



PremierCapital

PROSPECTUS

Issue of €20,000,000 6.8% Bonds 2017 - 2020

by **Premier Capital p.l.c.**

(subject to an Over-allotment Option of an additional €5,000,000)

Manager & Registrar

HSBC 
The world's local bank

Legal Counsel

CAMILLERI PREZIOSI
ADVOCATES

Sponsor

 **CHARTS**
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This document is a prospectus issued in accordance with the provisions of Chapter 6 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 a prospectus as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements.

This document contains information about Premier Capital p.l.c. (the "Issuer"), as well as information about the securities in respect of which application has been made for admission to trading on the Official List of the Malta Stock Exchange. Dealing is expected to commence on 19 April 2010.

PROSPECTUS

dated 1 March 2010

by

PREMIER CAPITAL PLC

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA
WITH COMPANY REGISTRATION NUMBER C 36522

in respect of an issue of

€20,000,000 6.8% Bonds 2017-2020 of a nominal value of €100 per Bond issued at par, or, in the case of exercise of the Over-allotment Option, €25,000,000 6.8% Bonds 2017-2020 of a nominal value of €100 per Bond issued at par.

(Due 15 March 2020)

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS 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 THIS PROSPECTUS.

THE BONDS CONSTITUTE THE GENERAL, DIRECT, UNCONDITIONAL, UNSUBORDINATED AND UNSECURED OBLIGATIONS OF THE ISSUER AND SHALL AT ALL TIMES RANK PARI PASSU, WITHOUT ANY PRIORITY OR PREFERENCE AMONG THEMSELVES AND WITH OTHER UNSECURED DEBT OTHER THAN SUBORDINATED DEBT, IF ANY.

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.

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IMPORTANT INFORMATION

THIS DOCUMENT CONSTITUTES A PROSPECTUS AND CONTAINS INFORMATION ON AN ISSUE BY PREMIER CAPITAL PLC (THE "ISSUER") OF €20,000,000 BONDS 2017-2020 OF A NOMINAL VALUE OF €100 PER BOND, ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 6.8% PER ANNUM. IN THE CASE OF OVER-SUBSCRIPTION, THE ISSUER MAY EXERCISE THE OVER-ALLOTMENT OPTION TO INCREASE THE ISSUE TO SUCH HIGHER VALUE OF BONDS AS IN AGGREGATE WOULD NOT EXCEED €25,000,000 IN VALUE OF BONDS. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 15 MARCH 2020 UNLESS THE ISSUER EXERCISES THE OPTION TO REDEEM ALL OR ANY PART OF THE BONDS ON ANY DATE BETWEEN 16 MARCH 2017 AND 14 MARCH 2020 AS THE ISSUER MAY DETERMINE, BY GIVING THIRTY (30) DAYS NOTICE TO BONDHOLDERS.

THIS PROSPECTUS CONTAINS INFORMATION ABOUT THE ISSUER AND THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES OF THE LISTING AUTHORITY, THE COMPANIES ACT, 1995 (CAP. 386 OF THE LAWS OF MALTA) (THE "ACT") 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.

ALL OF THE DIRECTORS OF THE ISSUER, WHOSE NAMES APPEAR UNDER THE HEADING "DIRECTORS", ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS PROSPECTUS. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS OF THE ISSUER (WHO HAVE ALL TAKEN REASONABLE CARE TO ENSURE SUCH IS THE CASE), THE INFORMATION CONTAINED IN THIS PROSPECTUS IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. THE DIRECTORS OF THE ISSUER ACCEPT RESPONSIBILITY ACCORDINGLY. FURTHERMORE THE DIRECTORS OF THE ISSUER DECLARE THAT THIS IS AN OFFERING BY PREMIER CAPITAL PLC AND NOT BY MCDONALD'S CORPORATION OR ANY OF ITS DIRECT OR INDIRECT SUBSIDIARIES ("MCDONALD'S"). MCDONALD'S MAKES NO REPRESENTATIONS OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.

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 SALE OF SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS AND IN THE DOCUMENTS REFERRED TO HEREIN IN CONNECTION, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS OR ADVISORS.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS 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 THIS PROSPECTUS.

THIS PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR THE PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR BONDS TO ANY PERSON (I) IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR (II) IN ANY JURISDICTION IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO OR (III) TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS 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.

SAVE FOR THE ISSUE IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF THE SAID DIRECTIVE, THE BONDS CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN SAID DIRECTIVE) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE SAID DIRECTIVE.

THE BONDS HAVE NOT BEEN NOR WILL THEY BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933 AS AMENDED, OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE "U.S.") OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY U.S. PERSON (AS DEFINED IN REGULATION "S" OF THE SAID ACT). FURTHERMORE THE ISSUER WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT, 1940 AS AMENDED AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES AND TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS, AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE ACT.

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

APPLICATION HAS BEEN MADE TO THE LISTING AUTHORITY FOR THE BONDS TO BE CONSIDERED AS ADMISSIBLE TO LISTING. IN ADDITION, APPLICATION HAS ALSO BEEN MADE TO THE BOARD OF DIRECTORS OF THE MALTA STOCK EXCHANGE FOR THE BONDS TO BE ADMITTED TO THE OFFICIAL LIST OF THE MALTA STOCK EXCHANGE UPON ISSUE AND ALLOCATION TO INVESTORS AND INTERMEDIARIES. DEALINGS ARE EXPECTED TO COMMENCE ON THE SAID EXCHANGE ON 19 APRIL 2010.

ALL AMOUNTS EXPRESSED IN ONE CURRENCY WITH AN EQUIVALENT AMOUNT IN ANOTHER CURRENCY IN THIS DOCUMENT ARE TAKEN, IN THE CASE OF HISTORICAL VALUES, AT THE HISTORICAL EXCHANGE RATES APPLICABLE AT THE TIME OF THE TRANSACTION.

ALL THE ADVISORS TO THE ISSUER NAMED IN SECTION 2 OF PART C OF THE PROSPECTUS UNDER THE HEADING "ADVISORS TO THE ISSUER" HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. THE NOMINAL VALUE OF THE BONDS ON OFFER WILL BE REPAYABLE IN FULL UPON REDEMPTION. IF YOU NEED ADVICE YOU SHOULD CONSULT A LICENSED STOCKBROKER OR AN INVESTMENT ADVISOR LICENSED UNDER THE INVESTMENT SERVICES ACT, CAP. 370 OF THE LAWS OF MALTA.



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Definitions

In this document the following words and expressions shall bear the following meanings except where the context otherwise requires:

Act	the Companies Act, Cap. 386 of the Laws of Malta;
Applicant	any person submitting an Application Form to the Issuer for the purpose of subscribing for Bonds;
Application/s	the filing of an Application Form by an Applicant for Bonds;
Application Form	the form of application for subscription of the Bonds set out in part III of Annex I of this Prospectus;
Authorised Intermediaries	the banks, financial institutions and other persons referred to in Annex II of this Prospectus;
Bond(s)	the €20,000,000 bonds of a nominal value of €100 per bond redeemable at their nominal value on the Redemption Date or any of the Designated Early Redemption Dates bearing interest at the rate of 6.8% per annum; or in the case of over-subscription by investors and the exercise by the Issuer of the Over-allotment Option, such higher value of bonds as in aggregate would not exceed €25,000,000 in value of bonds issued pursuant to this Prospectus;
Bondholder	a holder of Bonds;
Bond Issue	the issue of the Bonds;
Bond Offer Price	the price of €100 for each Bond;
Borrowing Companies	the Operating Companies which may from time to time enter into a loan agreement with the Issuer in connection with the use of Bond Issue proceeds specified in Section 4.1 of Part C of this Prospectus;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;

CSD	the Central Securities Depository of the Malta Stock Exchange;
Designated Early Redemption Dates	any date between 16 March 2017 and 14 March 2020 as the Issuer may determine by giving thirty (30) days prior notice to the Bondholders;
Euro or €	the currency of the European Monetary Union, of which Malta forms part;
Interest Payment Dates	15 March of each year between and including each of the years 2011 and 2020, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
Issue Date	16 April 2010;
Issuer or Premier Capital p.l.c. or Company	Premier Capital p.l.c., a public limited liability company registered in Malta with company number C 36522, having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;
Listing Authority	the Malta Financial Services Authority, as appointed in terms of the Financial Markets Act, 1990 (Cap. 345 of the Laws of Malta);
Listing Rules	the listing rules of the Listing Authority;
Malta Stock Exchange or MSE	the Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act, 1990 (Cap. 345 of the Laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta and company registration number C 42525;
Manager	HSBC Bank Malta p.l.c.;
Memorandum and Articles of Association	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;
Offer Period	the period between 24 March 2010 and 30 March 2010 (or such earlier date as may be determined by the Issuer in the event of over-subscription) during which time the Bonds are on offer;

Operating Companies	the Premier Group Companies operating the Premier Group's quick service restaurant business from time to time;
Over-allotment Option	the option of the Issuer to elect to increase the original Bond Issue by an additional €5,000,000 6.8% Bonds 2017-2020 in the event of over-subscription of the original Bond Issue;
Premier Group	<p>Premier Capital p.l.c and its subsidiaries, that is:</p> <ul style="list-style-type: none"> a) Premier Restaurants Malta Limited, a private limited liability company registered in Malta with company number C 18843, formerly named First Foods Franchise Limited; b) Arcades Limited, a private limited liability company registered in Malta with company number C 5071; c) SIA Premier Restaurants Latvia, a private limited liability company registered in Latvia with company registration number 40003189347, formerly named SIA McDonald's Latvia Limited; d) Premier Restaurants Eesti AS, a public limited company registered in Estonia with business identity code 10190065, formerly named McDonald's Eesti AS; e) UAB Premier Restaurants, a private limited company registered in Lithuania with company identification code 111537013, formerly named McDonald's Restaurant Operations Inc; f) SIA Premier Estates Ltd, a limited liability company registered in Latvia with company registration number 40003993068; g) Premier Estates Eesti OU, a private limited liability company registered in Estonia with business identity code 11740668;
Premier Group Company	any one of the companies forming part of the Premier Group;
Prospectus	this document in its entirety;
Redemption Date	15 March 2020, subject to the Issuer's option to redeem all or any part of the Bonds on any of the Designated Early Redemption Dates;
Redemption Value	the nominal value of each Bond;
Registrar	HSBC Bank Malta p.l.c.;



Regulation

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.

Part A – Summary

Warning to Potential Investors

This summary forms part of the Prospectus containing information concerning the Issuer and the Bonds. This summary is intended to briefly convey the essential characteristics of, and risks associated with, the Issuer and the Bonds.

You should carefully consider the following criteria for evaluation of this summary:

- The summary should be read as merely an introduction to the Prospectus;
- Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole;
- Civil liability attaches to the Issuer which has tabled this summary as part of the Prospectus and applied for its notification only if the summary is shown to be misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.

1. Identity of Directors, Advisors and Auditors of the Issuer

Directors

<i>Name/Post/ID Card No.</i>	<i>Address</i>
Marin Hili (Non-Executive Director & Chairman) 190257(M)	44, Villa Blanche, Main Street, St. Julian's STJ 1018, Malta
Melo Hili (Executive Director) 395765(M)	2, Immaculate Conception Street, Lija LJA 1274, Malta
Beppe Hili (Non-Executive Director) 292355(M)	4, New Street off Garden Street, Gharghur GHR 1535, Malta
Richard Abdilla Castillo (Non-Executive Director) 267256(M)	'Il-Girna', Notabile Road, Mriehel, B'Kara BKR 1870, Malta
Charles J. Farrugia (Non-Executive Director) 745557(M)	67, Stephanotis Street, Sta Lucia SLC 1810, Malta

Jesmond Mizzi (Non-Executive Director)
328065(M)

Campbell Close G2, St Paul's Street,
Attard ATD 3124,
Malta

The Company Secretary of the Issuer is Richard Abdilla Castillo, holder of identity card number 267256(M), residing at "Il-Girna", Notabile Road, Mriehel, Birkirkara BKR 1870, Malta.

Advisors to the Issuer

Legal Counsel to the Issuer and
Legal Counsel on the Bond Issue:

Camilleri Preziosi
Level 3, Valletta Buildings, South Street,
Valletta – VLT 1103 – Malta

Sponsor:

Charts Investment Management Service Limited
Valletta Waterfront, Vault 17, Pinto Wharf,
Floriana - FRN 1913 - Malta

Manager & Registrar:

HSBC Bank Malta p.l.c.
233, Republic Street,
Valletta - VLT 1116 - Malta

Auditors

Deloitte

Deloitte Place, Mriehel Bypass,
Mriehel – BKR 3000 - Malta

Deloitte is a firm of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Cap. 281, Laws of Malta).

2. Issue Statistics and Expected Timetable

2.1 Brief Overview of Issue Statistics

The Bond Issue is for the amount of €20,000,000 subject, in the event of over-subscription and exercise by the Issuer of the Over-allotment Option, to increase up to a maximum aggregate of €25,000,000. The Bonds shall accrue interest at the rate of six point eight per cent (6.8%) per annum. The Bonds shall, unless earlier redeemed by the Issuer on a Designated Early Redemption Date by giving not less than thirty (30) days prior notice to the Bondholders, be redeemed at their nominal value on the Redemption Date.

Your attention is drawn to Part C Section 3 of this Prospectus for a more detailed explanation of the Offer Statistics.

2.2 Expected Timetable

Application Forms available	5 March 2010
Pre-placement date	18 March 2010
Opening of subscription Lists	24 March 2010
Closing of subscription Lists	30 March 2010
Expected announcement of basis of acceptance	8 April 2010
Expected commencement of interest on the Bonds	8 April 2010
Expected dispatch of allotment advice and refund of unallocated monies	15 April 2010

The Issuer reserves the right to close the offer of the Bonds before 30 March 2010 in the event of over-subscription, in which case the remaining events set out in the 'Expected Timetable' shall be anticipated in the same chronological order in such a way as to retain the same number of Business Days between the said events.

3. Key Information

3.1 Presentation of Certain Information

The Issuer was established on 30 June 2005 and is the holding company of the Premier Group. Having no trading or operational activities of its own, the operating and financial performance of the Issuer is directly related to the financial and operating performance of the other Premier Group Companies. Accordingly, all financial and business information reproduced in this Prospectus relates to the Premier Group. This Prospectus contains references to the Issuer and the Premier Group where it is deemed appropriate that such references could assist an investor to better understand the information contained in this Prospectus. Investors are urged to consult the 'Definitions' section of this document for the precise meanings of those terms.

86.7% of the ultimate beneficial ownership of the Issuer and the subsidiary Premier Restaurants Malta Limited is vested in the same individuals (7.9% is held directly by the said individuals and 78.8% is held through the Issuer). By virtue of a letter of understanding between the Issuer and the said ultimate beneficial owners, the Issuer also has effective control over Premier Restaurants Malta Limited.

In view of the above and in accordance with 'IFRS 3 – Business Combinations', Premier Restaurants Malta Limited forms part of the Group companies and its results, assets and liabilities are being consolidated as a 78.8% subsidiary of the Group instead of an investment held at cost, as had been done previously.

In this context, and with a view to showing comparable figures for the Group, the pro forma financial information contained in Parts A and C of this Prospectus with respect to the financial years ended 31 December 2007 and 31 December 2008 have been restated to reflect the above resultant change in accounting treatment.

3.2 Selected Financial Data, and Information on the Group's Capitalisation

3.2.1 Historical financial information

The financial information about the Group is included in the pro forma consolidated financial statements for each of the financial years ended 31 December 2007, 2008 and 2009. The said statements, together with the audited financial statements of each of the Group companies have been published and are available at the Issuer's registered office.

Pro forma financial information with respect to the financial years ended 31 December 2007 and 2008 has been prepared so as to consolidate the results, assets and liabilities of Premier Restaurants Malta Limited as part of the Premier Group companies instead of as an investment held at cost. This approach has been adopted so as to reflect the same accounting treatment as adopted for the year ended 31 December 2009 (further detail included in Section 1 of Part C of this Prospectus).


The following information is extracted from the Group's pro forma consolidated financial statements for the financial years ended 31 December 2007, 2008 and 2009.

Premier Capital Limited (since renamed Premier Capital p.l.c.)
Consolidated Profit and Loss Account
For the financial years ended 31 December

	2009	2008	2007¹	2007²
	Actual	Actual	Illustrative	Actual
	€'000	€'000	€'000	€'000
Revenue	52,144	55,747	45,686	14,568
Cost of sales	(17,385)	(19,890)	(16,673)	(4,646)
Gross profit	34,759	35,857	29,013	9,922
Distribution and administrative expenses	(29,600)	(31,032)	(24,435)	(8,492)
Other operating income	385	169	125	82
Earnings before interest, tax, depreciation & amortisation (EBITDA)	5,544	4,994	4,703	1,512
Depreciation	(2,746)	(2,335)		(627)
Other income	-	747		-
Net finance costs	(1,085)	(1,679)		(381)
Profit before tax	1,713	1,727		504
Taxation	(664)	(456)		(303)
Profit for the year	1,049	1,271		201
Attributable to:				
Equity shareholders	877	1,227		127
Minority interest	172	44		74
	1,049	1,271		201
Gross profit margin	67%	64%	64%	
EBITDA margin	11%	9%	10%	

¹ On 18 December 2007, Premier Group took over the operation of 19 McDonald's restaurants in the Baltic countries which were previously operated by McDonald's Corporation - 7 restaurants in Estonia and 6 restaurants in each of Latvia and Lithuania. Accordingly, the audited financial statements of the Group for the year ended 31 December 2007 include the performance of the above-mentioned restaurants from 18 December 2007 (being the date of commencement of the Premier Group's operations in the Baltic countries) to 31 December 2007. For comparative purposes, the financial information for the year ended 31 December 2007 has been adjusted to reflect the results of the McDonald's restaurants in the Baltic countries for the full 12-month period, including the period prior to acquisition.

² Being extracts from the Group's pro forma consolidated financial statements for the year ended 31 December 2007.



Revenue is almost entirely comprised of food and beverage sales. Cost of sales and distribution and administrative expenses principally comprise food (including packaging material) costs, payroll, rent and related occupancy costs. Direct marketing expenses, support services and royalty fees payable under the franchise agreements also form part of distribution and administrative expenses.

Restaurant sales (excluding the 3 new restaurants opened in 2009) increased by 9.8% from €45.7 million in 2007 to €50.2 million in 2009. The increase in revenue principally reflected the enhanced operational performance of the 19 McDonald's restaurants in the Baltic countries subsequent to their acquisition in 2007, price increases and the remodeling of 9 restaurants (5 of which incorporating the introduction of McCafés) during the 2-year period 2008-2009. Revenue in 2009 declined by €3.6 million or 6.5% when compared to 2008, mainly due to reduced consumer spending as a result of the economic downturn which prevailed in the Baltic countries.

The Group's gross profit margin and EBITDA margin remained constant during the 3-year period at an average of 65% and 10% respectively. Cash operating profit for the financial year 2009 (after adjusting for depreciation) covered net finance costs 5.1 times.

Premier Capital Limited (since renamed Premier Capital p.l.c.)
Consolidated Balance Sheet
At 31 December

	2009	2008	2007
	€'000	€'000	€'000
ASSETS			
Non-current assets			
Intangible assets	26,154	26,736	27,213
Property, plant and equipment	19,203	15,962	13,551
Other non-current assets	680	768	220
	<hr/> 46,037	<hr/> 43,466	<hr/> 40,984
Current assets			
Inventories, trade and other receivables	3,359	2,931	2,980
Cash and cash equivalents	976	2,184	6,721
	<hr/> 4,335	<hr/> 5,115	<hr/> 9,701
Total assets	<hr/> 50,372	<hr/> 48,581	<hr/> 50,685
EQUITY			
Capital and reserves attributable to shareholders	16,000	15,124	13,934
Minority interest	624	515	470
	<hr/> 16,624	<hr/> 15,639	<hr/> 14,404
LIABILITIES			
Non-current liabilities			
Bank loans	20,658	23,801	24,415
Other non-current liabilities	528	574	642
	<hr/> 21,186	<hr/> 24,375	<hr/> 25,057
Current liabilities			
Trade and other payables	6,430	5,833	5,574
Bank overdraft and loans	6,071	2,610	5,347
Other current liabilities	61	124	303
	<hr/> 12,562	<hr/> 8,567	<hr/> 11,224
Total equity and liabilities	<hr/> 50,372	<hr/> 48,581	<hr/> 50,685

Premier Capital Limited (since renamed Premier Capital p.l.c.)
Consolidated Cash Flow Statement
For the financial years ended 31 December

	2009	2008	2007
	€'000	€'000	€'000
Cash flows from operating activities	3,425	4,252	616
Cash flows from investing activities	(4,863)	(4,593)	(20,601)
Cash flows from financing activities	(1,332)	(5,151)	26,072
Net movement in cash and cash equivalents	(2,770)	(5,492)	6,087

The Premier Group has historically financed its business activities by means of a combination of bank borrowings and cash generated from operating activities. During 2007 and 2008, the Group raised €24 million through bank borrowings, and accumulated €5 million in cash flows from operating activities. Of the said funds, €25 million were utilised to part-finance the 2007 acquisition of 19 restaurants in the Baltic countries and the remodeling thereof, whereas the balance of €4 million was utilised to repay outstanding bank loans. Up to December 2009, Premier Group generated €3.4 million - these funds were directed towards the remodeling of 9 restaurants (5 of which featuring the introduction of McCafés) and the acquisition of 3 restaurants in Latvia and Lithuania.

