitoring:

(a) annual plans and budgets;

(b) the remuneration of the Chief Executive Officer, which is determined on an arm's length basis by reference to the responsibility entailed in this post and to the Board's assessment of the performance of the official;

(c) policies regulating relationships with tenants and prospective tenants, including the procedures to be followed from time to time to ensure the timely receipt of all amounts due to the Company;

(d) tenancies which may require a variation from planned terms;

(e) proposals for potential new investments, including any transactions which may entail the acquisition or disposal of property; and

(f) the approval of interim and annual financial statements and reports, and of relevant public announcements made by the Company; the Company's compliance with its continuing listing obligations; and the systems of internal control established by management.

Corporate Governance
Statement of Compliance - continued

Since February 2005, the Board appointed Ms. Anne Marie Tabone, Mr. Brian R. Mizzi and Mr. David De Marco (previously, alternate director to Mr. Adrian Strickland) to the Company's Audit Committee. During the year, Mr. Brian R. Mizzi resigned from the Committee and Mr. Charles J. Farrugia was appointed in his stead. The terms of reference, approved by the Board of Directors, are modelled on the recommendations of the Listing Rules. They include, inter alia, the responsibility of reviewing the financial reporting process, the system of internal control and management of financial risk, the audit process, any transactions with related parties and the Company's process for monitoring compliance with laws and regulations. The external auditors are invited to attend specific meetings of the Audit Committee and are entitled to convene a meeting if they consider that it is necessary. In accordance with the Listing Rules the Audit Committee met six times during 2008.

The Board does not consider it necessary to constitute separate committees to deal, inter alia, with item (b) above, as would be appropriate in a larger company. In ensuring compliance with other statutory requirements and with continuing listing obligations, the Board is advised directly, as appropriate, by its appointed broker, legal advisor and external auditors.

Directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities, at the Company's expense.

It is the practice of the Board that when a potential conflict of interest arises in connection with any transaction or other matter, the potential conflict of interest is declared so that steps may be taken to ensure that such items are appropriately dealt with. The steps taken will depend on circumstances, and may include the setting up of ad-hoc committees of independent directors that would assist and monitor management as appropriate in the execution of specific transactions. These commercial relationships between the Company and other companies are related by way of common directors, including the purchasing of supplies and services and the letting of outlets.

During the financial year under review, the Board held nine meetings (eleven in 2007).

Communications with Shareholders

Pursuant to the Company's statutory obligations in terms of the Maltese Companies Act, 1995 and the Malta Financial Services Authority Listing Rules, the Annual Report and Financial Statements, the declaration of a dividend, the election of directors, the appointment of the auditors and the authorisation of the directors to set the auditors' fees, and other special business, are proposed and approved at the Company's Annual General Meeting. An overview of the Company's performance is given in the Chairman's Statement which prefaces the Annual Report.

The Company communicates with its shareholders by way of the Annual Report and Financial Statements, by publishing its results during the year, through periodical Company announcements to the market in general and through the Company's website. Periodical information meetings for investors and financial intermediaries are also held when the Board deems appropriate to ensure an informed market on the Company's shares.

Approved by the Board of Directors on 10 March 2009 and signed on its behalf by:

Albert Mizzi
Chairman

Anne Marie Tabone
Director

Statement of Directors' Responsibilities

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

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

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

The directors are also responsible for designing, implementing and maintaining internal control relevant to the preparation and the fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Maltese Companies Act, 1995. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company's website.

The directors further confirm, pursuant to Listing Rule 9.36.2 issued by the Listing Authority, that to the best of their knowledge:

- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.
- the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principle risks and uncertainties that the Company faces.

On behalf of the board

Albert Mizzi
Chairman

Anne Marie Tabone
Director

Independent Auditor's Report

To the Shareholders of Plaza Centres p.l.c.

Report on the Financial Statements

We have audited the financial statements of Plaza Centres p.l.c. on pages 14 to 32 which comprise the statement of financial position as at 31 December 2008 and the income statement, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Maltese Companies Act, 1995. As described in the statement of directors' responsibilities on page 11, this responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements

- give a true and fair view of the financial position of the Company as at 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with IFRSs as adopted by the EU; and
- have been properly prepared in accordance with the requirements of the Maltese Companies Act, 1995.