15 of the 19 McDonald's restaurants in the Baltic countries are "stand-alone" and provide drive-through service for their customers. The other 4 restaurants are considered "in-store" and are located in shopping malls. All the properties are leased on long-term contracts except for one property in Savjone, Lithuania, which is owned by the Group.

3.2.2 Capitalisation

The following table sets forth the capitalisation of the Premier Group as at 31 December 2009 as extracted from the consolidated audited financial statements of the Group for the year ended 31 December 2009, as adjusted to reflect the Bond Issue.

At 31 December 2009

	Actual €'000	Adjusted €'000
EQUITY		
Capital and reserves attributable to shareholders	16,000	16,000
Minority interest	624	624
	<hr/> 16,624	<hr/> 16,624
INDEBTEDNESS		
Bank loans	23,748	16,148
Bonds	-	25,000
	<hr/> 23,748	<hr/> 41,148
Total capitalisation	<hr/> 40,372	<hr/> 57,772
Gearing ratio (debt/total capital)	0.59	0.71

3.3 Reasons for the Offer and Use of Proceeds

The proceeds raised from the Bond Issue, which net of commissions and expenses are expected to amount to €19,450,000 (or €24,400,000 in the event of exercise of the Over-allotment Option by the Issuer), shall be used for:

- (i) up to an amount of €11,850,000 (or €16,800,000 in the event of exercise of the Over-allotment Option), for the financing of the Group's expansion and development strategies, on the basis of which the Group will focus its efforts during the 36-month period following the Bond Issue on:
 - a. identifying and securing title on land and/or premises for development or conversion (as the case may be) into McDonald's restaurants (both drive-through and in-store) in key locations. Although at present such key locations are expected to fall within the jurisdictions in which the Group already operates, the Group's management does not exclude the possibility that in the event that the franchisor awards the Group with development licenses and franchises in respect of further territories, new development and expansion opportunities will be sought in countries other than Malta, Estonia, Lithuania or Latvia; and
 - b. remodeling McDonald's restaurants presently operated by the Premier Group, including but not limitedly through the conversion of such outlets into hybrid McDonald's restaurants and McCafés;

and for:

- (ii) up to an amount of €7,600,000 for the part-refinancing of the Group's existing bank debt.

As to the utilisation of the Bond proceeds, the financing of the Group's expansion indicated in (i) above will be given priority over the part-financing of existing bank debt in (ii) above.

According to the Issuer's estimates, the proceeds of the Bond Issue are sufficient to cover the proposed use of proceeds described in this Prospectus, irrespective of whether the Issuer receives Applications in excess of €20,000,000 and elects to exercise the Over-allotment Option. In the event that such Over-allotment Option is exercised, however, the Directors expect that the over-allotment proceeds of €5,000,000 generated by the exercise of such option will place the Group in a position to incur capital expenditure at a faster rate and to complete the expansion and development programme in anticipation of the original time frames, thus curtailing the time to commence operation of the new outlets which should accordingly start to generate revenue in advance of the original time frames estimated to be 36 months.

3.4 Risk Factors

You should carefully consider the following matters, as well as the other information contained in the Prospectus, before making any investment decision with respect to the Group or the Issuer or the Bonds. This section contains mere highlights of the Risk Factors set out in detail in Part B of the Prospectus, which, prior to making any investment decision with respect to the Group or the Issuer or the Bonds, you are strongly advised to review if necessary with the assistance of your own financial and other professional advisors.

Information contained in this Prospectus contains "forward-looking statements", which are subject to the qualifications discussed below. If any of the risks described were to materialise, they could have a serious effect on the Group's or Issuer's financial results and the ability of the Issuer to fulfil its obligations under the Bonds to be issued.

3.4.1 Forward-looking statements

This Prospectus and the documents incorporated herein by reference or annexed hereto contain forward-looking statements that include, among others, statements concerning matters that are not historical facts and which may involve predictions of future circumstances. The Issuer cautions the reader that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ from those expressed or implied by the statements, and no assurance is given that the future results or expectations will be achieved.

3.4.2 *Risks relating to the Issuer and the Group*

3.4.2.1 *Risks relating specifically to the Issuer*

Issuer's dependence on payments due by the Premier Group Companies may be affected by factors beyond the Issuer's control

For the purposes of this Bond Issue, save for the portion of the Bond proceeds which shall be retained by the Issuer for the part re-financing of the Group's existing bank debt, the recipients of the funds raised and thereafter distributed by the Issuer shall be the Borrowing Companies, as described in Part C Section 4.1 ("Reasons for the Bond Issue and Use of Proceeds").

In addition to the receipt of dividends from the Premier Group Companies, the Issuer will be largely dependent on the receipt of loan repayments from the Borrowing Companies in order to: service interest payments on the Bonds; provide for the sinking fund (as described in Part D Section 20.11 below); and eventually repay the principal of the Bonds. In this respect, the loan repayments to be effected by the said Borrowing Companies in favour of the Issuer are subject to certain risks which could negatively affect the ability of the Issuer to punctually meet its repayment obligations under the Bond.

Issuer's potential exposure to certain financial risks

The Issuer's activities potentially expose it to a variety of financial risks, including interest rate risk, country risk and currency risk.

Interest rate risk

The Issuer may be exposed to the risks associated with the effects of fluctuations in the prevailing levels of the market interest rates on its financing position and cash flows.

3.4.2.2 *Risks relating to the quick service restaurant industry*

Risks inherent in the nature of the quick service restaurant industry

Premier Group's performance is subject to a number of factors that affect the restaurant industry generally and the quick service segment of the industry in particular.

Adverse changes in any one or more of these factors could reduce customer transactions at Premier Group's restaurants, impose limits on pricing or cause Premier Group to incur additional expenditure in modifying its concepts or restaurants, any or all of which could adversely affect Premier Group's business and the results of its operations.

Competition

Premier Group operates in the informal eating-out market (IEO), more specifically in the quick service restaurant market (QSR), and faces competition in each of them. The inability to compete successfully in any of these markets could adversely affect Premier Group's business and the results of its operations.

Regulation

Premier Group is subject to various laws and regulations affecting its business. Difficulties or failure in obtaining the required licenses or approvals, or the loss thereof, could adversely affect Premier Group's business and the results of its operations.

Potential claims and complaints

In view of the nature of its business, Premier Group may be the subject of complaints or claims from customers alleging food-related illness, injuries suffered on Premier Group's premises, or other food quality, health or operational concerns. Adverse publicity resulting from such allegations may materially affect sales revenues generated by Premier Group restaurants, regardless of whether such allegations are true or whether Premier Group is ultimately held liable or whether the player in the market which has given rise to the claim is the Premier Group or a direct competitor.

Economic and political factors relating to Estonia, Latvia, Lithuania and Malta may affect Premier Group

Premier Group's revenues and costs are dependent on a variety of factors influenced by the economies and government policies of the countries in which it operates as a whole as well as by regional economies within those countries. Any future adverse developments in any of such countries could affect Premier Group's business and operations.

3.4.2.3 Risks relating to the Premier Group

Premier Group's growth strategy depends on opening new restaurants, which however may be influenced by factors beyond its control

Premier Group intends to pursue its growth strategy which, to be successful, will depend in large part on its ability to open new McDonald's restaurants and to operate these restaurants on a profitable basis. However, Premier Group cannot guarantee that it will be able to achieve its expansion goals or that new restaurants will be operated profitably. Furthermore, Premier Group cannot guarantee that any restaurant it opens will obtain operating results similar to those of its existing restaurants.

Ability to locate and secure adequate restaurant sites

The success of the McDonald's restaurants operated by Premier Group is significantly influenced by location. There can be no assurance that current locations will continue to be attractive or that Premier Group will be able to identify and secure additional prime locations as demographic patterns change. Although Premier Group's primary intention is to open new restaurants in the Baltic countries and Malta, it may also consider potential expansion into new geographical markets. There can be no assurance that the necessary franchisor approval will be forthcoming, nor that the associated licenses will be granted. New restaurants opened as part of such expansion may be located in markets where Premier Group has little or no past experience, which in turn may cause the new restaurants to be less successful than the ones in the existing markets.

Expansion may strain Premier Group's infrastructure and other resources

Expansion may strain the Premier Group's existing systems, mechanisms and procedures. If the Group fails to continue to improve its infrastructure or to manage other factors necessary for it to achieve its expansion objectives, Premier Group's results of operations and business could be adversely affected.

Development of restaurants

The development of restaurants is subject to a number of specific risks which may adversely impact Premier Group's financial performance. Such risks include delays in the construction schedule, the risk of cost overruns, the risk of insufficiency of resources to complete, higher interest costs and counter-party risks.

Premier Group is dependent on its licensor / franchisor

The McDonald's system in Malta and the Baltic countries is developed and operated by the Premier Group pursuant to the terms of development licenses and franchise agreements, from which emanate the Group's right to operate McDonald's-branded restaurants in the Baltics and Malta. As a result, the Premier Group's revenues are dependent on the continued existence of its contractual relationships with McDonald's.

In view of the nature of franchising and the said franchise agreements, the long-term success of the Premier Group will depend, to a significant extent, on:

- the continued vitality of the McDonald's concepts and the overall success of the franchise system;
- the ability of Premier Group and its franchisor to identify and react to new trends in the restaurant industry, including the development of popular menu items;
- the ability of Premier Group and its franchisor to develop and pursue appropriate marketing strategies;
- the goodwill associated with the McDonald's trademarks;

- the quality, consistency and management of the franchisor's overall systems; and
- a continued cooperative franchise relationship with its franchisor.

The development license agreements and franchise agreement require the Premier Group to comply with a comprehensive set of terms and conditions. Moreover, the success of a franchise significantly depends on the relationship between the franchisor and the franchisee. While every effort is expected to be made to ensure a positive relationship between the Premier Group and its franchisor, there is no assurance that events or circumstances in the future may not adversely affect that relationship or that its franchisor will not enforce its contractual rights under any of the said agreements in a manner that is adverse to the Premier Group.

Lack of total territorial exclusivity

The development license agreements relating to the development of McDonald's restaurants in Malta and the Baltic countries do not grant the franchisee exclusive territorial rights pursuant to or in conjunction with the rights granted thereto in terms of such agreements. However, the development license agreements provide that for so long as the franchisee remains in compliance with its obligations under such agreements and related agreements throughout the term thereof, no McDonald's restaurants will be opened save by the franchisee and no franchise within the relevant territory will be granted in favour of any other franchisees.

Changes in resource availability and costs

Premier Group's profitability depends in part on its ability to anticipate and react to changes in the cost of its supplies. Any failure to perform by suppliers could cause significant short-term disruption in the Premier Group's supply chain. The Premier Group cannot predict whether it will be able in all circumstances to anticipate and react to changing supply costs by adjusting its purchasing practices and menu prices, and a failure in any case to do so could adversely affect its business and the results of its operations. In addition, because it operates in price-sensitive markets, the Premier Group may not be able to fully amortise the loss incurred by virtue of such changing costs by raising the prices charged to its customers.

Leases and lease renewal

Almost all of the Premier Group's restaurants are on property which is leased. The majority of such leases are long-term, with the average term being approximately 20 years from the date of grant (assuming the exercise of all renewal options with defined terms and excluding leases which renew periodically until terminated or which have no defined end date). Although the leases typically provide for a right of renewal subject to the Premier Group remaining in compliance with the terms of the lease, there can be no guarantee that the Premier Group will be able to renew these leases on commercially acceptable terms – and if the Premier Group were to be unable to do so, the potential loss of prime restaurant locations could have an adverse effect on the Premier Group's results of operations and business.

The Premier Group's dependence on key personnel

The Premier Group's future success and growth will in part depend on a select group of employees, senior management and other key personnel. The loss of key personnel could have a short-term adverse effect on the Premier Group's business and the results of its operations.

The Premier Group's insurance coverage

Historically, the Premier Group has maintained insurance at levels determined by it to be appropriate in the light of the cost of cover and the risk profiles of the business in which it operates. With respect to losses for which the Premier Group is covered by its policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Premier Group may, in some cases, not be able to recover the full amount from the insurer. No assurance can be given that the Premier 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.

3.4.3 Considerations relating to the Bonds

General

The value of investments can go up or down and past performance is not necessarily indicative of future performance. If in need of advice, you should consult a licensed stockbroker or an investment advisor licensed under the Investment Services Act, Cap. 370 of the Laws of Malta.

The Issuer is the sole obligor of the Bonds, which are not guaranteed by the other Premier Group Companies or by the franchisor

None of the Premier Group Companies guarantee the Issuer's obligations under the Bonds or have any obligations with respect to the Bonds. None of the other Premier Group Companies are required to make any capital contributions, loans or other payments to the Issuer which relate specifically to its obligations on the Bonds.

Prior ranking charges

The Bonds constitute the general, direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt other than subordinated debt, if any. Furthermore, subject to the negative pledge clause (Section 4 of Annex I Part I to this Prospectus), third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.

In essence, the above means that for so long as the Issuer may have secured, privileged or other higher-ranking creditors, in the event of insolvency of the Issuer the Bondholders would rank after such creditors but equally between themselves and with other unsecured creditors (if any) of the Issuer.

Risk inherent in the Bonds

- Prior to the Bond Issue, there has been no public market nor trading record for the Bonds within or outside Malta.
- The liquidity of the market depends on, amongst others, factors beyond the Issuer's control such as the willingness or otherwise of potential buyers and sellers of the Bonds. The effect that the investors' decisions may have on the trading market would consequently affect the trading value of the Bonds. Other factors over which the Issuer has no control include the time remaining for maturity of the Bonds, the outstanding amount of the Bonds, and the level, direction and volatility of market interest rates generally.
- There can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. There can be no assurance, also, that an investor will be able to re-sell his/her Bonds at or above the Bond Offer Price.
- Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.
- A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different.
- 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 Bonds prevailing from time to time.
- The Issuer has the option to redeem the Bonds in whole or in part on any of the Designated Early Redemption Dates (in accordance with the provisions of Section 6 of the Terms and Conditions of the Bonds set out in Annex I Part I to this Prospectus), together with any accrued and unpaid interest until the time of redemption. This optional redemption feature may condition the market value of the Bonds.
- In the event that the Issuer wishes to amend any of the Terms and Conditions of Issue of the Bond it shall call a meeting of Bondholders in accordance with the provisions of Section 10 of the Terms and Conditions of the Bonds set out in Annex I Part I to this Prospectus. 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.

- **The Bonds 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 this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of this Prospectus.**
- **The terms and conditions of this Bond Issue are based on Maltese law in effect as at the date of this 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 this Prospectus.**

4. Information About the Issuer

4.1 Historical Development

Full Legal and Commercial Name of Issuer:	Premier Capital p.l.c.;
Registered Address:	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;
Place of registration and Domicile:	Malta;
Registration Number:	C 36522;
Date of registration:	30 June 2005;
Legal Form:	The Issuer is lawfully existing and registered as a public limited company in terms of the Act;
Telephone Number:	+356 2568 1888;
Website:	www.premiercapital.com.mt

4.2 Business Overview

The Issuer is the parent company of the Premier Group. The Premier Group operates McDonald's restaurants in Malta, Estonia, Latvia and Lithuania. Apart from offering support, management and consultancy services to companies within the Premier Group (See Part C Section 10.1 of the Prospectus – Management Structure of the Group), the Issuer acts as a holding company for the various subsidiaries of the Group which operate the McDonald's restaurants in the said countries. SIA Premier Estates Ltd and Premier Estates Eesti OU also own 4 immovable properties in Latvia and Estonia which are rented out to other companies within the Group.

The McDonald's franchise for Malta was awarded to the Premier Group Company, Premier Restaurants Malta Limited (formerly First Foods Franchise Limited), in 1995, pursuant to the terms of an operating license agreement. In 2007, the

Premier Group was awarded the McDonald's franchise in respect of each of Latvia, Lithuania and Estonia (the "Baltic countries"), pursuant to which it was charged with the responsibility of developing the brand in those territories.

During the year ended 31 December 2009, the Group increased its total portfolio to 30 restaurants following the launch of another restaurant in Latvia and a further 2 restaurants in Lithuania.

Further information on the business of the Group, addressing the principal markets the Group operates in and the McDonald's franchise, as well as the operating and financial review of the Group, are set out in Section 5.2 of Part C of this Prospectus.

Property, Plant and Equipment

The Premier Group carries out its business through a network of 36 properties spread across four countries within the European Union. The majority of these properties are held under a lease or concession agreement.

The Malta Properties: Premier Restaurants Malta Limited currently leases six (6) properties located in Birkirkara, Bugibba, Sliema, St. Julian's, Gozo and Mrieħel, the latter being a storage facility whereas the remaining five (5) are restaurants. Furthermore a concession was issued in favour of Premier Restaurants Malta Limited with regards to the two (2) restaurants located at the Malta International Airport and at the Bay Street Complex, St. Julian's. Arcades Limited, a 50% subsidiary of Premier Restaurants Malta Limited, currently leases the property in Valletta for use as a McDonald's restaurant.

The premises hosting the Premier Group's head offices and the Malta McDonald's distribution centre in Marsa, Malta, are leased from the Hili Group.

The Lithuania Properties: UAB Premier Restaurants holds nine (9) properties. Of these, one (1) is used as an office in Vilnius, whereas eight (8) are used as restaurants, located in Vilnius (five (5)), Kaunas (one (1)), Klaipeda (one (1)) and Siauliai (one (1)). With the exception of one of the restaurants in Vilnius, which is held by UAB Premier Restaurants under title of ownership, all the other restaurants are leased.

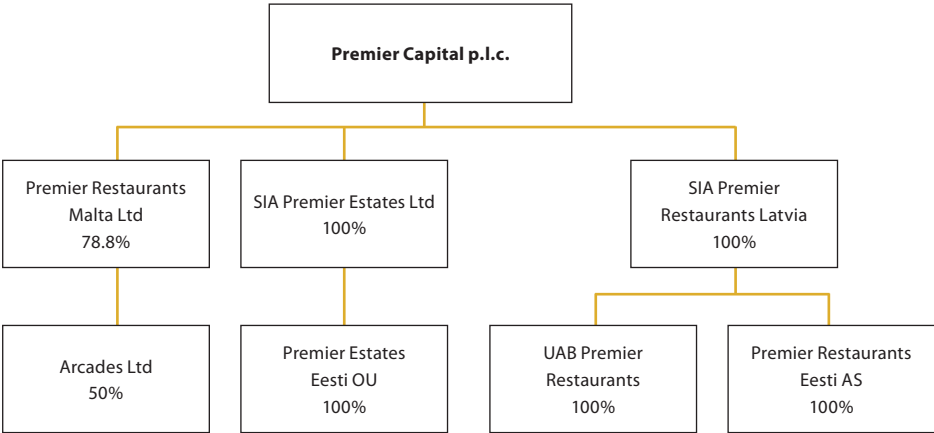
The Estonia Properties: Premier Restaurants Eesti AS leases seven (7) properties, five (5) of which in Tallin, one (1) in Tartu and one (1) in Narva. All are used as restaurants.

The Latvia Properties: SIA Premier Restaurants Latvia leases seven (7) properties for use as restaurants. These are all situated in the capital Riga. SIA Premier Estates Ltd owns one (1) terraced house in Ogre and two (2) apartments in Riga, for use as staff accommodation.

The restaurants referred to above comprise kitchen equipment and various kinds of units designed for food preparation and serving in quick service restaurants. Furniture, decorative illumination, soft furnishings and utensils typical of the McDonald's franchise are also found in the restaurants.

4.3 Shareholding Structure

The following chart outlines the shareholding structure relative to the Premier Group:



Further information on the shareholding structure relative to the Premier Group is set out in Section 6 of Part C of this Prospectus.

5. Trend Information

5.1 Strategy

The business strategy of the Premier Group is based on the following considerations:

Expand penetration within existing and new geographical territories

The Premier Group’s principal objective following the Bond Issue will be to focus on the expansion of the McDonald’s restaurant network within existing and new markets, given the belief of the Group’s management that there is significant market potential (as detailed in the section entitled “The quick service restaurant market in Malta, Estonia, Latvia and Lithuania” below) to continue to develop the McDonald’s concept in Malta, the Baltic countries and, possibly, other territories (subject to franchisor’s approval and granting of the associated licenses).

Continue to improve revenue and profitability

During the past three financial years, Premier Group remodeled and upgraded the ambience of a number of its McDonald’s restaurants, including by allocating parts thereof to the introduction of McCafés. Over the next 24 months, Premier Group plans to continue remodeling the remaining McDonald’s restaurants, including through the introduction of McCafés as aforesaid, financing this programme in the main through internally generated cash flows. In the event that the Bond Issue

is not fully subscribed or the Issuer does not exercise the Over-allotment Option, the Group expects a deferral of capital expenditure for the purpose of its expansion and development programme, which would thus result in an extension of the aforementioned completion period targeted for such programme.

Commitment to customer satisfaction

The Premier Group is committed to provide an efficient and attentive customer service and consistent food quality.

5.2 The Quick Service Restaurant Market in Malta, Estonia, Latvia and Lithuania

Quick service restaurants provide customers with fast, convenient food “on the go” and at affordable prices.

The opportunities for further expansion in the regions in which the Group operates will depend on a number of factors that could have a material impact on the Group’s strategy to increase its operational presence in these territories. These factors are driven principally by the level of penetration that management reckons is sustainable in each of these territories to conduct profitable operations.

In devising future strategy, the Group’s management takes an ad hoc regional view of: general macro-economic conditions; the social development of the population; competition; regulation; affluence; political and economic stability within each territory. Moreover, the Group commissions regular market studies in each of the territories in which it operates restaurants in order to keep under review all the relevant market conditions that could have an impact on its development strategy and to enable it to react in a timely manner as and when market conditions so dictate.

On the basis of the data available to the Group’s management, it transpires that both the Maltese market as well as the Baltic countries market can sustain further expansion.

In the case of Malta, the Group already has a high penetration rate, comparable to that prevailing in the more developed city centres in Western Europe. The Group’s management believes that further expansion in Malta is sustainable, particularly by means of further geographical diversification of its restaurants.

In the case of the Baltic countries, the Group’s management believes that there is further room for higher penetration rates. The relatively low penetration rate of restaurants per capita, combined with the high level of brand recognition enjoyed and the Group’s pricing strategy for the region, is believed to postulate the right platform for expansion in these regions.

5.3 Restaurant Development

The Group's management believes that the ability to select attractive locations and develop new restaurants is important in ensuring its continued growth. Accordingly, the Premier Group undergoes a detailed and comprehensive process to:

- determine key development markets;
- select and approve new locations in those markets;
- negotiate attractive lease terms;
- acquire properties at attractive values; and
- design, construct and manage restaurants.

Detailed information on the above process is set out in Section 7.1 of Part C of this Prospectus.

6. Management and Employees

6.1 Directors and Management Structure

The Issuer is managed by a Board of Directors currently consisting of six (6) members, which is entrusted with the overall direction, administration and management of the Issuer. The responsibility of the Directors is a collective one, although within the structure of a unitary board, the main functions of the Directors are in practice complementary.

The board of directors of the Issuer establishes policy for the Premier Group and is responsible for appointing all executive officers and other key members of the Group's Management Team. The Group has appointed executives in each of the core areas of its business, that is finance, human resources, marketing, supply chain and development, all of whom report directly to the Managing Director. In addition, the Group has appointed a Country Manager for each of the four countries in which it operates.

Further information on the Directors of the Issuer and the management structure of the Group can be found in Sections 9 and 10 of Part C of this Prospectus.

6.2 Aggregate Emoluments of Directors

In terms of the Memorandum and Articles of Association of the Issuer, the Directors shall be paid such amount of remuneration as may be so agreed from time to time by an extraordinary resolution of the shareholders of the Issuer. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Issuer or in connection with the business of the Issuer. Presently, none of the Directors receive remuneration, and since the date of the Issuer's formation, no extraordinary resolution has been taken for this purpose.

6.3 Employees

As at the date of the Prospectus:

- the Issuer has a total of 11 employees;
- in aggregate, the Premier Group has approximately 2,400 employees, of which circa 65% are full-time employees and circa 35% are part-time employees.

6.4 Holdings in Excess of 5% of Share Capital

On the basis of the information available to the Issuer as at the date of this document, the entire issued share capital of the Issuer is split equally between the brothers Marin, Beppe and Melo Hili, who hold 505,240 Class 'A', Class 'B' and Class 'C' ordinary shares respectively. No other persons hold a shareholding, direct or indirect, in excess of 5% of the Issuer's total issued share capital.

The Issuer adopts measures in line with the Code of Corporate Governance to ensure that the relationship with its majority shareholders is retained at arm's length, including adherence to rules on related party transactions requiring the sanction of the Audit Committee. Further information on the practices adopted by the Audit Committee in this respect may be found in Section 11.1 of Part C of this Prospectus.

7. Financial Information

The following financial information about the Premier Group is available for inspection as set out in Section 10 below of Part A of this Prospectus:

- (a) Pro forma consolidated financial information of the Premier Group for the years ended 31 December 2007 – 2009;
- (b) Audited consolidated financial statements of the Issuer for the years ended 31 December 2007 – 2009;
- (c) Audited financial statements of each of the Group companies for the years ended 31 December 2007 – 2009.

There have been no significant changes to the financial position of the Group since the end of the financial period to which the audited consolidated financial statements referred to in paragraph (b) above relate.

8. Details of the Bond Issue

8.1 The Bond Issue

The Issuer is making an offering of €20,000,000 six point eight per cent (6.8%) Bonds due 15 March 2020 provided that in the event that the Issuer receives Applications in excess of €20,000,000, the Issuer has the option to increase the issue of Bonds by a maximum of an additional €5,000,000 up to an aggregate principal amount of €25,000,000. The Bonds, having

a nominal value of €100 each, will be issued at par and shall bear interest at the rate of six point eight per cent (6.8%) per annum payable annually, the first such payment to be made on 15 March 2011.

The Bonds will, unless previously purchased and cancelled, be redeemed on 15 March 2020, subject to the Issuer's option to redeem all or any of the Bonds at any date between 16 March 2017 and 14 March 2020, as the Issuer may determine on giving not less than thirty (30) days' prior notice to the Bondholders.

The Bond Issue is not underwritten.

8.2 Admission to Trading

Application has been made to the Listing Authority for the admissibility of the Bonds to listing on a regulated market. The Listing Authority admitted the Bonds to listing and trading by letter dated 1 March 2010. In addition, application has also been made to the Malta Stock Exchange for the Bonds to be admitted to trading on the Official List of the Malta Stock Exchange. The Bonds are expected to be admitted to the Official List of the Malta Stock Exchange with effect from 16 April 2010 and trading is expected to commence on 19 April 2010.

8.3 Plan for Distribution

The Issuer is making an offering of Bonds to all categories of investors. The Bonds will be available for subscription during the Offer Period commencing on 24 March 2010 up to and including 30 March 2010, subject to the right of the Issuer to close subscription lists before such date in the case of over-subscription.

The Issuer may enter into conditional subscription agreements prior to the commencement of the Offer Period up to an amount not exceeding 50% of the full amount of the Offer (including the maximum amount of the Over-allotment Option) with a number of Authorised Intermediaries for the subscription of the Bonds, whereby it will bind itself to allocate Bonds to such Authorised Intermediaries upon closing of subscription lists. These agreements will be subject, inter alia, to the admission to trading of the Bonds on the Official List of the Malta Stock Exchange.

During the Offer Period, Applications may be made through any of the Authorised Intermediaries whose names are set out in Annex II of this Prospectus.

8.4 Estimated Expenses of the Bond Issue

Professional fees, costs related to publicity, advertising, printing, listing, registration, sponsor, management and registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue, are estimated not to exceed €600,000, and shall be borne by the Issuer.

The overall amount of the placing commission payable to Authorised Intermediaries entering into conditional subscription agreements in terms of Section 19 of Part D of this Prospectus will not exceed €125,000.

9. Additional Information

9.1 Share Capital

The Issuer has an authorised share capital of €4,247,029.32 divided into 607,750 "A" Ordinary Shares, 607,750 "B" Ordinary Shares and 607,750 "C" Ordinary Shares, each share having a nominal value of €2.329373. The issued share capital of the Issuer, which amounts to €3,530,677.24, is divided into 505,240 "A" Ordinary Shares, 505,240 "B" Ordinary Shares and 505,240 "C" Ordinary Shares, each share having a nominal value of €2.329373. The issued share capital of the Issuer, which is fully paid up, is split in the following proportions:

- 505,240 "A" ordinary shares each having a nominal value of €2.329373 are held by Marin Hili;
- 505,240 "B" ordinary shares each having a nominal value of €2.329373 are held by Beppe Hili; and
- 505,240 "C" ordinary shares each having a nominal value of €2.329373 are held by Melo Hili.

It is noted that the following changes to the issued share capital of the Issuer have taken place since 31 December 2009, that is the date up to which the latest audited financial statements of the Issuer have been prepared:

- 9 January 2010: Increase of issued share capital of the Issuer by the amount of €2,000,000 pursuant to capitalisation of shareholders' loans;
- 5 February 2010: Increase of issued share capital of the Issuer by the amount of €500,000 pursuant to an allotment of shares for cash;
- 18 February 2010: Reduction of issued share capital of the Issuer by the amounts of: €504,001.78 for the purpose of off-setting accumulated losses of the Issuer as at 31 December 2009; and €212,350.30 for the purpose of creating a new reserve against which losses of the Issuer may be off-set from time to time.

9.2 Memorandum and Articles of Association

The Memorandum and Articles of Association of the Issuer (C 36522), described in Section 15.2 of Part C of this Prospectus, are registered with the Registry of Companies and are available for inspection during the lifetime of this Prospectus at the registered office of the Issuer and at the Registry of Companies at the Malta Financial Services Authority.

10. Documents Available for Inspection

For the duration period of this Prospectus the following documents shall be available for inspection at the registered address of the Issuer:

- (a) Memorandum and Articles of Association of the Issuer;
- (b) Pro forma consolidated financial information of the Premier Group for the years ended 31 December 2007 – 2009;
- (c) Audited consolidated financial statements of the Issuer for the years ended 31 December 2007 – 2009;
- (d) Audited financial statements of each of the Premier Group companies for the years ended 31 December 2007 – 2009.



Part B – Risk Factors

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, CANCELLED OR REDEEMED. THE ISSUER SHALL REDEEM THE BONDS ON THE REDEMPTION DATE FALLING IN 2020, SUBJECT TO THE RIGHT OF THE ISSUER TO REDEEM ALL OR PART OF THE BONDS ON ANY OF THE DESIGNATED EARLY REDEMPTION DATES, BY GIVING NOT LESS THAN THIRTY (30) DAYS NOTICE.

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. 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 THIS PROSPECTUS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

NEITHER THIS PROSPECTUS NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE BONDS: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION OR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE SPONSOR OR AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THIS PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY BONDS.

ACCORDINGLY PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

1.1 *Forward-looking Statements*

This Prospectus and the documents incorporated herein by reference or annexed hereto contain forward-looking statements that include, among others, statements concerning the Group's and Issuer's strategies and plans relating to the attainment of its objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may involve predictions of future circumstances.

Investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", or similar phrases. These forward-looking statements are inherently subject to a number of risks, uncertainties, and assumptions. Important factors that could cause actual results to differ materially from the expectations of the Group's and Issuer's directors include those risks identified under the heading "Risk Factors", and elsewhere in the Prospectus. If any of the risks described were to

materialise, they could have a serious effect on the Group's and Issuer's financial results and the ability of the Issuer to fulfill its obligations under the securities to be issued. Accordingly, the Issuer cautions the reader that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ from those expressed or implied by the statements and no assurance is given that the future results or expectations will be achieved.

1.2 Considerations Relating to the Business of the Issuer and the Premier Group

1.2.1 Risks relating specifically to the Issuer

Issuer's dependence on payments due by the Borrowing Companies may be affected by factors beyond the Issuer's control

The Issuer is the parent company of the Premier Group (see Premier Group structure described in Part C Section 6). Save for the portion of the Bond proceeds which shall be retained by the Issuer for the part re-financing of the Group's existing bank debt, the proceeds of this Bond Issue shall be loaned to other companies forming part of the Premier Group (the Borrowing Companies), in the amounts and proportions described in Part C Section 4.1 ("Reasons for the Bond Issue and Use of Proceeds").

In addition to the receipt of dividends from the Premier Group Companies, the Issuer will be largely dependent on the receipt of loan repayments from the Borrowing Companies in order to: service interest payments on the Bonds; provide for the sinking fund (as described in Part D Section 20.11 below); and eventually repay the principal of the Bonds. In this respect, therefore, the operating results of the Borrowing Companies, which all form part of the Premier Group, have a direct effect on the Issuer's financial position, and as such the risks intrinsic in the business and operations of such other Premier Group Companies shall have a direct effect on the ability of the Issuer to meet its obligations in respect of the repayment of principal and interest under the Bonds punctually when due.

The loan repayments to be effected by the said Borrowing Companies in favour of the Issuer are subject to certain risks. More specifically, the ability of the Borrowing Companies to effect loan repayments will depend on their respective cash flows and earnings, which may be restricted by changes in applicable laws and regulations, by the terms of agreements to which they are or may become party, including the indenture governing their existing indebtedness, or by other factors beyond the control of the Issuer. The occurrence of any such factors could in turn negatively affect the ability of the Issuer to meet its obligations in respect of the repayment of principal and interest under the Bonds punctually when due.

Issuer's potential exposure to certain financial risks

The Issuer's activities potentially expose it to a variety of financial risks, including interest rate risk, country risk and currency risk, all of which are explained further in this Part B of the Prospectus (including the paragraphs under the headings "Interest rate risk" and "Economic and political factors relating to Latvia, Lithuania, Estonia and Malta may affect Premier Group" below).

Interest rate risk

Interest rate risk refers to the potential changes in the value of financial assets and liabilities in response to changes in the level of interest rates and their impact on cash flows. The Issuer may be exposed to the risks associated with the effects of fluctuations in the prevailing levels of the market interest rates on its financing position and cash flows.

1.2.2 Risks relating to the quick service restaurant industry

Risks inherent in the nature of the quick service restaurant industry

Premier Group's performance is subject to a number of factors that affect the restaurant industry generally and the quick service segment of the industry in particular, including:

- changes in the general economic conditions of the market and changes in consumer confidence, disposable income and discretionary spending patterns;
- competition with respect to price, service, location and food quality;
- changes in demographic trends, traffic patterns and the type, number and location of competing restaurants;
- health concerns and potential litigation in relation to health issues; and
- changes in the regulatory framework setting out the requirements and obligations applicable to, inter alia, restaurant-owners and employers in general.

Adverse changes in any one or more of these factors could reduce customer transactions at Premier Group's restaurants, impose limits on pricing or cause Premier Group to incur additional expenditure in modifying its concepts or restaurants, any or all of which could adversely affect Premier Group's business and the results of its operations.

The Premier Group's operations are also dependant on its ability to avoid (and where not possible, mitigate) any degradation in product quality and, or service levels for customers, which could undermine confidence in the services provided by the Premier Group and cause a loss of customers or make it more difficult to attract new ones. The business of the Premier Group could be significantly hurt from these delays, errors, failures or faults.

Competition

Premier Group operates in the informal eating-out market (IEO), more specifically in the quick service restaurant market (QSR), and faces competition in each of them (directly in the QSR market and indirectly in the IEO market). In the event that Premier Group is unable to compete successfully in any of these markets, this could adversely affect Premier Group's business and the results of its operations.

Furthermore, Premier Group may be adversely affected should any of its competitors change their concepts or pricing to compete more directly with Premier Group or the menu items and options offered by Premier Group.

Regulation

Premier Group is subject to various laws and regulations affecting its business. Each of its restaurants is subject to licensing and regulation by a number of governmental authorities, which may include alcoholic beverage controls, smoking laws, health and safety measures, disability access requirements and fire safety requirements. Difficulties in obtaining, or any failure to obtain, the required licenses or approvals, or the loss thereof, could adversely affect Premier Group's business and the results of its operations.

Various bodies have the power to conduct inspections of Premier Group's restaurants and to close down any restaurants which fail to comply with the regulations. Premier Group is also liable under relevant legislation for any damage caused through its serving food of inappropriate quality. To date, Premier Group has not experienced any claims based on these laws, although no assurance can be given that this will remain the case in the future.

Potential claims and complaints

In view of the nature of its business, the Premier Group may be the subject of complaints or claims from customers alleging food-related illness, injuries suffered on Premier Group's premises, or other food quality, health or operational concerns. Adverse publicity resulting from such allegations may materially affect sales revenues generated by Premier Group restaurants, regardless of whether such allegations are true or whether Premier Group is ultimately held liable.

In addition Premier Group may be subject to a type of litigation which is particular to the nature of its business. "Fast-food" restaurant chains in the United States, for instance, have been the subject of class action suits concerning obesity, and there can be no assurance that Premier Group will not be subject to similar claims in the Baltic countries, Malta or any new market which it may seek to penetrate in the future. All litigation is expensive, time consuming and may divert management's attention away from the operation of the business. In addition, Premier Group cannot be certain that its insurance coverage will be sufficient to cover one or more substantial claims.

It is possible that if complaints, claims or legal proceedings such as the aforementioned were to be brought against a direct competitor of the Premier Group, the latter would also be affected due to the adverse publicity brought against, and concerns raised in respect of, the quick service restaurant industry in general.

In addition, other litigation including but not limited to disputes with its employees based on claims of, amongst others, discrimination, harassment or wrongful termination, may divert financial and management resources that would otherwise be used to benefit the future performance of Premier Group's operations.

Economic and political factors relating to Estonia, Latvia, Lithuania and Malta may affect Premier Group

Premier Group's revenues and costs are dependent on a variety of factors influenced by the economies and government policies of the countries in which it operates as a whole as well as by regional economies within those countries. These factors include, among others, increases or decreases in gross domestic product, inflation, unemployment, interest rates, currency value, tax rates and the size and demographic characteristics of the population. Any future adverse developments in any one or more of these factors could affect Premier Group's business and the results of its operations.

1.2.3 Risks relating to the Premier Group

Premier Group's growth strategy depends on opening new restaurants, which however, may be influenced by factors beyond its control

Premier Group intends to pursue its growth strategy which, to be successful, will depend in large part on its ability to open new McDonald's restaurants and to operate these restaurants on a profitable basis. Premier Group anticipates that each new restaurant will generally take several months from its opening to reach planned operating levels due to inefficiencies typically associated with new restaurants, including lack of market awareness and the need to hire and train sufficient staff. Premier Group cannot guarantee that it will be able to achieve its expansion goals or that new restaurants will be operated profitably.

Furthermore, Premier Group cannot guarantee that any restaurant it opens will obtain operating results similar to those of its existing restaurants. The success of the planned expansion will depend upon numerous factors, many of which are beyond Premier Group's control, including the following:

- ability to identify and secure available and suitable restaurant sites;
- ability to secure required planning and other governmental approvals and permits in a timely manner;
- competition for restaurant sites and competition in the group's markets generally;
- ability to manage the construction and development costs of new restaurants, as well as delays in the timely development of new restaurants;

- ability to hire, train and retain qualified operating personnel, particularly managers;
- the need to obtain the franchisor's approval for new restaurant development; and
- generally, the economic conditions prevailing from time to time.

Ability to locate and secure adequate restaurant sites

The success of the McDonald's restaurants operated by Premier Group is significantly influenced by location. There can be no assurance that current locations will continue to be attractive or that Premier Group will be able to identify and secure additional prime locations as demographic patterns change. It is possible that current locations may become less attractive or be affected by adverse economic conditions or other factors, potentially resulting in reduced sales in those locations. There can also be no assurance that future sites will produce results which are the same as or better than the existing sites.