Report on Other Legal and Regulatory Requirements

Listing Rules 8.37 and 8.38 issued by the Listing Authority require the Company's directors to include in their Annual Report a Statement of Compliance to the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance with those Principles.

Our responsibility, as auditors of the Company, is laid down by Listing Rule 8.39 which requires us to include a report on the Statement of Compliance.

We read the Statement of Compliance and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with these financial statements. Our responsibilities do not extend to considering whether this Statement is consistent with any other information included in the Annual Report.

We are not required to, and we do not, consider whether the Board's statements on internal control included in the Statement of Compliance cover all risks and controls, or form an opinion on the effectiveness of the Company's Corporate Governance procedures or its risk and control procedures.

We also have responsibilities under the Maltese Companies Act, 1995 to report to you if, in our opinion:

- the information given in the directors' report is not consistent with the financial statements.
- adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- the financial statements are not in agreement with the accounting records and returns.
- we have not received all the information and explanations we require for our audit.
- certain disclosures of directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

We have nothing to report to you in respect of these responsibilities.

PricewaterhouseCoopers

167 Merchants Street
Valletta
Malta

Romina Soler
Partner

10 March 2009

Income Statement

Year ended 31 December

	Notes	2008 €	2007 €
Revenue	2	**1,837,848**	1,611,700
Marketing costs	3	**(41,980)**	(39,182)
Maintenance costs	3	**(14,390)**	(3,813)
Administrative expenses	3	**(195,336)**	(179,878)
Operating profit before depreciation		**1,586,142**	1,388,827
Depreciation	3	**(304,804)**	(275,706)
Operating profit		**1,281,338**	1,113,121
Finance income	5	**14,669**	54,689
Finance costs	5	**(65,556)**	(1,323)
Profit before tax		**1,230,451**	1,166,487
Tax expense	6	**(446,885)**	(435,709)
Profit for the year		**783,566**	730,778
Earnings per share (cents)	8	**8c32**	7c76

Statement of Financial Position

As at 31 December

	Notes	2008 €	2007 €
ASSETS			
Non-current assets			
Property, plant and equipment	10	**25,490,075**	23,180,057
Total non-current assets		**25,490,075**	23,180,057
Current assets			
Trade and other receivables	11	**216,874**	189,681
Cash and cash equivalents	19	**24,818**	989,143
Total current assets		**241,692**	1,178,824
Total assets		**25,731,767**	24,358,881
EQUITY AND LIABILITIES			
Capital and reserves attributable to owners of the Company			
Share capital	15	**4,385,738**	4,385,738
Share premium	16	**3,094,868**	3,094,868
Revaluation reserve	17	**10,520,571**	9,521,712
Retained earnings		**2,100,884**	1,997,140
Total equity		**20,102,061**	18,999,458
Non-current liabilities			
Borrowings	12	**877,429**	1,036,268
Deferred tax liability	14	**2,863,979**	2,346,161
Trade and other payables	13	**784,772**	867,992
Total non-current liabilities		**4,526,180**	4,250,421
Current liabilities			
Borrowings	12	**437,095**	547,915
Trade and other payables	13	**616,818**	540,356
Current tax liability		**49,613**	20,731
Total current liabilities		**1,103,526**	1,109,002
Total liabilities		**5,629,706**	5,359,423
Total equity and liabilities		**25,731,767**	24,358,881