In accordance with its expansion strategy, Premier Group's primary intention is to open new restaurants in the Baltic countries and Malta, however it may also consider potential expansion into new geographical markets (See Section 7.1.1 of Part C of this Prospectus). Any such expansion will require the approval of its franchisor and there can be no assurance that such approval will be forthcoming. New restaurants opened as part of such expansion may be located in markets where Premier Group has little or no past experience. Those areas or markets may have competitive conditions, consumer tastes and discretionary spending patterns which are different from Premier Group's existing markets, and this in turn may cause the new restaurants to be less successful than restaurants in existing markets.

Expansion may strain Premier Group's infrastructure and other resources

Premier Group faces the risk that its existing systems and procedures, restaurant management systems, financial control mechanisms, information systems, management resources and human resources, will be inadequate or insufficient to support its planned expansion of restaurants. Premier Group may not be able to respond on a timely basis to all of the changing demands that its planned expansion will impose on its infrastructure and other resources. If it fails to continue to improve its infrastructure or to manage other factors necessary for it to achieve its expansion objectives, Premier Group's results of operations and business could be adversely affected.

Development of restaurants

The development of restaurants, as with any other property development, is subject to a number of specific risks, including the risk of delays in the construction schedule, the risk of cost overruns, the risk of insufficiency of resources to complete, and higher interest costs. If these risks were to materialise, they would have an adverse impact on the Premier Group's revenue generation, cash flows and financial performance.

Furthermore, the Premier Group is subject to various counter-party risks, such as contractors and sub-contractors engaged in the construction and finishing of the restaurants defaulting in their obligations to carry out the necessary works within the specified timeframe and budget. Such parties may fail to perform or default on their obligations to the Premier Group due to insolvency, lack of liquidity, market or economic downturns, operational failure or other reasons which are beyond the Premier Group's control.

Premier Group is dependent on its licensor / franchisor

The McDonald's system in Malta and the Baltic countries is developed pursuant to the terms of development licenses issued by McDonald's Corporation (in the case of Malta) and by McDonald's International Property Company Ltd (in the case of the Baltic countries). The Premier Group has undertaken to develop restaurants under and in accordance with the McDonald's brand and standards as prescribed by the said development license agreements. Furthermore, pursuant to franchise agreements entered into with McDonalds Corporation (in respect of the McDonald's operation in Malta) and McDonald's International Property Company Ltd (in respect of the McDonald's operation in the Baltic countries), the Premier Group has been granted the right to adopt and use the McDonald's restaurant system in accordance with the terms of such franchise agreements.

In light of the aforesaid, the Premier Group's revenues are dependent on the continued existence of its contractual relationships with McDonald's, and, in turn, of its right to operate McDonald's-branded restaurants in the Baltics and Malta. Furthermore, many factors and decisions in the business of the Premier Group are subject to restrictions, specifications or approval. In view of the nature of franchising and the said franchise agreements entered into with the franchisor, the long-term success of the Premier Group will depend, to a significant extent, on:

- the continued vitality of the McDonald's concepts and the overall success of the franchise system;
- the ability of Premier Group and its franchisor to identify and react to new trends in the restaurant industry, including the development of popular menu items;
- the ability of Premier Group and its franchisor to develop and pursue appropriate marketing strategies in order to maintain and enhance the name recognition, reputation and market perception of McDonald's restaurants and to introduce and develop new products;
- the goodwill associated with the McDonald's trademarks;
- the quality, consistency and management of the franchisor's overall systems; and
- a continued cooperative franchise relationship with its franchisor.

As already mentioned, the development and operation of Premier Group's business in Malta and the Baltic countries is regulated by the said development license agreements and franchise agreement, each of which requires the Premier Group to comply with a comprehensive set of terms and conditions. By their very nature, agreements of this kind contain terms and conditions that are prescriptive. Moreover, the success of a franchise significantly depends on the relationship between the franchisor and the franchisee. While every effort is expected

to be made to ensure a positive relationship between the Premier Group and its franchisor, there is no assurance that events or circumstances in the future may not adversely affect that relationship or that its franchisor will not enforce its contractual rights under any of the said agreements in a manner that is adverse to the Premier Group.

Lack of total territorial exclusivity

The development license agreements relating to the development of McDonald's restaurants in Malta and the Baltic countries do not grant the franchisee exclusive territorial rights pursuant to or in conjunction with the rights granted thereto in terms of such agreements. However, the development license agreements provide that for so long as the franchisee remains in compliance with its obligations under such agreements and related agreements throughout the term thereof, no McDonald's restaurants will be opened save by the franchisee and no franchise within the relevant territory will be granted in favour of any other franchisees.

Changes in resource availability and costs

Premier Group's profitability depends in part on its ability to anticipate and react to changes in the cost of its supplies. Although the Premier Group's restaurants are supplied with the majority of their required volume products by or through independent suppliers that are approved by the European supply chain of the McDonald's Corporation, the Premier Group resorts to a limited number of distributors in each of Latvia, Estonia, Lithuania and Malta in order to meet its distribution needs. Any failure to perform by any such distributor could cause significant short-term disruption in the Premier Group's supply chain which could adversely affect the Premier Group's business and the results of its operations.

Dependence on frequent deliveries of fresh produce and groceries subjects food service businesses to the risk that shortages or interruptions in supply, caused by factors such as adverse weather conditions, changes in governmental regulation and recalls of food products, could adversely affect the availability, quality and cost of ingredients. Increases in the cost of important products could significantly increase the Premier Group's restaurant expenses although the Premier Group seeks to mitigate this exposure, where possible, by agreeing pre-determined standard rates with suppliers. The Premier Group cannot, however, predict whether it will be able in all circumstances to anticipate and react to changing costs by adjusting its purchasing practices and menu prices, and a failure in any case to do so could adversely affect its business and the results of its operations. In addition, because it operates in price-sensitive markets, the Premier Group may not be able to fully amortise the loss incurred by virtue of such changing costs by raising the prices charged to its customers.

Leases and lease renewal

Almost all of the Premier Group's restaurants are on property which is leased. The majority of such leases are long-term, with the average term being approximately 20 years from the date of grant (assuming the exercise of all

renewal options with defined terms and excluding leases which renew periodically until terminated or which have no defined end date). The leases often provide for a right of renewal, provided that the Premier Group remains in compliance with the terms of the lease. Notwithstanding compliance, however, there is no guarantee that the Premier Group will be able to renew these leases on commercially acceptable terms – and if the Premier Group were to be unable to do so, the potential loss of prime restaurant locations could have an adverse effect on the Premier Group's results of operations and business.

In addition, in certain circumstances the Premier Group may wish to close a restaurant but would find itself unable to terminate the associated lease in a cost-effective manner and with the required approval of the franchisor. The inability to close a restaurant which is operating poorly in a cost-effective and expeditious manner could have an adverse effect on the Premier Group's business and the results of its operations.

The Premier Group's dependence on key personnel

The Premier Group's future success and growth will in part depend on the personal efforts and abilities of a select group of employees, senior management and other key personnel. Although the Premier Group believes it would be able to replace its key employees within a reasonable time should the need arise, the loss of key personnel could have a short-term adverse effect on the Premier Group's business and the results of its operations.

The Premier Group's insurance coverage

Historically, the Premier Group has maintained insurance at levels determined by it to be appropriate in the light of the cost of cover and the risk profiles of the business in which it operates. With respect to losses for which the Premier Group is covered by its policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Premier Group may, in some cases, not be able to recover the full amount from the insurer. No assurance can be given that the Premier 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.

1.3 Considerations Relating to the Bonds

General

The value of investments can go up or down and past performance is not necessarily indicative of future performance. If in need of advice, you should consult a licensed stockbroker or an investment advisor licensed under the Investment Services Act, Cap. 370 of the Laws of Malta.

The Issuer is the sole obligor of the Bonds, which are not guaranteed by the other Premier Group Companies or by the franchisor

None of the Premier Group Companies, which are legal entities separate and distinct from the Issuer, guarantee the Issuer's obligations under the Bonds or have any obligations with respect to the Bonds. None of the other Premier Group Companies are required to make any capital contributions, loans or other payments to the Issuer which relate specifically to its obligations on the Bonds.

Prior ranking charges

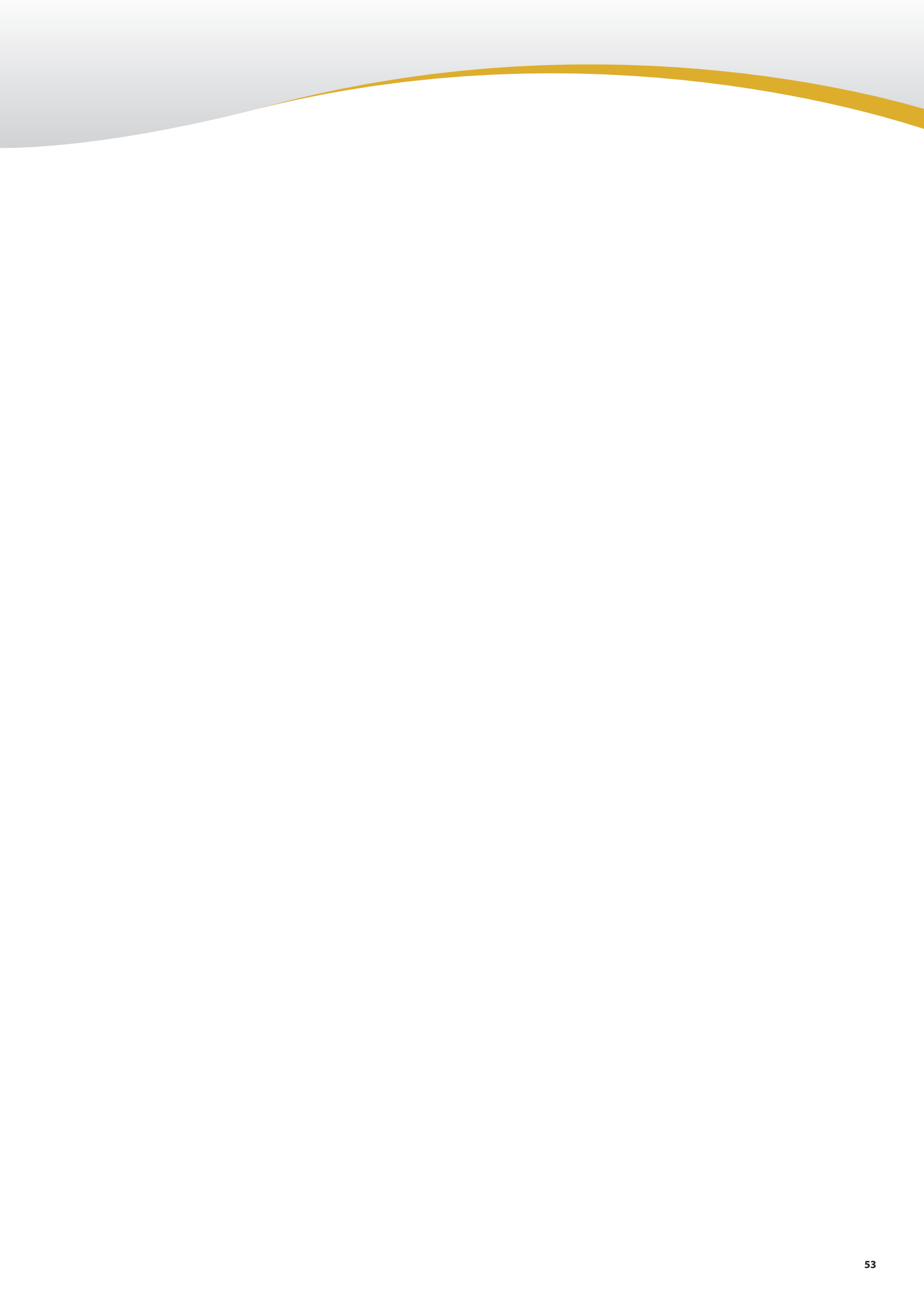
The Bonds constitute the general, direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank pari passu, without any priority or preference among themselves and with other unsecured debt other than subordinated debt, if any.

Furthermore, subject to the negative pledge clause (Section 4 of the Terms and Conditions of the Bonds set out in Annex I Part I to this Prospectus), third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.

Risk inherent in the Bonds

- **Prior to the Bond Issue, there has been no public market nor trading record for the Bonds within or outside Malta. Due to the absence of any prior market for the Bonds, there can be no assurance that the Bond Offer Price will correspond to the price at which the Bonds will trade in the market subsequent to the Bond Issue.**
- **The liquidity of the market depends on, amongst others, factors beyond the Issuer's control such as the willingness or otherwise of potential buyers and sellers of the Bonds. The effect that the investors' decisions may have on the trading market would consequently affect the trading value of the Bonds. Other factors over which the Issuer has no control include the time remaining for maturity of the Bonds, the outstanding amount of the Bonds, and the level, direction and volatility of market interest rates generally.**
- **There can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. There can be no assurance, also, that an investor will be able to re-sell his/her Bonds at or above the Bond Offer Price.**
- **Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.**

- **A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different.**
- **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 Bonds prevailing from time to time.**
- **The Issuer has the option to redeem the Bonds in whole or in part on any of the Designated Early Redemption Dates (in accordance with the provisions of Section 6 of the Terms and Conditions of the Bonds set out in Annex I Part I to this Prospectus), together with any accrued and unpaid interest until the time of redemption. This optional redemption feature may condition the market value of the Bonds.**
- **In the event that the Issuer wishes to amend any of the Terms and Conditions of Issue of the Bond it shall call a meeting of Bondholders in accordance with the provisions of Section 10 of the Terms and Conditions of the Bonds set out in Annex I Part I to this Prospectus. 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.**
- **The Bonds 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 this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of this Prospectus.**
- **The terms and conditions of this Bond Issue are based on Maltese law in effect as at the date of this 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 this Prospectus.**



Part C – Information About the Issuer

1. Presentation of Certain information

The Issuer was established on 30 June 2005 as the holding company of the Premier Group, having no trading or operational activities of its own. The operating and financial performance of the Issuer is directly related to the financial and operating performance of the other Premier Group Companies. Accordingly, all financial and business information reproduced in this Prospectus relates to the Premier Group. This Prospectus contains references to the Issuer and the Premier Group where it is deemed appropriate that such references could assist an investor to better understand the information contained in this Prospectus. Investors are urged to consult the 'Definitions' section of this document for the precise meanings of those terms.

86.7% of the ultimate beneficial ownership of the Issuer and Premier Restaurants Malta Limited is vested in the same individuals (7.9% is held directly by the said individuals and 78.8% is held through the Issuer). By virtue of a letter of understanding between the Issuer and the said ultimate beneficial owners, the Issuer also has effective control over Premier Restaurants Malta Limited.

In view of the above and in accordance with IFRS 3 – Business Combinations, Premier Restaurants Limited forms part of the Group companies and its results, assets and liabilities are being consolidated as a 78.8% subsidiary of the Group instead of an investment held at cost, as had been done previously.

In this context, and with a view to showing comparable figures for the Group, the pro forma financial information contained in Parts A and C of this Prospectus with respect to the financial years ended 31 December 2007 and 31 December 2008 have been restated to reflect the above resultant change in accounting treatment.

2. Identity of Directors, Advisors and Auditors of the Issuer

The Directors of the Issuer, whose names are set out hereunder, have been advised and assisted in the drafting and compilation of the document by the persons mentioned under the sub-heading "Advisors to the Issuer".

Directors

<i>Name/Post/ID Card No.</i>	<i>Address</i>
Marin Hili (Non-Executive Director & Chairman) 190257(M)	44, Villa Blanche, Main Street, St. Julian's STJ 1018, Malta
Melo Hili (Executive Director) 395765(M)	2, Immaculate Conception Street, Lija LJA 1274, Malta

Beppe Hili (Non-Executive Director) 292355(M)	4, New Street off Garden Street, Gharghur GHR 1535, Malta
Richard Abdilla Castillo (Non-Executive Director) 267256(M)	'Il-Girna', Mriehel, Notabile Road, B'Kara BKR 1870, Malta
Charles J. Farrugia (Non-Executive Director) 745557(M)	67, Stephanotis Street, Sta Lucia SLC 1810, Malta
Jesmond Mizzi (Non-Executive Director) 328065(M)	Campbell Close G2, St Paul's Street, Attard ATD 3124, Malta

The Company Secretary of the Issuer is Richard Abdilla Castillo, holder of identity card number 267256(M), residing at "Il-Girna", Notabile Road, Mriehel, Birkirkara BKR 1870, Malta.

ALL OF THE DIRECTORS OF THE ISSUER, WHOSE NAMES APPEAR ABOVE (THE "DIRECTORS"), ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS PROSPECTUS. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS OF THE ISSUER (WHO HAVE ALL TAKEN REASONABLE CARE TO ENSURE SUCH IS THE CASE), THE INFORMATION CONTAINED IN THIS PROSPECTUS IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. THE DIRECTORS ACCEPT RESPONSIBILITY ACCORDINGLY.

Advisors to the Issuer

Legal Counsel to the Issuer and
Legal Counsel on the Bond Issue:

Camilleri Preziosi
Level 3, Valletta Buildings, South Street,
Valletta – VLT 1103 – Malta

Sponsor:

Charts Investment Management Service Limited
Valletta Waterfront, Vault 17, Pinto Wharf,
Floriana - FRN 1913 - Malta

Manager & Registrar:

HSBC Bank Malta p.l.c.
233, Republic Street,
Valletta - VLT 1116 - Malta

Auditors

The auditors of the Issuer are Deloitte, of Deloitte, Deloitte Place, Mriehel Bypass, Mriehel BKR 3000, Malta. Deloitte is a firm of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Cap. 281, Laws of Malta).

3. Offer Statistics and Expected Timetable

3.1 Offer Statistics

Issuer	Premier Capital p.l.c., a public limited liability company registered in Malta with registration number C 36522;
Amount	The amount of €20,000,000, subject, in the event of the exercising by the Issuer of the Over-allotment Option, to such amount increasing to €25,000,000 in aggregate value of Bonds issued pursuant to this Prospectus;
Form	The 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 Central Securities Depository of the MSE;
ISIN	MT 0000 511205;

Denomination	Euro;
Nominal Value	€100 per Bond;
Minimum Amount per subscription	Minimum of €1,000;
Redemption Date	15 March 2020, subject to the Issuer's option to redeem all or any part of the Bonds on any of the Designated Early Redemption Dates;
Bond Offer Price	€100 for each Bond;
Status of the Bonds	The Bonds constitute the general, direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank pari passu, without any priority or preference among themselves and with other unsecured debt other than subordinated debt, if any;
Listing	Application has been made to the Listing Authority for the Bonds to be considered as admissible to listing, and to the MSE for the Bonds to be listed and traded on the Official List of the Malta Stock Exchange;
Offer Period	The period between 24 March 2010 and 30 March 2010 (or such earlier date as may be determined by the Issuer in the event of over-subscription) during which time the Bonds are on offer;
Interest	Six point eight per cent (6.8%) per annum;
Yield	The gross yield calculated on the basis of the interest, the Bond Offer Price and the Redemption value on maturity, is six point eight per cent (6.8%) per annum;
First Interest Payment Date	15 March 2011;
Interest Payment Date(s)	15 March of each year between and including each of the years 2011 and the year 2020, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
Redemption Value	The par value of the Bonds;
Manager & Registrar	HSBC Bank Malta p.l.c.;

Sponsor	Charts Investment Management Service Limited;
Notices	Notices will be mailed to Bondholders at their registered addresses and shall be deemed to have been served at the expiration of twenty-four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at his/her registered address and posted;
Governing Law	The Bonds are governed and shall be construed in accordance with Maltese Law;
Jurisdiction	The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds.

3.2 Expected Timetable

Application Forms available	5 March 2010
Pre-placement date	18 March 2010
Opening of subscription Lists	24 March 2010
Closing of subscription Lists	30 March 2010
Expected announcement of basis of acceptance	8 April 2010
Expected commencement of interest on the Bonds	8 April 2010
Expected dispatch of allotment advice and refund of unallocated monies	15 April 2010

The Issuer reserves the right to close the offer of the Bonds before 30 March 2010 in the event of over-subscription, in which case the remaining events set out in the 'Expected Timetable' shall be anticipated in the same chronological order in such a way as to retain the same number of Business Days between the said events.

4. Reasons for the Bond Issue and Use of Proceeds, and Interests of Persons Involved in the Bond Issue

4.1 Reasons for the Bond Issue and Use of Proceeds

The proceeds raised from the Bond Issue, which net of commissions and expenses are expected to amount to €19,450,000 (or €24,400,000 in the event of exercise of the Over-allotment Option by the Issuer), shall be used for:

- (i) up to an amount of €11,850,000 (or €16,800,000 in the event of exercise of the Over-allotment Option), for the financing of the Group's expansion and development strategies, on the basis of which the Group will focus its efforts

during the 36-month period following the Bond Issue on:

- a. identifying and securing title on land and/or premises for development or conversion (as the case may be) into McDonald's restaurants (both drive-through and in-store) in key locations. Although at present such key locations are expected to fall within the jurisdictions in which the Group already operates, the Group's management does not exclude the possibility that in the event that the franchisor awards the Group with development licenses and franchises in respect of further territories, new development and expansion opportunities will be sought in countries other than Malta, Estonia, Lithuania or Latvia; and
- b. remodeling McDonald's restaurants presently operated by the Premier Group, including but not limitedly through the conversion of such outlets into hybrid McDonald's restaurants and McCafés;

and for:

- (ii) up to an amount of €7,600,000 for the part-refinancing of the Group's existing bank debt.

As to the utilisation of the Bond proceeds, the financing of the Group's expansion indicated in (i) above will be given priority over the part-financing of existing bank debt in (ii) above.

According to the Issuer's estimates, the proceeds of the Bond Issue are sufficient to cover the proposed use of proceeds described in this Prospectus, irrespective of whether the Issuer receives Applications in excess of €20,000,000 and elects to exercise the Over-allotment Option. In the event that such Over-Allotment Option is exercised, however, the Directors expect that the over-allotment proceeds of €5,000,000 generated by the exercise of such option will place the Group in a position to incur capital expenditure at a faster rate and to complete the expansion and development programme in anticipation of the original time frames, thus curtailing the time to commence operation of the new outlets which should accordingly start to generate revenue in advance of the original time frames estimated to be 36 months.

4.2 Interest of Natural and Legal Persons Involved in the Bond Issue

In view of the lender-borrower relationship which is to arise between the Issuer and the Borrowing Companies, in future there may be situations that could give rise to conflicts between the potentially diverging interests of members of the Group. In these situations the Directors of the Issuer shall act in accordance with the majority decision of those directors who would not have a conflict in the situation and in line with the advice of outside legal counsel. No private interests or duties unrelated to the Premier Group which may or are likely to place any of them in conflict with any interests in, or duties towards, the Premier Group, have been disclosed by the Directors.

Jesmond Mizzi, a member of the Board of Directors of the Issuer, is also a director of Jesmond Mizzi Financial Services Limited and of Atlas Investment Services Limited, both of which are investment firms licensed in terms of the Investments

Services Act (Cap. 370 of the Laws of Malta) and are included in the list of Authorised Financial Intermediaries set out in Annex II of this Prospectus. In light of his appointment to the Board of Directors of the Issuer, Jesmond Mizzi will not personally provide any investment advice on the Bonds to the clients of the aforesaid investment firms.

5. Information About the Issuer and the Group

5.1 Historical Development of the Issuer

5.1.1 Introduction

The Issuer was formed on 30 June 2005 as a private limited liability company, subsequently (on 26 February 2010) converted into a public limited liability company and thereafter renamed Premier Capital p.l.c. The Issuer, which is registered and domiciled in Malta in terms of the Act with company registration number C 36522, has its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta. The telephone number of the registered office is +356 2568 1888.

5.1.2 Principal Objects of the Issuer

The principal objects of the Issuer's activities are set out in Article 3 of its Memorandum of Association and include, but are not limited to, acting as a holding company and carrying on the business of a finance and investment company and in particular but without prejudice to the generality of the foregoing the financing or re-financing of the funding requirements of the business of the other Premier Group Companies. Accordingly, subject to the success of the Bond Issue, the Issuer will enter into loan agreements with the Borrowing Companies for the purpose of financing their investment needs from time to time as set out in Section 4.1 of Part C of this Prospectus entitled "Reasons for the Bond Issue and Use of Proceeds".

5.2 Overview of the Premier Group's Business

5.2.1 Introduction

The Premier Group operates McDonald's restaurants in Malta, Estonia, Latvia and Lithuania. Apart from offering support and management and consultancy services to companies within the Premier Group (See Part C Section 10.1 of the Prospectus – Management Structure of the Group), Issuer acts as a holding company for the various subsidiaries of the Group which operate the McDonald's restaurants in the said countries. SIA Premier Estates Ltd and Premier Estates Eesti OU also own 4 immovable properties in Latvia and Estonia which are rented out to other companies within the Group, hence generating intra-group rental income.

The McDonald's franchise for Malta was awarded to the group company Premier Restaurants Malta Limited (formerly First Foods Franchise Limited), in 1995, pursuant to the terms of an operating license agreement entered into with, inter alia, McDonald's Corporation. To date the Group operates 8 restaurants in Malta and Gozo on the basis of this franchise.

In 2007, the Premier Group was awarded the McDonald's franchise in respect of each of Latvia, Lithuania and Estonia (the "Baltic countries"), pursuant to which it was charged with the responsibility of developing the brand in those territories by: taking over from the McDonald's Corporation the operation of the then existing 19 McDonald's restaurants in the Baltic countries (7 restaurants in Estonia and 6 restaurants in each of Latvia and Lithuania); and by acquiring the right, and taking on the responsibility, to open new restaurants in the Baltic countries. The majority of these restaurants are located in the Baltic countries' respective capital cities, Tallinn, Riga and Vilnius.

During the year ended 31 December 2009, the Group increased its total portfolio to 30 restaurants following the launch of another restaurant in Latvia and a further 2 restaurants in Lithuania.

5.2.2 Principal Markets

Apart from being the only franchisee of the McDonald's brand and operator of McDonald's restaurants in each of Malta, Estonia, Latvia and Lithuania by virtue of the abovementioned franchise agreements, Premier Group is, at present, the only developer of McDonald's restaurants in such territories, by virtue of:

- (i) a Development License Agreement dated 25 May 1995 in respect of McDonald's restaurants to be opened in Malta, which agreement was on 5 July 2005 assigned in favour of the Premier Group following an initial assignment in favour of Melo Hili, Marin Hili and Beppe Hili; and
- (ii) a Development License Agreement dated 19 December 2007 entered into between McDonald's International Property Company Limited and Melo Hili in respect of McDonald's restaurants operating and yet to be opened in each of Estonia, Latvia and Lithuania, which agreement was forthwith assigned in favour of Premier Restaurants Eesti AS, a fully owned subsidiary of SIA Premier Restaurants Latvia which in turn is fully owned by the Issuer.

Restaurant sales by country for the 3 financial years ended 31 December 2009 were as follows:

	2009	2008	2007¹
	€'000	€'000	€'000
Malta	16,632	16,107	13,420
Estonia	9,846	10,917	9,582
Latvia ²	13,213	14,810	11,762
Lithuania ²	12,453	13,913	10,922
	<hr/> 52,144	<hr/> 55,747	<hr/> 45,686

¹ On 18 December 2007, Premier Group took over the operation of 19 McDonald's restaurants in the Baltic countries which were previously operated by McDonald's Corporation - 7 restaurants in Estonia and 6 restaurants in each of Latvia and Lithuania. Accordingly, the audited financial statements of the Group for the year ended 31 December 2007 include the performance of the above-mentioned restaurants from 18 December 2007 (being the date of commencement of the Premier Group's operations in the Baltic countries) to 31 December 2007. For comparative purposes, the financial information for the year ended 31 December 2007 has been adjusted to reflect the results of the McDonald's restaurants in the Baltic countries for the full 12-month period, including the period prior to acquisition.

² The restaurant sales for the financial year 2009 include revenue from the 3 new outlets opened during the year.

Europe is McDonald's largest region by revenues despite having roughly one-quarter the number of outlets as the US. The long-established and top-performing markets in Europe are Great Britain, Germany and France. Russia and Eastern Europe are newer markets for McDonald's but growth is soaring with 230 new outlets planned for Russia by the end of this year. Estonia, Latvia and Lithuania are viewed as largely untapped markets with an aggregate of 22 McDonald's restaurants for a combined population in excess of 7.2 million, which translates into 1 restaurant for every 300,000 persons (whereas in Great Britain the ratio is 1 restaurant for every 50,000 persons).

5.2.3 *McDonald's Corporation*

Pursuant to the franchise agreements and development license agreements referred to in the preceding two sections of this Prospectus, the Premier Group has represented the McDonald's Corporation in Malta since 1995 and in the Baltic countries since 2007.

McDonald's Corporation is a corporation organised under the laws of the State of Delaware, United States. Its principle executive offices are at One McDonald's Plaza, Oak Brook, Illinois 60523, United States. McDonald's franchises and operates McDonald's restaurants in the food service industry. These restaurants serve a varied, yet limited, value-priced menu in more than 100 countries around the world. All restaurants are operated either by McDonald's or franchisees, including conventional franchisees under franchise agreements, and foreign affiliated markets and developmental licensees under license agreements. When granting franchises or licenses, McDonald's is selective and generally not in the practice of franchising to passive investors.

Under a developmental license agreement, licensees provide capital for the entire business, including the real estate interest.

McDonald's restaurants offer a substantially uniform menu, although there may be geographic variations. In addition, McDonald's tests new products on an ongoing basis.

McDonald's global brand is well known. Marketing, promotional and public relations activities are designed to promote McDonald's brand image and differentiate it from competitors. As of September 2009, there were a total of 32,278 McDonald's quick-service restaurants in 118 countries spread across the globe.

Under McDonald's **conventional franchise arrangement**, franchisees provide a portion of the capital required by initially investing in the equipment, signs, seating and décor of their restaurant businesses, and by reinvesting in the business over time. McDonald's Corporation owns the land and building or secures long-term leases for both Corporation-operated and conventional franchised restaurant sites. This maintains long-term occupancy rights, helps control related costs and assists in alignment amongst franchisees. Under the **developmental license arrangement**, licensees provide capital for the entire business, including the real estate interest, while McDonald's Corporation has no capital invested. In addition, McDonald's Corporation has an equity investment in a limited number of foreign **affiliates** that invest in real estate and operate or franchise restaurants within a market.

McDonald's Corporation views itself primarily as a franchisor and continually reviews the mix of company-operated and franchised (conventional franchised, developmental licensed and affiliated) restaurants to deliver optimal customer experience and drive profitability.

5.2.4 Operating and Financial Review

Key performance drivers

The key performance drivers of the Premier Group's business are (i) restaurant sales, (ii) cost of food and packaging material, (iii) cost of labour, and (iv) occupancy and other related expenses.

Restaurant sales are influenced by a number of factors including, in particular, the opening of new restaurants; pricing and the product mix; the introduction of new products; successful advertising campaigns; and, to a limited extent, seasonality.

During the year ended 31 December 2009, 3 new restaurants were opened in Latvia and Lithuania. Historically, the sales figures of restaurants which have been newly-opened by the Premier Group have typically been below the Group's average sales figures in the relevant market for a period of approximately one year whilst such new restaurants achieve full customer penetration. It is expected that the fluctuation in sales figures of the said 3 newly-opened restaurants will reflect this pattern.

Newly-opened restaurants' sales figures have also tended to be impacted by the times within each period at which they were opened. However, although it is difficult to quantify seasonality effects due to the fact that marketing campaigns are carried out at different times in each year and also affect restaurant sales, the Premier Group's management does not believe that the Group's business experiences significant seasonality in its restaurant sales.

Menu price increases are reviewed and implemented periodically in light of general market conditions. The ability to recover increased food and labour costs through higher pricing is, at times, limited by the price-sensitive environment in which the Premier Group operates.

The cost of food and packaging material is a significant performance driver, with meat, paper and packaging, cold beverages, vegetables, cheese, buns and french fries representing the largest components of this category. The European Supply Chain Group works closely with the system suppliers in order to source high quality products and services at competitive prices.

Restaurant staffing consists mainly of hourly paid employees. Staffing levels vary depending on transaction volume and are primarily driven by the time of the day. Hourly pay rates are adjusted periodically.

Occupancy and other related expenses include restaurant rental or concession payments and all associated utility costs. Premier Group's leases and, or concessions provide either for fixed rents or for rents calculated by reference to restaurant sales.



Historical financial information

The financial information about the Group is included in the pro forma consolidated financial statements for each of the financial years ended 31 December 2007, 2008 and 2009. The said statements, together with the audited financial statements of each of the Group companies have been published and are available at the Issuer's registered office.

Pro forma financial information with respect to the financial years ended 31 December 2007 and 2008 has been prepared so as to consolidate the results, assets and liabilities of Premier Restaurants Malta Limited as part of the Premier Group companies instead of as an investment held at cost. This approach has been adopted so as to reflect the same accounting treatment as adopted for the year ended 31 December 2009 (further detail included in Section 1 of Part C of this Prospectus).


The following information is extracted from the Group's pro forma consolidated financial statements for the financial years ended 31 December 2007, 2008 and 2009.

Premier Capital Limited (since renamed Premier Capital p.l.c.)
Consolidated Profit and Loss Account
For the financial years ended 31 December

	2009	2008	2007¹	2007²
	Actual	Actual	Illustrative	Actual
	€'000	€'000	€'000	€'000
Revenue	52,144	55,747	45,686	14,568
Cost of sales	(17,385)	(19,890)	(16,673)	(4,646)
Gross profit	34,759	35,857	29,013	9,922
Distribution and administrative expenses	(29,600)	(31,032)	(24,435)	(8,492)
Other operating income	385	169	125	82
Earnings before interest, tax, depreciation & amortisation (EBITDA)	5,544	4,994	4,703	1,512
Depreciation	(2,746)	(2,335)		(627)
Other income	-	747		-
Net finance costs	(1,085)	(1,679)		(381)
Profit before tax	1,713	1,727		504
Taxation	(664)	(456)		(303)
Profit for the year	1,049	1,271		201
Attributable to:				
Equity shareholders	877	1,227		127
Minority interest	172	44		74
	1,049	1,271		201
Gross profit margin	67%	64%	64%	
EBITDA margin	11%	9%	10%	

¹ On 18 December 2007, Premier Group took over the operation of 19 McDonald's restaurants in the Baltic countries which were previously operated by McDonald's Corporation - 7 restaurants in Estonia and 6 restaurants in each of Latvia and Lithuania. Accordingly, the audited financial statements of the Group for the year ended 31 December 2007 include the performance of the above-mentioned restaurants from 18 December 2007 (being the date of commencement of the Premier Group's operations in the Baltic countries) to 31 December 2007. For comparative purposes, the financial information for the year ended 31 December 2007 has been adjusted to reflect the results of the McDonald's restaurants in the Baltic countries for the full 12-month period, including the period prior to acquisition.

² Being extracts from the Group's pro forma consolidated financial statements for the year ended 31 December 2007.



Revenue is almost entirely comprised of food and beverage sales. Cost of sales and distribution and administrative expenses principally comprise food (including packaging material) costs, payroll, rent and related occupancy costs. Direct marketing expenses, support services and royalty fees payable under the franchise agreements also form part of distribution and administrative expenses.

Restaurant sales (excluding the 3 new restaurants opened in 2009) increased by 9.8% from €45.7 million in 2007 to €50.2 million in 2009. The increase in revenue principally reflected the enhanced operational performance of the 19 McDonald's restaurants in the Baltic countries subsequent to their acquisition in 2007, price increases and the remodeling of 9 restaurants (5 of which incorporating the introduction of McCafés) during the 2-year period 2008-2009. Revenue in 2009 declined by €3.6 million or 6.5% when compared to 2008, mainly due to reduced consumer spending as a result of the economic downturn which prevailed in the Baltic countries.

The Group's gross profit margin and EBITDA margin remained constant during the 3-year period at an average of 65% and 10% respectively. Cash operating profit for the financial year 2009 (after adjusting for depreciation) covered net finance costs 5.1 times.

Premier Capital Limited (since renamed Premier Capital p.l.c.)
Consolidated Balance Sheet
At 31 December

	2009	2008	2007
	€'000	€'000	€'000
ASSETS			
Non-current assets			
Intangible assets	26,154	26,736	27,213
Property, plant and equipment	19,203	15,962	13,551
Other non-current assets	680	768	220
	<hr/> 46,037	<hr/> 43,466	<hr/> 40,984
Current assets			
Inventories, trade and other receivables	3,359	2,931	2,980
Cash and cash equivalents	976	2,184	6,721
	<hr/> 4,335	<hr/> 5,115	<hr/> 9,701
Total assets	<hr/> 50,372	<hr/> 48,581	<hr/> 50,685
EQUITY			
Capital and reserves attributable to shareholders	16,000	15,124	13,934
Minority interest	624	515	470
	<hr/> 16,624	<hr/> 15,639	<hr/> 14,404
LIABILITIES			
Non-current liabilities			
Bank loans	20,658	23,801	24,415
Other non-current liabilities	528	574	642
	<hr/> 21,186	<hr/> 24,375	<hr/> 25,057
Current liabilities			
Trade and other payables	6,430	5,833	5,574
Bank overdraft and loans	6,071	2,610	5,347
Other current liabilities	61	124	303
	<hr/> 12,562	<hr/> 8,567	<hr/> 11,224
Total equity and liabilities	<hr/> 50,372	<hr/> 48,581	<hr/> 50,685

Premier Capital Limited (since renamed Premier Capital p.l.c.)
Consolidated Cash Flow Statement
For the financial years ended 31 December

	2009	2008	2007
	€'000	€'000	€'000
Cash flows from operating activities	3,425	4,252	616
Cash flows from investing activities	(4,863)	(4,593)	(20,601)
Cash flows from financing activities	(1,332)	(5,151)	26,072
Net movement in cash and cash equivalents	(2,770)	(5,492)	6,087

The Premier Group has historically financed its business activities by means of a combination of bank borrowings and cash generated from operating activities. During 2007 and 2008, the Group raised €24 million through bank borrowings, and accumulated €5 million in cash flows from operating activities. Of the said funds, €25 million were utilised to part-finance the 2007 acquisition of 19 restaurants in the Baltic countries and the remodeling thereof, whereas the balance of €4 million was utilised to repay outstanding bank loans. Up to December 2009, Premier Group generated €3.4 million - these funds were directed towards the remodeling of 9 restaurants (5 of which featuring the introduction of McCafés) and the acquisition of 3 restaurants in Latvia and Lithuania.

15 of the 19 McDonald's restaurants in the Baltic countries are "stand-alone" and provide drive-through service for their customers. The other 4 restaurants are considered "in-store" and are located in shopping malls. All the properties are leased on long-term contracts except for one property in Savjone, Lithuania, which is owned by the Group.

5.2.5 Capitalisation

The following table sets forth the capitalisation of the Premier Group as at 31 December 2009 as extracted from the consolidated audited financial statements of the Group for the year ended 31 December 2009, as adjusted to reflect the Bond Issue.

At 31 December 2009

	Actual	Adjusted
	€'000	€'000
EQUITY		
Capital and reserves attributable to shareholders	16,000	16,000
Minority interest	624	624
	<hr/>	<hr/>
	16,624	16,624
INDEBTEDNESS		
Bank loans	23,748	16,148
Bonds	-	25,000
	<hr/>	<hr/>
	23,748	41,148
Total capitalisation		
	<hr/> 40,372	<hr/> 57,772
Gearing ratio (debt/total capital)	0.59	0.71

5.3 *Principal Investments of the Group and Issuer*

5.3.1 *Principal Investments of the Group*

At present, the Group has not made any firm commitments towards possible investments relating to the business of the Group. Two of the Premier Group Companies, have, however, identified potential opportunities for development. Premier Restaurants Malta Limited has identified premises in the south of Malta for re-development as a drive-through McDonald's restaurant. Premier Estates Eesti OU has identified a plot of land in Parnu City, Estonia, for the construction of a McDonald's restaurant.