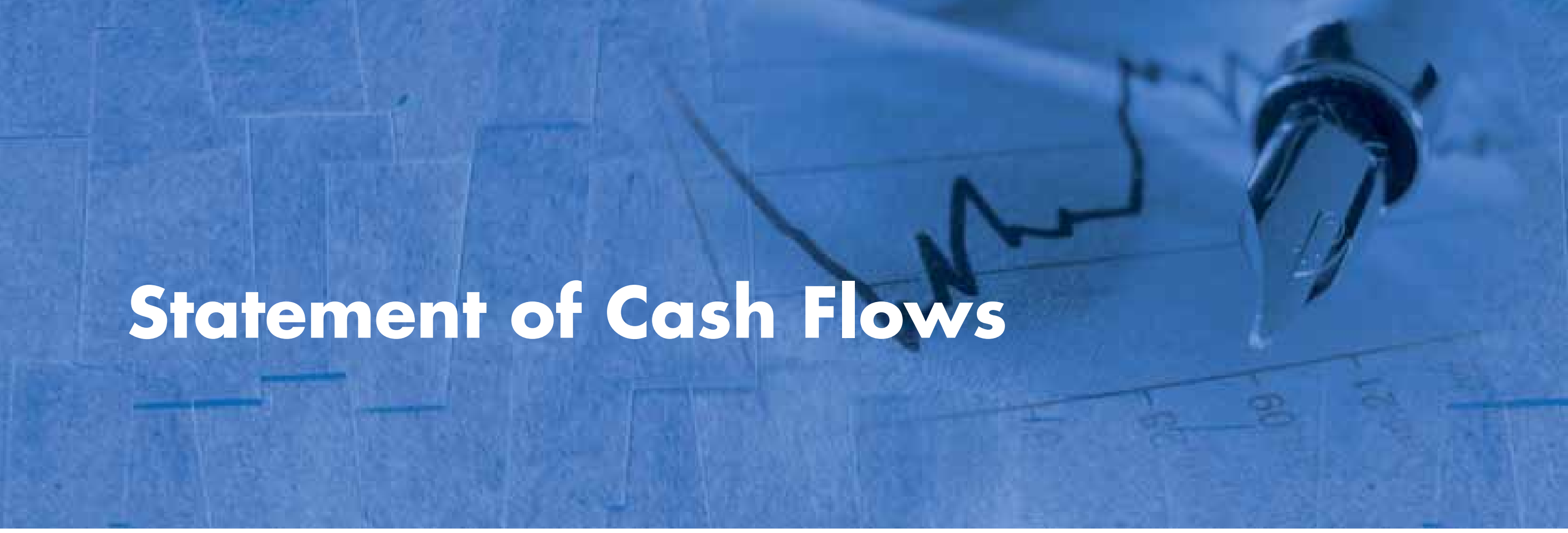
The financial statements on pages 14 to 32 were authorised for issue by the Board on 10 March 2009 and were signed on its behalf by:

Albert Mizzi
Chairman

Anne Marie Tabone
Director

Statement of Changes in Equity

	Note	Share capital €	Share premium €	Revaluation reserve €	Retained earnings €	Total equity €
Balance at 1 January 2007		4,385,738	3,094,868	9,530,231	1,926,136	18,936,973
Depreciation transfer through asset use, net of deferred tax		-	-	(8,519)	8,519	-
Net (expense)/income recognised directly in equity		-	-	(8,519)	8,519	-
Profit for the year		-	-	-	730,778	730,778
Total recognised expense and income for 2007		-	-	(8,519)	739,297	730,778
Dividends	9	-	-	-	(668,293)	(668,293)
Balance at 31 December 2007		**4,385,738**	**3,094,868**	**9,521,712**	**1,997,140**	**18,999,458**
Balance at 1 January 2008		4,385,738	3,094,868	9,521,712	1,997,140	18,999,458
Depreciation transfer through asset use, net of deferred tax		-	-	(8,519)	8,519	-
Revaluation surplus arising during the year (gross of tax)		-	-	1,500,000	-	1,500,000
Movement in deferred tax on revaluation surplus		-	-	(492,622)	-	(492,622)
Net income recognised directly in equity		-	-	998,859	8,519	1,007,378
Profit for the year		-	-	-	783,566	783,566
Total recognised income for 2008		-	-	998,859	792,085	1,790,944
Dividends	9	-	-	-	(688,341)	(688,341)
Balance at 31 December 2008		**4,385,738**	**3,094,868**	**10,520,571**	**2,100,884**	**20,102,061**



Statement of Cash Flows

	Notes	2008 €	2007 €
Cash flows from operating activities			
Cash generated from operations	18	**1,708,499**	1,433,522
Interest received	5	**14,669**	54,689
Interest paid		**(83,955)**	(89,455)
Income tax paid		**(392,807)**	(292,728)
Net cash generated from operating activities		**1,246,406**	1,106,028
Cash flows from investing activities			
Purchase of property, plant and equipment		**(1,252,731)**	(736,513)
Net cash used in investing activities		**(1,252,731)**	(736,513)
Cash flows from financing activities			
Amount received in connection with property sale		**-**	878,870
Repayments of borrowings	12	**(158,839)**	(75,565)
Dividends paid	9	**(688,341)**	(668,293)
Net cash (used in)/generated from financing activities		**(847,180)**	135,012
Net movement in cash and cash equivalents		**(853,505)**	504,527
Cash and cash equivalents at beginning of year		**600,068**	95,541
Cash and cash equivalents at end of year	19	**(253,437)**	600,068

Year ended 31 December

Accounting Policies

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

1. Basis of preparation

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

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain critical accounting estimates. It also requires directors to exercise their judgement in the process of applying the Company's accounting policies (see Note 1 – Critical accounting estimates and judgements).

Standards, interpretations and amendments to published standards effective in 2008

In 2008, the Company adopted new standards, amendments and interpretations to existing standards that are mandatory for the Company's accounting period beginning on 1 January 2008. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the Company's accounting policies.

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

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the Company's accounting periods beginning after 1 January 2008. The Company has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the Company's directors are of the opinion that there are no requirements that will have a possible significant impact on the Company's financial statements in the period of initial application.

IFRS 8, Operating segments, replaces IAS 14 and is effective for financial periods beginning on or after 1 January 2009. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Company will apply IFRS 8 from 1 January 2009. The expected impact is still being assessed in detail by management, but it appears likely that the number of reportable segments, as well as the manner in which the segments are reported, will not reflect any significant changes.

2. Foreign currencies

Functional currency - Adoption of the euro

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Malta adopted the euro as its national currency on 1 January 2008. This date fell within the Company's financial reporting period. On this date the Company's functional currency was changed from Maltese lira to euro. Consequently, the results and financial position of the Company were translated at the Irrevocably Fixed Conversion Rate of €1:Lm0.4293 as at that date. The financial statements are presented in euro, which is the Company's presentation currency.

As the Company converted its presentation currency from Maltese lira to euro, all comparative information was converted using the Irrevocably Fixed Conversion Rate noted above.

3. Revenue recognition

Revenue comprises the fair value for services and is recognised as follows:

(a) Rendering of services

Rents receivable and premia charged to clients are included in the financial statements as revenue. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are credited to the income statement on a straight line basis over the period of the lease.

(b) Finance income

Finance income is accounted for as it accrues, unless collectibility is in doubt.

4. Property, plant and equipment

Tangible fixed assets, comprising land and buildings, electrical installations, plant, machinery and equipment, and furniture and fittings are initially recorded at cost. Land and buildings are subsequently shown at market value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are carried out on a regular basis such 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. All other tangible non-current assets are stated at historical cost less depreciation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation are credited to the revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against the revaluation reserve; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the income statement) and depreciation based on the asset's original cost, net of any related deferred income taxes, is transferred from the revaluation reserve to retained earnings.

Depreciation is calculated on the straight line method to write off the cost, or revalued amount of each asset, other than land, to their residual values over their estimated useful life as follows:

	%
Buildings	1
Electrical installations	4
Plant, machinery and equipment	5-20
Furniture and fittings	3.33-33.33

Assets in the course of construction are not depreciated.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of tangible non-current assets are determined by comparing proceeds with the carrying amount and these are included in operating profit. On disposal of a revalued asset, the amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

5. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

6. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks, net of bank overdraft. In the statement of the financial position, the bank overdraft is included in borrowings in current liabilities.

7. Share capital and dividends

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

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

8. Deferred tax

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

Deferred tax on revaluations is charged or credited directly to the revaluation reserve. Deferred income tax on the difference between the actual depreciation on the property and the equivalent depreciation based on the historical cost of the property is realised through the income statement.

Deferred tax assets are recognised only to the extent that future taxable profit will be available such that realisation of the related tax benefit is probable.

9. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs are capitalised within tangible non-current assets in so far as they relate to the specific external financing of assets under development. Such borrowing costs are capitalised up to the time that the assets are brought into use. Other borrowing costs are recognised as an expense in the year to which they relate.

Notes to the Financial Statements

1. Critical accounting estimates and judgements

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

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

As referred in Note 10, the Company's land and buildings were revalued by the directors as at 31 December 2008. This valuation has been made on the basis of independent professional advice which has considered, inter alia, the projected future earnings from the Plaza Commercial Centre, in the main based on current rental contracts projected over the longer term, its ongoing maintenance needs, and other relevant market factors.