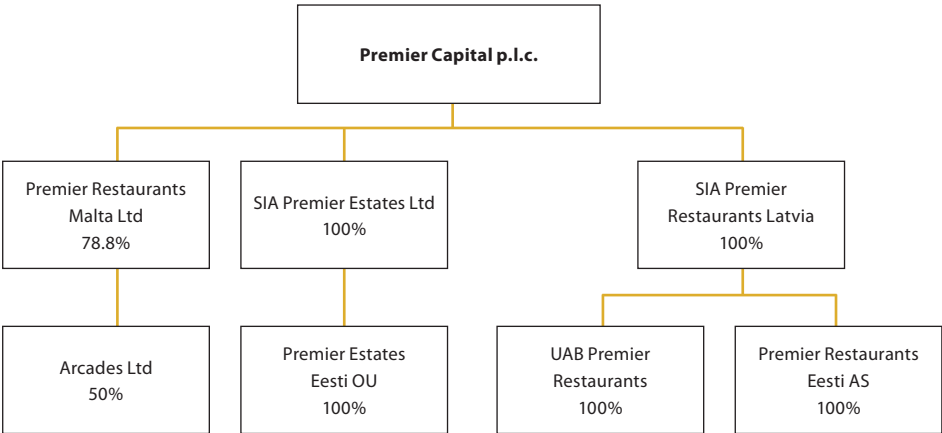
In respect of each of the above opportunities, although commercial terms have been agreed with the prospective vendors, the proposed acquisitions are presently subject to the requisite permits, and the Directors are not in a position to determine whether such permits will be granted, and if so, when. However, the Directors undertake that in the event that any one or more of the said proposed acquisitions is made, the Issuer will issue a company announcement informing Bondholders of the investment made by the Group together with a property valuation compiled by an independent valuer, in accordance with the requirements of Chapter 14 of the Listing Rules.

5.3.2 *Principal Investments of the Issuer*

The Issuer is not party to any principal investments, and it has not entered into or committed for any principal investments subsequent to 31 December 2009 (the date up to which the audited consolidated financial statements referred to in Section 18(c) below of Part C of this Prospectus are made).

6. Organisational Structure

The following chart outlines the shareholding structure relative to the Premier Group:



The Premier Capital Group Companies operating the Premier Group’s quick service restaurant business are the following:

- Premier Restaurants Malta Limited (78.8% owned by the Issuer), incorporated in Malta on 27 July 1995 operates 8 restaurants in Malta, of which one (Valletta) is operated jointly with Arcades Limited, a company incorporated in Malta on 2 July 1980 which is 50% owned by the said Premier Restaurants Malta Limited;
- SIA Premier Restaurants Latvia, a 100% owned subsidiary of the Issuer incorporated in Latvia on 6 April 1994, operates 7 restaurants in Riga;
- Premier Restaurants Eesti AS, a 100% owned subsidiary of SIA Premier Restaurants Latvia incorporated in Estonia on 6 April 1994, operates 7 restaurants, 5 of which in Tallinn, 1 in Tartu and 1 in Narva; and
- UAB Premier Restaurants, a 100% owned subsidiary of SIA Premier Restaurants Latvia incorporated in Lithuania on 28 July 1995, operates 8 restaurants, 5 of which in Vilnius, 1 in Kaunas, 1 in Klaipeda and 1 in Siauliai.

SIA Premier Estates Ltd, a 100% owned subsidiary of the Issuer incorporated in Latvia on 14 February 2008, and its wholly owned subsidiary Premier Estates Eesti OU, incorporated in Estonia on 22 October 2009, are real estate companies based in Latvia and Estonia respectively.

7. Trend Information

7.1 Trend Information

There have been no material adverse changes in the prospects of the Premier Group since the date of the financial statements referred to in Section 5.2.4 of Part C of this Prospectus.

At the time of publication of this Prospectus, the Premier Group considers that generally it shall be subject to the normal business risks associated with the business in which the Premier Group Companies operate, and, barring unforeseen circumstances, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be considered likely to have a material effect on the upcoming prospects of the Group and its business, at least with respect to the current financial year.

7.1.1 Strategy

The business strategy of the Premier Group is based on the following considerations:

Expand penetration within existing and new geographical territories

The Premier Group's principal objective following the Bond Issue will be to focus on the expansion of McDonald's restaurants within existing and new markets. The Group's management believe that there is significant market potential (as detailed in the Section entitled "The quick service restaurant market in Malta, Estonia, Latvia and Lithuania" below) to continue to develop the McDonald's concept in Malta and the Baltic countries. In connection with this strategy, the Premier Group plans to acquire land and/or premises to develop 8 new McDonald's restaurants (both drive-through and in-store restaurants) in key locations, increasing the Group's portfolio by 27% to 38 restaurants. In terms of new geographical territories, the Group may consider acquiring and developing McDonald's restaurants in a new territory, subject to franchisor approval and granting of the associated licenses.

Continue to improve revenue and profitability

Subsequent to the acquisition of the McDonald's restaurants in the Baltic countries in December 2007, Premier Group commenced the remodelling and upgrading of the ambience of a number of its McDonald's restaurants (in the Baltic countries as aforesaid as well as in Malta) by allocating parts thereof to the introduction of McCafés. The newly refurbished restaurants proved to be an immediate success as the number of customers and frequency of visits increased due to the enhanced menus and the appeal of McCafé coffees, resulting in improved revenue and profit figures in 2008 for the Group. During 2009, revenues generated by the Premier Group decreased by 7.8% when compared to 2008, principally as a result of decreased consumer spending resulting from the effects of the economic downturn which prevailed in the Baltic countries. However, notwithstanding such decrease, revenue generated was still 12.5% higher than 2007 revenues. Also, profitability

for the year ended 31 December 2009 was impacted marginally as the Premier Group increased EBITDA margin from 9% to 11% through increased efficiency and a reduction in costs.

Over the next 24 months, Premier Group plans to continue remodeling the remaining McDonald's restaurants, including through the introduction of McCafés as aforesaid, financing this programme mainly through internally generated cash flows. In the event that the Bond Issue is not fully subscribed or the Issuer does not exercise the Over-allotment Option, the Group expects a deferral of capital expenditure for the purpose of its expansion and development programme, which would thus result in an extension of the aforementioned completion period targeted for such programme.

Commitment to customer satisfaction

The Premier Group is committed to providing its customers with prompt, friendly and efficient service, keeping wait times low and staffing each restaurant with an experienced management team to ensure attentive customer service and consistent food quality.

7.1.2 The Quick Service Restaurant Market in Malta, Estonia, Latvia and Lithuania

Quick service restaurants provide customers with fast, convenient food "on the go" and at affordable prices. These restaurants are characterised by food that is supplied swiftly after ordering and by minimal table service.

The opportunities for further expansion in the regions in which the Group operates will depend on a number of factors that could have a material impact on the Group's strategy to increase its operational presence in these territories. These factors are driven principally by the level of penetration that management reckons is sustainable in each of these territories to conduct profitable operations.

In devising future strategy, the Group's management takes a regional view of: general macro-economic conditions; the social development of the population; competition; regulation; affluence; political and economic stability within each territory. This analysis is carried out with a view to determining how best to approach the individual markets in each territory. Indeed, different considerations apply for the purpose of: determining whether to develop further restaurants in city centres or other locations; and selecting the type of restaurants that are developed, whether "in-store" or "drive-throughs". In essence, there can be no one single model or blue print for expansion. However, the Group commissions regular market studies in each of the territories in which it operates restaurants in order to keep under review all the relevant market conditions that could have an impact on its development strategy and in order to enable it to react in a timely manner as and when market conditions so dictate. These studies also provide management with the required data on the basis of which they can formulate strategy or changes to strategy as and when required. In addition, the Group has access to information compiled by McDonald's Corporation on its operations in similar regions, which information could assist in the Group further refining its strategies.

On the basis of the data available to the Group's management, it transpires that both the Maltese market as well as the Baltic countries market can sustain further expansion. The dynamics of the Maltese market and the Baltic countries market are different and the Group recognises that in devising its strategy it has to take these divergent market dynamics into account. The economic, political and social dimensions in the Maltese and the Baltic markets are also different and therefore require different strategic and tactical considerations. Whilst management is aware of the differences in the markets in each of Estonia, Latvia and Lithuania, they consider that these differences are largely marginal in designing an overall strategic view of these markets. The Group's strategy tends to be driven more by the differences in the type of stores and actual locations within the territories, rather than by the differences in whether to expand in one particular jurisdiction rather than the other.

In the case of Malta, the Group already has a high penetration rate which is comparable to the more developed city centres in Western Europe. The Group's management believe that further expansion in Malta is sustainable, particularly by means of further geographical diversification of its restaurants within the Islands. In addition, the market recognition of the brand - combined with the changing gastronomic habits of the young and increasingly mobile population in Malta, is believed to create the appropriate parameters for further expansion.

In the case of the Baltic countries, the Group's management believes that there is further room for higher penetration rates. In comparison with its competitors in those regions, the Group has a lower penetration rate of restaurants per capita. This, when combined with the high level of brand recognition enjoyed and the Group's pricing strategy for the region, is believed to postulate the right platform for expansion in these regions.

7.1.3 Restaurant Development

The Group's management believe that the ability to select attractive locations and develop new restaurants, internally or through acquisitions, is important in ensuring its continued growth. Premier Group undergoes a detailed and comprehensive process to:

- determine key development markets;
- select and approve new locations in those markets;
- negotiate attractive lease terms;
- acquire properties at attractive values; and
- design, construct and manage restaurants.

Determining key development markets

Target markets and the pace and level of development in those markets are determined by a detailed review of many factors, including the potential of individual markets, existing and expected competition, any current penetration and historical performance of Premier Group restaurants in those markets and any key challenges facing development. Premier Group believes that by focusing on further penetration of its existing markets it is able to increase brand awareness and

improve operating and marketing efficiencies. Subject to obtaining the approval of its franchisor, the Group may also expand geographically to other countries where suitable opportunities occur.

Selection and approval of new locations

The Group's management believe that its site selection strategy is critical to its success and it devotes substantial effort to evaluating each potential site. Each city is divided into trade zones based on criteria such as pedestrian and automotive traffic levels, population, traffic generators, including shopping centres or petrol stations, household income levels and unemployment. Sites are principally sourced by the Group's internal development team with the support of local real estate agents.

Negotiation of attractive lease terms

Premier Group leases sites for terms usually of a minimum of 20 years with, where possible, a provision to extend the term by an agreed period . A minority of the Group's lease agreements provide for financial penalties on early termination and a small number do not provide for early terminations. Since McDonald's has developed significant brand identity in Malta, Estonia, Latvia and Lithuania, the Group has been able to negotiate more favourable leases for the placement of restaurants in premium locations, such as new shopping centre developments, as operators of these centres often seek to secure McDonald's as "flagship" tenants.

Acquire properties at attractive values

As at the date of the Prospectus, the Premier Group owns only one property out of a portfolio of 30 restaurants . Based on the experience gained in the past years, the Group will be seeking to increase the number of restaurants primarily through acquisition rather than leasing, in order to reduce the imbalance between leased and owned outlets. The directors are confident that with the recent downturn in the property market, in particular in the Baltic countries, the Group is able to acquire a number of properties at attractive values.

Restaurant design and construction

Upon securing a site, Premier Group engages an approved architect to prepare the design of the restaurant based on a master design prepared in accordance with established brand standards, to support the process of obtaining appropriate permits, and to oversee the construction process. Upon completion of all construction works, the Group's design team manages the fitting out of the restaurant, which typically takes from 12 to 14 weeks.

8. Working Capital

The Directors, having made due and careful enquiry, are of the opinion that the working capital available to the Group will be sufficient for their requirements at least for the next twelve (12) months.

9. Management

9.1 The Board of Directors of the Issuer

The Issuer is managed by a Board of Directors currently consisting of six (6) members, which is entrusted with the overall direction, administration and management of the Issuer. The responsibility of the Directors is a collective one, although within the structure of a unitary board, the main functions of the Directors are in practice complementary.

The Directors are empowered to act on behalf of the Issuer and in this respect have the authority to enter into contracts, sue and be sued in representation of the Issuer. In terms of the Memorandum and Articles of Association, the Directors may transact all business of whatever nature of the Issuer not expressly reserved by the Memorandum and Articles of Association to the shareholders in general meeting or by any provision contained in any law for the time being in force.

Meetings of the Board of Directors are usually held at the registered office of the Issuer but may, with the consent of all the Directors, be held elsewhere.

9.1.1 Curriculum Vitae of the Directors of the Issuer

The following are short curriculum vitae of the Directors:

Marin Hili is the chairman of the Issuer, the holding company of the Premier Group. He is also chairman and Chief Executive of Mariner SpA, a holding company registered in Italy with interests in port operations, chairman of the Latvian company SIA Baltic Container Terminal, and chairman of Italian company Terminal Intermodale Venezia SpA. Marin Hili also chairs the board of directors of Hili Company Limited, and previously held the post of chairman of the Malta Freeport Corporation for over 15 years.

Joseph sive Beppe Hili is the Chief Executive of Carmelo Caruana Company Limited, a leading shipping company in Malta established in 1923. He is also a director of Freeport Terminals Malta p.l.c. and Chairman of UAB Baltic Freight Services, a shipping company operating in Lithuania. Beppe Hili has extensive experience in the shipping field and holds a number of non-executive directorships within the Hili Group.

Carmelo sive Melo Hili is the Managing Director of the Premier Group. He was also granted the development license for McDonald's restaurants in Estonia, Latvia, Lithuania and Malta, and oversaw the assignment of such licences to companies forming part of the Premier Group as discussed elsewhere in this Prospectus. Melo Hili leads the senior management team of the McDonald's operation in these four countries. He was appointed managing director of the Premier Group in 2005, and also previously occupied the post of managing director of Motherwell Bridge Mediterranean Limited.

Richard Abdilla Castillo is a Non-Executive Director and the company secretary of Premier Capital p.l.c. He is a Certified Public Accountant with extensive experience in the field of international finance, and also occupies the posts of Finance Director of Hili Company Ltd and Mariner SpA. Richard Abdilla Castillo is a board member of SIA Baltic Container Terminal and Terminal Intermodale Venezia SpA.

Charles J. Farrugia is a Non-Executive Director of Premier Capital p.l.c. He worked in the banking sector for 35 years and sat on a number of boards and committees within the HSBC Malta Group. Before retirement in December 2009, he held the post of Head Global Banking & Markets and was a senior executive director of HSBC Malta p.l.c. Charles Farrugia still holds a non-executive directorship with HSBC Bank Malta p.l.c. as well as non-executive directorships in other Maltese companies.

Jesmond Mizzi is a Non-Executive Director of Premier Capital p.l.c. He is also the co-founder and Managing Director of Jesmond Mizzi Financial Services Limited and a director of Atlas Investment Services Limited, both of which are licensed by the MFSA to conduct investment services business. Jesmond Mizzi has been involved in the financial services sector for the past 15 years. Prior to this he worked in the audit unit of PricewaterhouseCoopers and held a managerial post in the family catering business. Jesmond Mizzi has also served as president of the Financial Services Consultation Council and the Malta Investment Funds Association for a number of years.

The business address of Marin Hili, Beppe Hili, Melo Hili and Richard Abdilla Castillo is at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta. The business address of Charles J Farrugia is at 67, Stefanotis Street, Sta Lucia SLC 1810, Malta. The business address of Jesmond Mizzi is at 67, Flat 3, South Street, Valletta VLT 1105, Malta.

9.2 Aggregate Emoluments of Directors

In terms of the Memorandum and Articles of Association of the Issuer, the aggregate emoluments of all Directors in any one financial year, and any increases thereto, shall be such amount as may from time to time be determined by the Issuer in General Meeting, and any notice convening the General Meeting during which an increase in the maximum limit of such aggregate emoluments shall be proposed, shall contain a reference to such fact. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Issuer or in connection with the business of the Issuer. Presently, none of the Directors receive remuneration, and since the date of the Issuer's formation, no extraordinary resolution has been taken for this purpose.

9.3 Loans to Directors

There are no loans outstanding by the Issuer to any of its Directors, nor any guarantees issued for their benefit by the Issuer.

9.4 Removal of Directors

A Director may, unless he resigns, be removed by the shareholder appointing him or by an ordinary resolution of the shareholders as provided in article 140 of the Act.

9.5 Powers of Directors

By virtue of the Memorandum and Articles of Association of the Issuer, the Directors are empowered to transact all business which is not by the Articles or by the Act expressly reserved for the shareholders in general meeting. The powers of the Directors of the Issuer are better described in Part C Section 15.2 below.

9.6 Employees

As at the date of the Prospectus:

- the Issuer has a total of 11 employees;
- in aggregate, the Premier Group has approximately 2,400 employees, of which circa 65% are full-time employees and circa 35% are part-time employees.

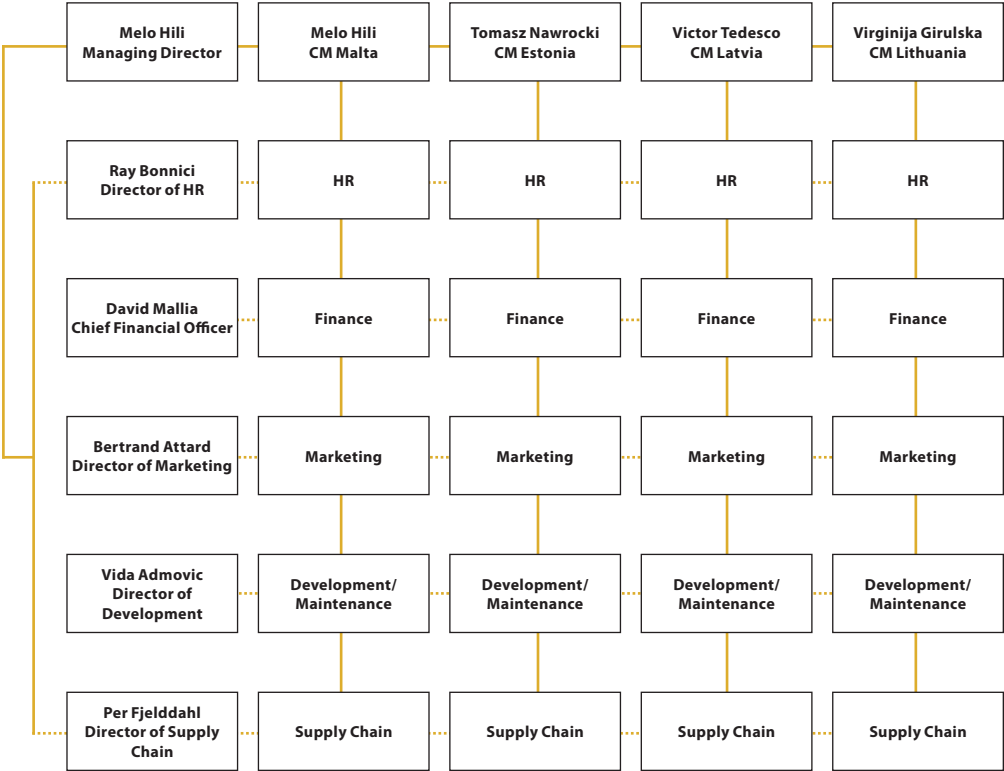
10. Management Structure and Shareholding

10.1 Management Structure of the Group

The board of directors of the Issuer establishes policy for the Premier Group and is responsible for appointing all executive officers and other key members of the Group's Management Team. The Group has appointed executives in each of the core areas of its business, that is finance, human resources, marketing, supply chain and development, all of whom report directly to the Managing Director. In addition, the Group has appointed a Country Manager for each of the four countries in which it operates.

By virtue of three separate Support Service Agreements dated 19 December 2007, the Issuer has undertaken to provide the operating companies in Estonia, Latvia and Lithuania, that is Premier Restaurants Eesti AS, SIA Premier Restaurants Latvia and UAB Premier Restaurants, with the Management Team's technical support and consultancy services in the field of business development, including in particular in respect of product and business project management, website development and maintenance, market research, pricing strategies, risk management, accounting policies, HR development and real estate planning. The Support Service Agreements have a 20 year term, expiring on 31 December 2027. The Issuer may, where it deems is appropriate or necessary, outsource such technical support and consultancy services to third party consultants.

The inter-relation of the Management Team and Country Managers is set out in the chart below:



The Directors believe that the current organisational structure is adequate for the current activities of the Premier Group. The Directors will maintain this structure under continuous review to ensure that they meet the changing demands of the business and to strengthen the checks and balances necessary for improved and sustained corporate governance.

10.1.1 Management

The following are short curriculum vitae of the members of the Premier Group Management Team:

Melo Hili is the Managing Director of the Premier Group. In this capacity, Melo Hili is responsible for heading the Group’s Management Team in its mandate to deliver the objectives of the Group’s business in the four countries in which it operates. At present he also acts as Country Manager for Malta.

Bertrand Attard holds the post of Group Director of Marketing. He has been operating within the McDonald’s framework for eight years and is responsible for providing the Group with strategic planning and consultancy services across the entire marketing field. Bertrand Attard is also the CEO of a leading communications agency in Malta.