2. Revenue

All of the Company's turnover arises in Malta and relates to rental income and premia charged to tenants.

3. Expenses by nature

	2008 **€**	2007 €
Employee benefit expense (Note 4)	**158,437**	154,785
Depreciation (Note 10)	**304,804**	275,706
Directors' emoluments	**16,310**	16,306
Provision for impairment of receivables	**(21,277)**	(6,676)
Other expenses	**98,236**	58,458
Total operating costs	**556,510**	498,579

Fees charged by the auditor for services rendered during the financial periods ended 31 December 2008 and 2007 relate to the following:

	2008 **€**	2007 €
Annual statutory audit	**4,000**	4,000
Other assurance services	**3,375**	2,947
Tax advisory and compliance services	**1,440**	1,479
Other non-audit services	**4,600**	1,747
	13,415	10,173

4. Employee benefit expense

	2008 €	2007 €
Wages and salaries	**148,628**	144,577
Social security costs	**9,809**	10,208
	158,437	154,785

Average number of persons employed by the Company during the year:

	2008	2007
Administration	**4**	4
Maintenance	**3**	3
Security	**1**	1
	8	8

5. Finance income and costs

	2008 €	2007 €
Interest receivable - finance income		
Interest receivable on trade receivables	**14,669**	17,617
Other	**-**	37,072
	14,669	54,689
Interest payable - finance costs		
Interest paid on bank loans and overdraft	**65,556**	1,323

6. Tax expense

	2008 €	2007 €
Current tax expense	**421,689**	434,889
Deferred tax expense (Note 14)	**25,196**	820
	446,885	435,709

6. Tax expense - continued

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

	2008	2007
	€	€
Profit before tax	**1,230,451**	1,166,487
Tax on profit at 35%	**430,658**	408,270
Tax effect of:		
- non deductible depreciation	**18,184**	15,150
- finance income taxed at 15%	**-**	(6,795)
- other differences	**(1,957)**	19,084
Tax expense	**446,885**	435,709

7. Directors' emoluments

	2008	2007
	€	€
Directors' fees	**16,310**	16,306

The Company has paid insurance premiums of €3,715 (2007: €3,222) during the year in respect of professional indemnity in favour of its directors and senior officers.

8. Earnings per share

Earnings per share is based on the net profit for the year divided by the weighted average number of ordinary shares in issue during the year.

	2008	2007
Net profit attributable to shareholders (€)	**783,566**	730,778
Weighted average number of ordinary shares in issue	**9,414,000**	9,414,000
Earnings per share (cents)	**8c32**	7c76

9. Dividends

At the forthcoming Annual General Meeting a final net dividend in respect of 2008 of €0.079 per share, amounting to a total net dividend of €744,647 is to be proposed. These financial statements do not reflect this dividend payable, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2009. The net dividends declared in respect of 2007 and 2006 were €688,341 (7c31 per share) and €668,293 (7c10 per share) respectively.

10. Property, plant and equipment

	Land and buildings €	Electrical installations €	Plant, machinery and equipment €	Furniture and fittings €	Total €
At 1 January 2007					
Cost or valuation	20,276,692	761,295	3,028,095	1,324,251	25,390,333
Accumulated depreciation	(56,140)	(362,478)	(1,903,867)	(611,123)	(2,933,608)
Net book amount	20,220,552	398,817	1,124,228	713,128	22,456,725
Year ended 31 December 2007					
Opening net book amount	20,220,552	398,817	1,124,228	713,128	22,456,725
Additions	859,581	16,515	90,769	32,173	999,038
Depreciation charge	(56,389)	(30,669)	(141,474)	(47,174)	(275,706)
Closing net book amount	21,023,744	384,663	1,073,523	698,127	23,180,057
At 31 December 2007					
Cost or valuation	21,136,273	777,810	3,118,864	1,356,424	26,389,371
Accumulated depreciation	(112,529)	(393,147)	(2,045,341)	(658,297)	(3,209,314)
Net book amount	21,023,744	384,663	1,073,523	698,127	23,180,057
Year ended 31 December 2008					
Opening net book amount	21,023,744	384,663	1,073,523	698,127	23,180,057
Additions	667,636	87,814	236,541	122,831	1,114,822
Revaluation surplus arising during the year (Note 17)	1,500,000	-	-	-	1,500,000
Depreciation charge	(65,060)	(33,640)	(155,570)	(50,534)	(304,804)
Closing net book amount	**23,126,320**	**438,837**	**1,154,494**	**770,424**	**25,490,075**
At 31 December 2008					
Cost or valuation	23,126,320	865,624	3,355,405	1,479,255	28,826,604
Accumulated depreciation	-	(426,787)	(2,200,911)	(708,831)	(3,336,529)
Net book amount	**23,126,320**	**438,837**	**1,154,494**	**770,424**	**25,490,075**