David Mallia holds the post of Chief Financial Officer. David Mallia is a certified public accountant with a Masters in Business Administration and experience in a number of accountancy firms. He joined the Management Team in January 2010 after having previously occupied senior positions in the financial services sector. His responsibilities include finance, legal and information systems.

Raymond Bonnici holds the post of Director of Human Resources. Prior to joining the Premier Group in 2007, Raymond Bonnici held senior HR positions in the hotel industry. Besides human resources, he is also responsible for training, CSR and the environment.

Per Fjelddahl holds the post of Director of Supply Chain, overseeing purchasing, storage, distribution and quality control of resources. Per Fjelddahl is an engineer by profession and gained extensive experience in food production at leading international companies. He has spent over 20 years in senior purchasing and supply chain positions at McDonald's France.

Vladimir Adamovic holds the post of Director of Development, overseeing real estate, construction, equipment and maintenance. Vladimir Adamovic is an engineer by profession. Prior to his appointment with the Premier Group, he worked with the McDonald's Corporation for more than 20 years, most recently as regional development director in Russia.

Victor Tedesco holds the post of Country Manager for Latvia. Victor Tedesco joined McDonald's Malta as a trainee manager in 1995. Trained in Canada, he was a restaurant manager and operations consultant before being appointed Country Manager in 2008. In 1997, he was awarded the Outstanding Restaurant Manager of the year award at the McDonald's 1997 Euro Manager's convention.

Tomasz Nawrocki holds the post of Country Manager for Estonia. Tomasz Nawrocki is a graduate in Economics and joined McDonalds Poland in 2001 as management trainee after a brief period in banking. He joined the Premier Group in 2007 as operations manager, taking on the post of Country Manager for Estonia in 2008.

Virginija Girulska holds the post of Country Manager for Lithuania. Virginija Girulska is a graduate in Economics and has worked in the McDonald's framework in the past 15 years. Before her appointment as Country Manager in 2008, she was a restaurant manager and more recently held the post of Marketing Manager for the Estonian, Latvian and Lithuanian markets.

10.2 Principal Shareholders of the Issuer

The principal shareholders of the Issuer are Marin Hili, Beppe Hili and Melo Hili, who each own one third of the entire issued share capital of the Issuer. In terms of the Memorandum and Articles of Association of the Issuer (as explained in Section 15.2(c) of Part C of this Prospectus), in view of the current shareholding structure, the principal shareholders are entitled to appoint the full complement of the Board of Directors of the Issuer.

As pointed out in Section 11.1 of Part C of the Prospectus, the Audit Committee has the role and function of scrutinising and evaluating any proposed transaction to be entered into by the Issuer and a related party, to ensure that the execution of any such transaction is at arm's length and on a commercial basis and ultimately in the best interests of the Issuer.

11. Audit Practices

11.1 Audit Committee

The Audit Committee's primary objective is: to assist the Board in fulfilling its responsibilities in dealing with issues of risk, control and governance; and to review the financial reporting processes, financial policies and internal control structure. The Committee oversees the conduct of the internal and external audit and acts to facilitate communication between the Board, management, the external auditors and the internal audit team.

The Board has set formal terms of establishment and the terms of reference of the Audit Committee that establish its composition, role and function, the parameters of its remit as well as the basis for the processes that it is required to comply with. The Audit Committee is a sub-committee of the Board and is directly responsible and accountable to the Board. The Board reserves the right to change these terms of reference from time to time.

Briefly, the Audit Committee is expected to deal with and advise the Board on:

- monitoring the integrity of the financial statements issued by the Company, as well as the internal control structures (including the appropriateness and security of computer systems being utilised), the financial reporting process (ensuring that the recommendations made by external auditors are implemented in a timely manner) and financial policies of the Company;
- maintaining communications on such matters between the Board, management and the external auditors;
- preserving the Issuer's assets by understanding the Issuer's risk environment and determining how to deal with those risks;
- the appointment of the external auditor and the approval of the remuneration and terms of engagement thereof following appointment by the shareholders in general meeting.

Furthermore, pursuant to its terms of reference, the Audit Committee is charged with the monitoring and review of, inter alia:

- the Company's internal financial control systems;
- the external audit functions, including the external auditor's independence, objectivity and effectiveness;
- the information upon which the management bases its decision to consider the business as a going concern;
- the accounting policies adopted and assumption made;
- whether the Company's financial statements compare well with the industry norm;

- the Company's annual and interim financial statements, and evaluate the completeness of the financial information presented and investigate any significant variances from previous years;
- the adherence to laws and regulations and compliance with the Listing Rules;
- the financial performance of related companies, in relation to any outstanding borrowings the latter may have with the Company; and
- the Company's tax position.

In addition, the Audit Committee also has the role and function of scrutinising and evaluating any proposed transaction to be entered into by the Issuer and a related party, to ensure that the execution of any such transaction is at arm's length and on a commercial basis and ultimately in the best interests of the Issuer.

All Directors of the Issuer sitting on the Audit Committee are of a non-executive capacity. Melo Hili acts as chairman of the Audit Committee, whilst Charles J. Farrugia and Jesmond Mizzi act as members. Charles J. Farrugia and Jesmond Mizzi are both independent directors who are competent in accounting and/or auditing as required pursuant to article 41 of Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC.

12. Corporate Governance

The Issuer, which was converted into a public company as recently as 26 February 2010 and was not previously subject to regulation in accordance with the Listing Rules, has not as yet put in place all the structures necessary to be fully compliant with the Code of Principles of Good Corporate Governance contained in Annex 8.1 of the Listing Rules (the "Code"). The Issuer declares its full support of the Code and undertakes to fully comply with the Code over the coming year by taking all such steps which may be considered necessary or conducive for such purpose. In the interim, and as a step towards the attainment of full compliance with the principles and requirements enunciated in the Code to the extent that this is considered complementary to the size, nature and operations of the Issuer, the Issuer has ensured that the composition of its board of directors is in line with the requirements of the Code, and has already set up an Audit Committee having a composition and terms of reference that comply with the requirements of the Code. Going forward, in view of the reporting structure adopted by the Code, the Issuer shall, on an annual basis in its annual report, explain the level of the Issuer's compliance with the principles of the Code and, in line with the comply or explain philosophy of the Code, explain the reasons for non-compliance, if any.

13. Financial Information

The financial information about the Issuer and the Group is available for inspection as set out in Section 18 below.

There have been no significant changes to the financial or trading position of the Issuer and the Group since the end of the financial period to which the last audited consolidated financial statements referred to in Section 18(c) below of Part C of this Prospectus relate.

14. Litigation

The Directors are not aware of any current litigation against or otherwise involving the Issuer, including actual, pending or threatened governmental, legal or arbitration proceedings, which the Directors consider could have significant effects on the Issuer's financial position or profitability.

15. Additional Information

15.1 Share Capital

The Issuer has an authorised share capital of €4,247,029.32 divided into 607,750 "A" Ordinary Shares, 607,750 "B" Ordinary Shares and 607,750 "C" Ordinary Shares, each share having a nominal value of €2.329373. The issued share capital of the Issuer, which amounts to €3,530,677.24, is divided into 505,240 "A" Ordinary Shares, 505,240 "B" Ordinary Shares and 505,240 "C" Ordinary Shares, each share having a nominal value of €2.329373. The issued share capital of the Issuer, which is fully paid up, is split in the following proportions:

- 505,240 "A" ordinary shares each having a nominal value of €2.329373 are held by Marin Hili;
- 505,240 "B" ordinary shares each having a nominal value of €2.329373 are held by Beppe Hili; and
- 505,240 "C" ordinary shares each having a nominal value of €2.329373 are held by Melo Hili.

It is noted that the following changes to the issued share capital of the Issuer have taken place since 31 December 2009, that is the date up to which the latest audited financial statements of the Issuer have been prepared:

- 9 January 2010: Increase of issued share capital of the Issuer by the amount of €2,000,000 pursuant to capitalisation of shareholders' loans;
- 5 February 2010: Increase of issued share capital of the Issuer by the amount of €500,000 pursuant to an allotment of shares for cash;
- 18 February 2010: Reduction of issued share capital of the Issuer by the amounts of: €504,001.78 for the purpose of off-setting accumulated losses of the Issuer as at 31 December 2009; and €212.350.30 for the purpose of creating a new reserve against which losses of the Issuer may be off-set from time to time.

It is not expected that shares in the Issuer shall be issued during the next financial year, whether fully or partly paid up, in consideration for cash or otherwise.

There is no capital of the Issuer which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option.

15.2 Memorandum and Articles of Association

(a) Objects

The Memorandum and Articles of Association of the Issuer (C 36522) is registered with the Registry of Companies.

The principal objects of the Issuer's activities are set out in article 3 of the Memorandum of Association of the Issuer and include, but are not limited to, acting as a holding company and carrying on the business of a finance and investment company and in particular but without prejudice to the generality of the foregoing the financing or re-financing of the funding requirements of the business of its subsidiaries and/or associated companies.

A copy of the Memorandum and Articles of Association of the Issuer may be inspected during the lifetime of this Prospectus at the registered office of the Issuer and at the Registrar of Companies of the Malta Financial Services Authority.

(b) Voting Rights & Restrictions

The holders of Ordinary shares in the Issuer are entitled to vote at meetings of the shareholders of the Issuer on the basis of one vote for each share held.

(c) Appointment of Directors

At present, in terms of the Memorandum and Articles of Association, the Board consists of six (6) Directors. Until such time as the shares in the Company may become listed on a Recognized Exchange, as the sole holder of shares in each of the Ordinary "A" Class, Ordinary "B" Class and Ordinary "C" Class of shares respectively, each of the said principal shareholders is entitled to appoint one director on the Board of Directors, with the remaining directors being elected by ordinary resolution of all shareholders in general meeting.

(d) Powers of Directors

The Directors are vested with the management of the Issuer, and their powers of management and administration emanate directly from the Memorandum and Articles of Association and the law. The Directors are empowered to act on behalf of the Issuer and in this respect have the authority to enter into contracts, sue and be sued in representation of the Issuer. In terms of the Memorandum and Articles of Association they may do all such things that are not by the Memorandum and Articles of Association reserved for the Issuer in general meeting.

The amount of remuneration payable to the Directors is, in terms of the Memorandum and Articles of Association, to be established by an extraordinary resolution of the shareholders.

In terms of the Memorandum and Articles of Association, the Board of Directors may exercise all the powers of the Issuer to borrow money and give security therefor, as they think fit.

There are no provisions in the Issuer's Memorandum and Articles of Association regulating the retirement or non-retirement of Directors over an age limit.

16. Material Contracts

The Issuer has not entered into any material contract which is not in the ordinary course of its business.

17. Third Party Information and Statement by Experts

The Prospectus does not include third party information requiring disclosure in terms of the Listing Rules. However, your attention is drawn towards Section 5.3.1 of Part C of this Prospectus (Principal Investments by the Group), which sets out an undertaking by the Directors to issue a company announcement and accompanying valuation in the event that the Group concludes either one or both of the property acquisitions referred to therein.

18. Documents Available for Inspection

For the duration period of this Prospectus the following documents shall be available for inspection at the registered address of the Issuer:

- (a) Memorandum and Articles of Association of the Issuer;
- (b) Pro forma consolidated financial information of the Premier Group for the years ended 31 December 2007 – 2009;
- (c) Audited consolidated financial statements of the Issuer for the years ended 31 December 2007 – 2009;
- (d) Audited financial statements of each of the Premier Group companies for the years ended 31 December 2007 – 2009.



Part D – Information About the Bonds

19. Details of the Bond Issue

The Bond Issue

The Issuer is making an offering to the general public of six point eight per cent (6.8%) Bonds due 15 March 2020 for an aggregate principal amount of €20,000,000, provided that in the event that the Issuer receives Applications in excess of €20,000,000, the Issuer has the option to increase the issue of Bonds by a maximum of an additional €5,000,000 up to an aggregate principal amount of €25,000,000. The Bonds, having a nominal value of €100 each, will be issued at par and shall bear interest at the rate of six point eight per cent (6.8%) per annum payable annually, the first such payment to be made on 15 March 2011.

The Bonds will, unless previously purchased and cancelled, be redeemed on 15 March 2020, subject to the Issuer's option to redeem all or any of the Bonds at any date between 16 March 2017 and 14 March 2020, as the Issuer may determine, on giving not less than thirty (30) days' notice.

The Bond Issue is not underwritten. In the event that the total aggregate principal amount of the Bonds amounting to €20,000,000 is not fully subscribed, the Issuer shall defer incurring capital expenditure in the implementation of the development and expansion strategy to ensure that any shortfall in the Bond Issue proceeds would be made up for by internal cash resources of the Group; and/or effect the necessary curtailments to its expansion and development strategy (described in Section 4.1 of Part C of the Prospectus, "Reasons for the Bond Issue and Use of Proceeds") and/or lower the amount of bond proceeds allocated to the part repayment of the Group's bank indebtedness.

Plan for Distribution

The Issuer is making an offering of Bonds to all categories of investors.

The Issuer may enter into conditional subscription agreements prior to the commencement of the Offer Period up to an amount not exceeding 50% of the full amount of the Offer (including the maximum amount of the Over-allotment Option) with a number of Authorised Intermediaries for the subscription of the Bonds, whereby it will bind itself to allocate Bonds to such Authorised Intermediaries upon closing of subscription lists. These agreements will be subject, inter alia, to the admission to trading of the Bonds on the Official List of the Malta Stock Exchange.

During the Offer Period, Applications may be made through any of the Authorised Intermediaries whose names are set out in Annex II of this Prospectus.

Offer Period

The Bonds will be available for subscription during the Offer Period commencing on 24 March 2010 up to and including 30 March 2010, subject to the right of the Issuer to close subscription lists before such date in the event that the Offer of Bonds is over-subscribed.

Refunds

If any Application is not accepted, or is accepted for fewer Bonds than those applied for, the monies or the balance of the amount paid but not allocated, as the case may be, will be returned by the Issuer without interest by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form. The Issuer will not be responsible for any loss or delay in transmission.

20. Information Concerning the Securities

20.1 Description and Type of Securities

Once issued, the Bonds shall constitute the unconditional debt obligations of the Issuer that bind the Issuer to pay to Bondholders interest on each Interest Payment Date and the nominal value of the Bonds on the Redemption Date. The Bonds shall be issued at a nominal value of €100 per Bond. The Bonds shall be denominated in Euro.

The Bonds have been created in terms of the Act. The Bonds will be issued in uncertificated form, and following admission of the Bonds to the Official List of the Malta Stock Exchange, the Bonds shall be held in book-entry form by the Central Security Depository of the Malta Stock Exchange.

Subject to the admission to listing of the Bonds to the Official List of the Malta Stock Exchange, the Bonds are expected to be assigned the following ISIN code: MT 0000 511205.

20.2 Status

The Bonds constitute the general, direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt other than subordinated debt, if any. The Issuer undertakes that any future indebtedness it may create with its shareholders, or any of them, shall at all times be under terms and conditions that the maturity for repayment of such debt shall fall after the Redemption Date and that any such indebtedness shall be subordinated to the rights of Bondholders.

20.3 Terms and Conditions of Issue

The full terms and conditions of the issue of the Bonds are contained in Annex I (Part I) of this Prospectus.

20.4 Interest and Allocation Policy

The Bonds shall accrue interest at the rate of 6.8% per annum payable annually on 15 March of each year. Interest shall accrue as from the date of announcement of the basis of allotment and allocation policy of the Bonds.

The Issuer will determine and announce the allocation policy for the allotment of the Bonds within five Business Days of the closing of subscriptions in at least one newspaper. Notification of allotments shall be made by the Central Securities Depository of the MSE once the Bonds have been admitted to the Official List of the MSE.

The first Interest Payment Date is expected to be 15 March 2011.

20.5 Maturity and Redemption

The Bonds shall become due for final redemption on 15 March 2020, provided that the Issuer reserves the right to redeem the Bonds or any part thereof on any of the Designated Early Redemption Dates, as the Issuer may determine, on giving not less than thirty (30) days notice to Bondholders. Redemption of the Bonds shall be made at the nominal value of the Bonds. In addition, the Issuer reserves the right to purchase, from the market at any time after issue, Bonds for cancellation.

20.6 Public Offer

The Bonds shall be issued and offered to the general public in Malta as well as to Authorised Intermediaries either for their own account or on behalf of investors represented by such Intermediaries. In the latter case, the Issuer shall not, unless due notice in writing is given to it, verify the relations existing between an Intermediary and its client and shall only and at all times recognise as a Bondholder the person registered as such in the register of bonds held for this purpose.

20.7 Authorisations

The issue of the Bonds was authorised by the Issuer's Board of Directors by resolution dated 17 February 2010. The Listing Authority authorised the Bonds as admissible to listing on the Official List of the Malta Stock Exchange pursuant to the Listing Rules by virtue of a letter dated 1 March 2010. The Bonds are being created as debt instruments of the Issuer under the Act.

20.8 Expected Date of Issue of the Bonds

The expected date of Issue of the Bonds is 16 April 2010.

20.9 Exchange Controls

It is the responsibility of investors wishing to apply for the Bonds to inform themselves as to the legal requirements of so applying including any requirements relating to exchange control (whether in terms of the External Transactions Act, Cap. 233, Laws of Malta or otherwise) in Malta and in the countries of their nationality, residence or domicile.

The obligation to comply with any applicable exchange control or other such regulations (such as those relating to external transactions) rests with the investor and not with the Issuer, Manager, Registrar, or any of the Intermediaries.

20.10 Taxation

General

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Bonds, including their acquisition, holding and disposal as well as any income/gains derived therefrom or made on their disposal. The following is a summary of the anticipated tax treatment applicable to Bondholders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

The information below is based on an interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer at the date of the Prospectus, in respect of a subject on which the Issuer is not aware that any official guidelines exist. Investors are reminded that tax law and practice and their interpretation as well as the levels of tax on the subject matter referred to in the preceding paragraph, may change from time to time.

This information is being given solely for the general information of investors. The precise implications for investors will depend, among other things, on their particular circumstances and on the classification of the Bonds from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

Malta tax on interest

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is otherwise instructed by a Bondholder or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act (Cap. 123, Laws of Malta), interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% of the gross amount of the interest (subject to certain exceptions where a lower rate would apply), pursuant to article

33 of the Income Tax Act (Cap. 123, Laws of Malta). Bondholders who do not fall within the definition of a “recipient” do not qualify for the said rate and should seek advice on the taxation of such income as other rules may apply.

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder need not declare the interest so received in his income tax return. Furthermore, Bondholders in receipt of interest net of the final withholding tax are not subject to further tax in respect of such income. However any tax withheld is not available to any Bondholder for a credit against that Bondholder’s tax liability or for a refund as the case may be.

In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such Bondholder will be obliged to declare the interest so received in his income tax return and be subject to tax on it at the standard rates applicable to that person at that time. Additionally, in this latter case, the Issuer will advise the Inland Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients unless the beneficiary does not qualify as a “recipient” in terms of Article 41(c) of the Income Tax Act (Cap. 123, Laws of Malta). Any such election made by a “recipient” Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c) of the Income Tax Act, Bondholders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act are not taxable in Malta on the interest received from the Bonds and the Issuer will pay the interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

European Union Savings Directive

Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Malta Commissioner of Inland Revenue who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the EU Savings Directive 2003/48/EC.

Maltese taxation of capital gains on transfer of the Bonds

On the assumption that the Bonds would not fall within the definition of “securities” in terms of article 5(1)(b) of the Income Tax Act, that is, “shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return”, no tax on capital gains is chargeable in respect of transfer of the Bonds held as capital assets at the time of disposal.

Duty on documents and transfers

In terms of article 50 of the Financial Markets Act (Cap 345, Laws of Malta), as the Bonds constitute financial instruments of a company quoted on a Recognised Investment Exchange, as is the MSE, redemptions and transfers of the Bonds is exempt from Maltese duty.

INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF BONDS AS WELL AS INTEREST PAYMENTS MADE BY THE ISSUER. THE ABOVE IS A SUMMARY OF THE MAIN ANTICIPATED MALTESE TAX TREATMENT APPLICABLE TO THE BONDS AND TO BONDHOLDERS. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO BONDHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.

20.11 Sinking Fund

The Issuer hereby undertakes that from the outset of the financial year commencing 1 January 2012, it shall, over a period of eight (8) years therefrom, build a sinking fund the value of which will by the end of such period be equivalent to 50% of the value of the issued Bonds, thus creating a cash reserve from its annual surpluses to meet part of the redemption proceeds on the Redemption Date.