In 2008, borrowing costs of €18,399 (2007: €88,132) arising on the financing of the extension of the Plaza Shopping Centre were capitalised and are included in 'Additions'. A capitalisation rate of 5.25% (2007: 6.5%) was used, representing the actual borrowing cost of the funds used to finance the project.

In 2007, assets in the course of construction included in tangible assets amounted to €873,047 as at the year end, comprising €788,919 relating to land and buildings, €72,886 relating to plant, machinery and equipment and €11,242 relating to electrical installations. No depreciation had been charged on these assets as they had not yet been put into use by 31 December 2007. During 2008 the assets were all put to use.

Fully depreciated assets which were still in use at 31 December 2008 amounted to €546,905 (2007: €540,908).

10. Property, plant and equipment - continued

The Company's land and buildings were last revalued at 31 December 2008 on the basis of an open market valuation by an independent professionally qualified valuer. The surplus arising on revaluation, net of deferred tax, was credited to the revaluation reserve (Note 17).

The carrying value of land and buildings would have been as follows had these assets been included in the financial statements at cost less depreciation.

	2008 **€**	2007 €
Cost	**9,277,592**	8,609,956
Accumulated depreciation	**(392,011)**	(340,056)
Net book amount	**8,885,581**	8,269,900

11. Trade and other receivables

	2008 **€**	2007 €
Trade receivables on premia	**-**	13,976
Trade receivables on rental and other income	**119,301**	169,304
Trade receivables (gross)	**119,301**	183,280
Less: provision for impairment of receivables	**-**	(21,277)
Trade receivables (net)	**119,301**	162,003
Prepayments and accrued income	**97,573**	27,678
	216,874	189,681

Trade receivables include an amount of €19,586 (2007: €22,478) that is owed by related undertakings (Note 23).

Interest on premium receivables and overdue receivables is charged at a rate of 6.25% (2007: 7.5%).

12. Borrowings

	2008 €	2007 €
Short term - falling due within one year		
Bank overdraft (Note 19)	**278,255**	389,075
Bank loans	**158,840**	158,840
Short term borrowings	**437,095**	547,915
Long term		
Bank loans	**877,429**	1,036,268
Total borrowings	**1,314,524**	1,584,183

The bank borrowings are secured by a special and general hypothec over the Company's assets and by a pledge over the insurance policies of the Company.

The Company's banking facilities as at 31 December 2008 amounted to €2,200,954 (2007: €2,359,795).

The interest rate exposure of the borrowings of the Company was as follows:

	2008 €	2007 €
Total borrowings:		
At floating rates	**1,314,524**	1,584,183

Effective interest rates at the end of the reporting period:

	2008 %	2007 %
Bank overdraft	**5.25**	6.50
Bank loans	**5.25**	6.50

Maturity of long term borrowings:

	2008 €	2007 €
Between 1 and 2 years	**158,840**	158,840
Between 2 and 5 years	**476,520**	476,520
Later than 5 years	**242,069**	400,908
	877,429	1,036,268

13. Trade and other payables

	2008 €	2007 €
Current payables		
Trade payables	**102,311**	14,777
Capital payables	**24,284**	180,592
Other taxes and social security	**45,427**	10,769
Other payables	**28,068**	19,222
Accruals and deferred income	**416,728**	314,996
	616,818	540,356
Non-current payables		
Deferred income	**784,772**	867,992

Trade and capital payables include an amount of €24,690 (2007: €30,666) that is owed to related undertakings (Note 23).

14. Deferred tax liability

Deferred income taxes are calculated on temporary differences under the liability method using a principal tax rate of 35% (2007: 35%), except for temporary differences on land and buildings that are calculated under the liability method using a principal tax rate of 12% of the carrying amount.

	2008 €	2007 €
At beginning of year	**(2,346,161)**	(2,345,341)
Debited to income statement (Note 6)	**(25,196)**	(820)
Movement in deferred tax on revalued surplus	**(492,622)**	-
At end of year	**(2,863,979)**	(2,346,161)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities. The deferred income tax account is further analysed as follows:

	2008 €	2007 €
Temporary differences attributable to deferred premium income	**303,795**	326,073
Temporary differences on provision for impairment of receivables	**-**	7,447
Temporary differences arising on plant and equipment	**(473,579)**	(473,522)
Temporary differences on asset revaluation (Note 17)	**(2,694,195)**	(2,206,159)
	(2,863,979)	(2,346,161)

The directors expect to recover or settle a substantial portion of the above assets/liabilities after 12 months.

15. Share capital

	2008 €	2007 €
Authorised		
25,000,000 ordinary shares of €0.465874 each	**11,646,850**	11,646,850
Issued and fully paid		
9,414,000 ordinary shares of €0.465874 each	**4,385,738**	4,385,738

The denomination and value of the Company's nominal share capital was translated at the Irrevocably Fixed Conversion Rate of €1:Lm0.4293 from 1 January 2008 as a result of Malta's adoption of the euro.

16. Share premium

	2008 €	2007 €
At beginning and end of year	**3,094,868**	3,094,868

The share premium arose on the issue of 2,050,000 ordinary shares with a nominal value of €0.465874 each at a premium of €1.583974 per share.

17. Revaluation reserve

	2008 €	2007 €
At beginning of year, before deferred tax	**11,727,871**	11,740,976
Revaluation surplus arising during the year (Note 10)	**1,500,000**	-
Transfer to retained profits through asset use	**(13,105)**	(13,105)
At 31 December, before deferred tax	**13,214,766**	11,727,871
Deferred tax (Note 14)	**(2,694,195)**	(2,206,159)
At 31 December	**10,520,571**	9,521,712

The revaluation reserve is not distributable by way of dividend.

18. Cash generated from operations

Reconciliation of operating profit to cash generated from operations:

	2008	2007
	€	€
Operating profit	**1,281,338**	1,113,121
Adjustments for:		
Depreciation of property, plant and equipment (Note 10)	**304,804**	275,706
Deferred premium income	**(83,215)**	(83,210)
Movement in provision for impairment of trade and other receivables	**(21,277)**	(6,676)
Changes in working capital:		
Trade and other receivables	**(5,916)**	112,236
Trade and other payables	**232,765**	22,345
Cash generated from operations	**1,708,499**	1,433,522

19. Cash and cash equivalents

For the purpose of the statement of cash flows, the year end cash and cash equivalents comprise the following:

	2008	2007
	€	€
Cash and cash equivalents	**24,818**	989,143
Bank overdraft	**(278,255)**	(389,075)
	(253,437)	600,068

20. Financial risk management

Financial risks

The Company's activities potentially expose it to a variety of financial risks: market risk (including cash flow interest rate risk), credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company did not make use of derivative financial instruments to hedge risk exposures during the current and preceding financial years. The Board provides principles for overall risk management, as well as policies covering risks referred to above and specific areas.

(a) Market risk - *Cash flow interest rate risk*

The Company's significant interest-bearing assets and liabilities, and related interest rate and maturity information, are disclosed in Notes 11, 12 and 19. The Company's bank borrowings expose it to cash flow interest rate risk. Management monitors the level of floating rate borrowings as a measure of cash flow risk taken on.

Based on the above, management considers the potential impact on profit or loss of a defined interest rate shift that is reasonably possible at the end of the reporting period to be immaterial.

(b) Credit risk

Financial assets that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and receivables. The Company's exposures to credit risk as at each financial year end were as follows:

	2008	2007
	€	€
Trade and other receivables	**216,874**	189,681
Cash and cash equivalents	**24,818**	989,143
Total loans and receivables	**241,692**	1,178,824

Credit risk with respect to cash and cash equivalents is not considered to be significant since the Company's cash is placed with quality financial institutions. Receivables are presented net of an allowance for impairment if appropriate. Credit risk with respect to trade receivables is limited due to the number of customers comprising the Company's debtor base. The Company assesses the credit quality of its tenants taking into account financial position, past experience and other factors. The Company manages credit limits and exposures actively in a practicable manner such that there are no material past due amounts receivable from tenants as at the end of the reporting period. The Company's receivables, which are not impaired financial assets, are principally in respect of transactions with tenants for whom there is no recent history of default. Management does not expect any material losses from non-performance by these tenants.

20. Financial risk management - continued

(c) Liquidity risk

The Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally trade and other payables and interest-bearing borrowings (refer to Notes 12 and 13). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Company's obligations.

Management monitors liquidity risk by means of cash flow forecasts on the basis of expected cash flows over a twelve month period and ensures that no additional financing facilities are expected to be required over the coming year. The Company's liquidity risk is not deemed to be material in view of the matching of cash inflows and outflows arising from expected maturities of financial instruments, coupled with the Company's committed borrowing facilities that it can access to meet liquidity needs as disclosed in Note 12.

The carrying amounts of the Company's assets and liabilities are analysed into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date in the respective notes to the financial statements.

(d) Fair values

At 31 December 2008 and 2007 the carrying amounts of cash and cash equivalents, receivables, payables and short term borrowings approximated their fair values due to the short term maturities of these assets and liabilities. Long term borrowings are accounted for at amortised cost.

(e) Capital risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors the level of net debt (including borrowings and trade and other payables less cash and cash equivalents as shown in the statement of financial position) against total capital on an ongoing basis. The directors consider the Company's gearing level to be appropriate as at the financial year end.

21. Capital commitments

Commitments for capital expenditure not provided for in these financial statements are as follows:

At the year end the company entered into agreements to refurbish the Plaza Shopping Centre during the first two months of 2009.

	2008	2007
	€	€
Authorised and contracted	**242,529**	322,683

22. Operating lease commitments

Future minimum lease payments due to the Company under non-cancellable operating leases are as set out below. They are determined by reference to the point in time in the rental contract when the tenant is given the option to cancel a lease without the requirement of any additional payment thereon.

	2008	2007
	€	€
Not later than 1 year	**1,646,302**	1,168,449
Later than 1 year and not later than 5 years	**2,214,398**	1,563,089
	3,860,700	2,731,538

23. Related party transactions

Related party transactions are traded on a commercial basis with entities that are related by way of common directors who are able to exercise significant influence over the Company's operations. Related party transactions traded during the year were purchases of non-current assets and other supplies and services, before recoveries from tenants, of €203,863 (2007: €278,882). Income from lettings and premia amounted to €136,359 (2007: €147,289). Amounts due from or to related undertakings are disclosed in Notes 11 and 13.

Key management personnel compensation consists of directors' emoluments as disclosed in Note 7.

24. Statutory information

Plaza Centres p.l.c. is a limited liability company and is incorporated in Malta.

25. Comparative information

All comparative financial information has been converted into euro using the Irrevocably Fixed Conversion Rate of €1:Lm0.4293 in view of the change in the Company's presentation currency from Malta Lira to Euro.

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International Brands

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mothercare

Miss Selfridge

THE BODY SHOP

PLAYLIFE

TONI&GUY HAIRDRESSING

La SENZA LINGERIE

adams kids

HARRY & SONS

animal

UNITED COLORS OF BENETTON.

HSBC

promod

Panama Jack

MURPHY&NYE

OUTLET

PEACOCKS

Prémaman

Local Brands

FRANKS

THE PEAK ORIENTAL RESTAURANT

pedigree kids

Stella's Coffeeshop

Agendabookshop

BORTEX FINE TAILORING

57 FRANKS

swinger

BAMBOO

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PREZIOSI GIOIELLERIA

Zenya ACCESSORY WORLD

Chilli

things*

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Plaza Centres p.l.c.
The Plaza Commercial Centre
Level 8, Penthouse Suite
Bisazza Street
Sliema SLM 1640

Tel: (+356) 2134 3832
Fax: (+356) 2134 3830
E-mail: info@plazamalta.com
www.plaza-shopping.com

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