Annual surpluses are defined as net cash inflows from operating activities, that is, operating profits adjusted for non-cash items, working capital changes and tax payments, and after deducting net cash used in investing activities and net cash used in financing activities.

The Board of Directors of the Issuer reserves the power with respect to the investment of funds allocated to the sinking fund, provided that, save where market conditions may dictate otherwise from time to time, the investment of these proceeds will only be made either for the purpose of the Issuer buying back Bonds for cancellation in terms of Section 20.5 of Part D of the Prospectus, or for investing in debt securities issued or guaranteed by any sovereign state within the Eurozone or which is a member of the OECD or other debt securities which are rated as AAA by a recognised international rating agency, without incurring exchange risk, at the lower of cost and market value.

In making such investment decisions, the Directors will apply the necessary level of prudence, taking into account the then current market circumstances and the obligations of the Issuer over the term of the Bond. The Directors shall keep under review their investment policies with respect to the assets constituting the sinking fund for the term of the Bond and shall determine the asset allocation of the sinking fund with a view to creating as balanced and diversified a portfolio of assets as can reasonably be considered practicable in the then current market and overall economic conditions.

The proceeds constituting the sinking fund shall be settled on trust to an authorised trustee independent of the Issuer that shall hold such proceeds for the benefit of the Bondholders. The authorised trustee may, but shall not be required or bound, to ensure, monitor or otherwise procure the creation and funding of the said sinking fund by the Issuer. In the event of a cancellation or redemption in full of all outstanding Bonds, any funds remaining in the sinking fund thereafter shall be distributed by the authorised trustee to the Issuer.

21. Admission to Trading

Application has been made to the Listing Authority for the admissibility of the Bonds to listing on a regulated market. The Listing Authority admitted the Bonds to listing and trading by letter dated 1 March 2010.

In addition, application has also been made to the Malta Stock Exchange for the Bonds to be admitted to trading on the Official List of the Malta Stock Exchange. The Bonds are expected to be admitted to the Official List of the Malta Stock Exchange with effect from 16 April 2010 and trading is expected to commence on 19 April 2010.

22. Estimated Expenses of the Bond Issue

Professional fees, costs related to publicity, advertising, printing, listing, registration, sponsor, management and registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue, which are estimated not to exceed €600,000, shall be borne by the Issuer.

The overall amount of the placing commission payable to Authorised Intermediaries entering into conditional subscription agreements in terms of Section 19 of Part D of this Prospectus will not exceed €125,000.



Annex I

Part I – Terms and Conditions of the Bond

The rights attaching to the Bonds are those set out in the terms and conditions of issue found in this Annex I, which terms and conditions the Bondholders and any person claiming through or under a Bondholder are hereby deemed to have received knowledge of and to have accepted to be bound by.

1. General

- (a) Each Bond forms part of a duly authorised issue of registered Bonds of a nominal value of €100 each Bond, issued by the Issuer at the Bond Offer Price of €100 per Bond, of an aggregate principal amount of €20,000,000 (except as otherwise provided under clause 9 “Further Issues” below) or in the event of the exercise by the Issuer of the Over-allotment Option an aggregate of €25,000,000, which shall bear interest at the rate of 6.8% per annum.
- (b) Unless previously purchased and cancelled, the Bonds shall be redeemable at the nominal value on any date between 16 March 2017 and 14 March 2020, as the Issuer may determine, on giving not less than thirty (30) days prior notice to the Bondholders.

2. Form, Denomination and Title

The Bonds will be issued in fully registered and dematerialised form, without coupons, in denominations of any integral multiple of €100 and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the Central Securities Depository of the Malta Stock Exchange. The Bonds, and transfer thereof, shall be registered as provided under Clause 8 “Registration, Replacement, Transfer and Exchange” below. A person in whose name a Bond shall be registered shall (to the fullest extent permitted by law) be treated at all times and for all purposes as the absolute owner of such Bond, regardless of any notice of ownership or trust.

3. Interest

- (a) The Bonds shall bear interest at the rate of 6.8% per annum on the nominal value of the Bond, payable annually, on 15 March of each year, the first payment becoming due on 15 March 2011 (each such day, an “Interest Payment Date”). Each Bond will cease to bear interest from and including its due date of redemption unless, upon due presentation, payment of the principal in respect of the Bond is improperly withheld or refused or unless the Issuer defaults in which event interest shall continue to accrue at the rate specified above; and
- (b) When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated on the basis of a three hundred and sixty (360) day year consisting of twelve (12) months of thirty (30) days each, and, in the case of an incomplete month, the number of days elapsed.

4. Status of the Bonds and Negative Pledge

- (a) The Bonds constitute the general, direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank pari passu, without any priority or preference among themselves, and with other unsecured debt other than subordinated debt, if any;
- (b) The Issuer undertakes, for as long as any principal or interest under the Bonds or any of the Bonds remains outstanding, not to create or permit to subsist any Security Interest (as defined below), other than a Permitted Security Interest (as defined below), upon the whole or any part of its present or future assets or revenues to secure any Financial Indebtedness (as defined below) of the Issuer, unless at the same time or prior thereto the Issuer's indebtedness under the Bonds, shares in and is secured equally and rateably therewith, and the instrument creating such Security Interest so provides.

For the purposes of this Clause and of Clause 7 ("Events of Default") below:

"Financial Indebtedness" means any indebtedness in respect of (A) monies borrowed; (B) any debenture, bond, note, loan stock or other security; (C) any acceptance credit; (D) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance for the acquisition of that asset; (E) leases entered into primarily as a method of raising finance for the acquisition of the asset leased; (F) amounts raised under any other transaction having the commercial effect of borrowing or raising of money; (G) any guarantee, indemnity or similar assurance against financial loss of any person;

"Security Interest" means any privilege, hypothec, pledge, lien, charge or other encumbrance or real right which grants rights of preference to a creditor over the assets of the Issuer;

"Permitted Security Interest" means (A) any Security Interest arising by operation of law; (B) any Security Interest securing temporary bank loans or overdrafts in the ordinary course of business; (C) any other Security Interest (in addition to (A) and (B) above) securing Financial Indebtedness of the Issuer, in an aggregate outstanding amount not exceeding eighty per cent (80%) of the difference between the value of the unencumbered assets of the Issuer and the aggregate principal amount of Bonds outstanding at the time.

Provided that the aggregate Security Interests referred to in (B) and (C) above do not result in the unencumbered assets of the Issuer being less than 106.80% of the aggregate principal amount of the Bonds still outstanding;

"unencumbered assets" means assets which are not subject to a Security Interest.

5. Payments

- (a) Payment of the principal amount of a Bond will be made in Euro to the person in whose name such Bond is registered, with interest accrued to the Redemption Date, against surrender of such Bond at the registered office of the Issuer or at such other place in Malta as may be notified by the Issuer by way of a cheque drawn on a bank in Malta.
- (b) Payment of interest on a Bond will be made in Euro to the person in whose name such Bond is registered as 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.
- (c) All payments with respect to the Bonds are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable fiscal or other laws and regulations. In particular, but without limitation, all payments by the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed or levied by or on behalf of the Government of Malta or authority thereof or therein having power to tax.
- (d) No commissions or expenses shall be charged to the Bondholders in respect of such payments.

6. Redemption and Purchase

- (a) Unless previously purchased and cancelled, the Bonds may be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on the Redemption Date, or on any of the Designated Early Redemption Dates falling on any date between 16 March 2017 and 14 March 2020, as the Issuer may determine, on giving not less than thirty (30) days prior notice to the Bondholders.
- (b) The Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.
- (c) All Bonds so purchased will be cancelled forthwith and may not be re-issued or re-sold.

7. Events of Default

The Bonds shall become immediately due and repayable at their principal amount together with accrued interest if any of the following events ("Events of Default") shall occur:-

- (a) the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or

- (b) the Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in the terms and conditions of the Bonds and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- (c) an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; or
- (d) the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or
- (e) the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or
- (f) there shall have been entered against the Issuer a final judgment by a court of competent jurisdiction from which no appeal may be or is taken for the payment of money in excess of one million two hundred fifty thousand Euro (€1,250,000) or its equivalent in any other currency, and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; or
- (g) any default occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness (as defined above) of the Issuer in excess of one million two hundred fifty thousand Euro (€1,250,000) or its equivalent in any other currency at any time.

8. Registration, Replacement, Transfer and Exchange

- (a) A register of the Bonds will be kept by the Issuer at the Central Securities Depository ('CSD') of the MSE, wherein there will be entered the names and addresses of the Bondholders and particulars of the Bonds held by them respectively and a copy of such register will at all reasonable times during business hours be open to inspection at the registered office of the Issuer.
- (b) Bonds shall be issued in uncertificated form and shall be maintained in book-entry form at the CSD of the MSE. The Bonds shall accordingly be evidenced by a book-entry in the register of Bondholders held by the CSD. The CSD will, on request, issue a statement of holdings to Bondholders evidencing their entitlement to Bonds held in the register kept by the CSD.
- (c) A Bond may be transferred only in whole in accordance with the rules and procedures applicable from time to time at the Malta Stock Exchange.

- (d) Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the Malta Stock Exchange, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Issuer a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the Bond.
- (e) All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.
- (f) The cost and expenses of effecting any exchange or registration of transfer or transmission except for the expenses of delivery by 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.
- (g) The Issuer will not register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Bonds.

9. Further Issues

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further bonds, notes, debentures or any other debt securities, whether ranking *pari passu* in all respects with or subordinated to the Bonds (or in all respects save for the first payment of interest thereon).

10. Meetings of Bondholders

The Terms and Conditions contained herein may be amended with the approval of Bondholders at a meeting called for that purpose in accordance with the terms hereunder.

- (a) In the event that the Issuer wishes to amend any of the Terms and Conditions of Issue of the Bond it shall call a meeting of Bondholders by giving such Bondholders not less than fourteen (14) days notice in writing setting out in the notice the time, place and date set for the meeting and the matters to be discussed thereat.
- (b) A meeting of Bondholders shall only validly and properly proceed to business if there is quorum present at the commencement of the meeting. For this purpose a quorum shall be considered present if there are Bondholders present, in person or by proxy, accounting for at least fifty per cent (50%) in nominal value of the Bonds then outstanding.

- (c) Once a quorum is declared present by the Chairman of the meeting (who shall be the person who, in accordance with the regulations of the Issuer, would chair a general meeting of shareholders), the meeting may then proceed to business and the directors of the Issuer or their representatives shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that the Terms and Conditions of Issue of the Bonds ought to be amended as proposed by the Issuer. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present.
- (d) The voting process shall be managed by the Company Secretary of the Issuer under the supervision and scrutiny of the Auditors of the Issuer.
- (e) The proposal placed before a meeting of Bondholders shall only be considered approved if at least seventy-five per cent (75%) in nominal value of the Bondholders present at the meeting shall have voted in favour of the proposal.
- (f) Save for the above, the rules generally applicable to the Issuer during general meetings of shareholders shall apply.

11. Bonds held Jointly

In respect of a Bond held jointly by several persons (including but not limited to husband and wife), the joint holders shall nominate one of their number as their representative and his/her name will be entered in the register with such designation. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond so held. In the absence of such nomination and until such nomination is made, the person first named on the register in respect of such Bond shall, for all intents and purposes, be deemed to be the registered holder of the Bond so held.

12. Bonds held Subject to Usufruct

In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed vis-a-vis the Issuer to be the holder of the Bond so held and shall have the right to receive interests on the Bond but shall not, during the continuance of the Bond, have the right to dispose of the Bond so held without the consent of the bare owner.

13. Governing Law and Jurisdiction

- (a) The Bonds are governed by and shall be construed in accordance with Maltese law.
- (b) Any legal action, suit, action or proceeding against the Issuer arising out of or in connection with a Bond shall be brought exclusively before the Maltese Courts.

14. Notices

Notices will be mailed to Bondholders at their registered addresses and shall be deemed to have been served at the expiration of twenty-four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at his registered address and posted.

15. Listing

The Bonds, upon issue and subscription, shall be admitted to the Official List of the Malta Stock Exchange. Accordingly all the terms and conditions herein contained shall be read in conjunction with the Listing Rules and with Bye-Laws of the Malta Stock Exchange applicable from time to time.

Part II – Terms and Conditions of Application

The contract created between the Issuer and a Bondholder further to the Issuer's acceptance of an Application submitted by the Applicant shall be subject to the terms and conditions set out herein:

1. Subject to all other terms and conditions of application set out in the Prospectus, the Issuer reserves the right to reject, in whole or in part, or to scale down any Application, including multiple or suspected multiple Applications, and to present any cheques and / or drafts for payment upon receipt. The right is also reserved to refuse any Application, which in the opinion of the Issuer is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents. Only original Application Forms will be accepted and photocopies/facsimile copies will not be accepted. If any Application is not accepted, or if any Application is accepted for fewer Bonds than those applied for, then the Applicant shall receive a refund of the price of the Bonds applied for but not allocated. The Application monies or the balance of the amount paid on Application will be returned by the Issuer by direct credit into the Applicant's bank account as indicated in the Application, within five (5) Business Days from the date of final allocation. No interest shall be due on refunds and any risk of loss or gain that may emerge on exchange of refunds from the currency of denomination of the Bonds applied for into the base currency of the Applicant shall be at the charge or for the benefit of the Applicant.
2. In the case of joint Applications, reference to the Applicant in these Terms and Conditions of Application is a reference to each Applicant, and liability therefore is joint and several. Furthermore, as joint Applicants, each Applicant warrants that he/she has only submitted one Application Form in his/her name.

3. Any person, whether natural or legal, shall be eligible to submit an Application, and any one person, whether directly or indirectly, should not submit more than one Application Form. In the case of corporate Applicants or Applicants having separate legal personality, the Application Form must be signed by a person authorised to sign on behalf of, and bind, such Applicant. It shall not be incumbent on the Issuer or Registrar to verify whether the person or persons purporting to bind such an Applicant is or are in fact authorised.
4. Applications in the name and for the benefit of minors shall be allowed, provided that they are signed by both parents or by the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interests shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
5. All Applications for the subscription of Bonds must be submitted on Application Forms within the time limits established herein (refer to Expected Timetable set out in Part B Section 3.2 of this Prospectus). The minimum subscription of Bonds is €1,000 in value. Applications in excess of the said minimum thresholds must be in multiples of €100. The completed Application Forms are to be lodged with any of the Authorised Intermediaries mentioned in this Prospectus. All Application Forms must be accompanied by the full price of the Bonds applied for in the currency of designation of the Bonds applied for and in cleared funds. Payment may be made either in cash or by cheque payable to “The Registrar – Premier Capital plc Bond Issue”. In the event that a cheque accompanying an Application Form is not honoured on its first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application Form.
6. By completing and delivering an Application Form you (as the Applicant (s)):
 - (a) **irrevocably** offer to purchase the number of Bonds specified in your Application Form (or any smaller number for which the Application is accepted) at the Bond Offer Price subject to the Prospectus, these Terms and Conditions of Application and the Memorandum and Articles of Association of the Issuer;
 - (b) authorise the Registrar and the Directors of the Issuer to include your name or in the case of joint Applications, the first named Applicant, in the register of Debentures of the Issuer in respect of the Bonds allocated to you;
 - (c) warrant that your remittance will be honoured on first presentation and agree that, if such remittance is not so honoured, you will not be entitled to receive a registration advice, or to be registered in the register of Debentures or to enjoy or receive any rights in respect of such Bonds unless and until you make payment in cleared funds for such Bonds and such payment is accepted by the Issuer (which acceptance shall be made in its absolute discretion and may be on the basis that you indemnify it against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on

first presentation) and that, at any time prior to unconditional acceptance by the Issuer of such late delivery of consideration in respect of such Bonds, the Issuer may (without prejudice to other rights) treat the agreement to allocate such Bonds as void and may allocate such Bonds to some other person, in which case you will not be entitled to any refund or payment in respect of such Bonds (other than return of such late payment);

- (d) agree that the registration advice and other documents and any monies returnable to you may be retained pending clearance of your remittance and any verification of identity as required by the Prevention of Money Laundering Act 1994 (Cap. 373 of the Laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
- (e) agree that all Applications, acceptances of Applications and contracts resulting therefrom will be governed by and construed in accordance with Maltese law and that you submit to the jurisdiction of the Maltese Courts and agree that nothing shall limit the right of the Issuer to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law in any court of competent jurisdiction;
- (f) warrant that, if you sign the Application Form on behalf of another party or on behalf of a corporation or corporate entity or association of persons, you have due authority to do so and such person, corporation, corporate entity, or association of persons will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake to submit your power of attorney or a copy thereof duly certified by a lawyer or notary public if so required by the Registrar;
- (g) agree that all documents in connection with the Issue of the Bonds and any returned monies including refund of all unapplied Application monies will be returned at your risk by direct credit into the bank account as specified in the Application Form;
- (h) agree that, having had the opportunity to read the Prospectus, you have, and shall be deemed to have had, notice of all information and representations concerning the Issuer and the Issue of the Bonds contained therein;
- (i) confirm that in making such Application you are not relying on any information or representation in relation to the Issuer or the Issue of the Bonds other than those contained in the Prospectus and you accordingly agree that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
- (j) confirm that you have reviewed and you will comply with the restriction contained in section 7 below and the warning in this section 6;

- (k) warrant that you are not under the age of eighteen (18) years or if you are lodging an Application in the name and for the benefit of a minor, warrant that you are the parents or legal guardian/s of the minor;
- (l) agree that such Application Form is addressed to the Issuer and that in respect of those Bonds for which your Application has been accepted, you shall receive a registration advice confirming such acceptance;
- (m) confirm that in the case of a joint Application the first named Applicant shall be deemed the holder of the Bonds, unless a representative is appointed pursuant to Section 11 of Part I of Annex I of this Prospectus;
- (n) agree to provide the Registrar and/or Issuer as the case may be, with any information which it may request in connection with your Application(s);
- (o) agree that Charts Investment Management Service Limited will not, in their capacity of Sponsor, treat you as their customer by virtue of your making an Application for the Bonds and that Charts Investment Management Service Limited will owe you no duties or responsibilities concerning the price of the Bonds or their suitability for you;
- (p) warrant that, in connection with your Application, you have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your Application in any territory and that you have not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the Bond Issue or your Application;
- (q) warrant that if you are a non-resident, any funds forming the Application monies accompanying your Application Form emanate from a foreign source or foreign currency account held in Malta and that all applicable exchange control permits and authorisations have been duly and fully complied with;
- (r) represent that you are not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act")) and that you are not accepting the invitation comprised in the Prospectus from within the United States of America, its territories or its possessions, any State of the United States of America or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person, unless you indicate otherwise on the Application Form in accordance with the instructions of the Application Form.

7. The Bonds have not been and will not be registered under the Securities Act and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.

8. No person receiving a copy of the Prospectus or an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to him nor should he in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issues, transfer or other taxes required to be paid in such territory.
9. For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations 2008 (Legal Notice 180 of 2008), all Authorised Intermediaries are under a duty to communicate, upon request, all information they hold about clients, pursuant to Articles 1.2(d) and 2.4 of the "Code of Conduct for Members of the Malta Stock Exchange" appended as Appendix IV to Chapter 3 of the Malta Stock Exchange Bye-Laws, irrespective of whether the Authorised Intermediaries are Malta Stock Exchange members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act (Cap. 440 of the Laws of Malta) for the purposes, and within the terms of, the Malta Stock Exchange's Data Protection Policy as published from time to time.
10. Within five (5) Business Days from the closing of the subscription lists, the Issuer shall determine, and either directly or through the Registrar, announce by way of press release, the basis of acceptance of Applications and allocation policy to be adopted.
11. Save where the context requires otherwise, terms defined in the Prospectus bear the same meaning when used in these Terms and Conditions of Application, in the Application Form and in any other document issued pursuant to the Prospectus.
12. Application has been made to the Malta Stock Exchange for the Bonds to be admitted to the Official List of the Malta Stock Exchange for trading. Dealing shall commence upon admission to trading of the Bonds by the MSE and following notification to the applicants of their respective allotments.
13. The Application lists for the Bonds will open at 08:30 hours on 24 March 2010 and will close as soon thereafter as may be determined by the Issuer but not later than 12:00 hours on 30 March 2010, subject to the right of the Issuer to close subscription lists before such date in the event that the Bond Issue is over-subscribed.

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 ON OFFER WILL BE REPAYABLE IN FULL UPON REDEMPTION. AN INVESTOR SHOULD CONSULT A LICENSED STOCKBROKER OR AN INVESTMENT ADVISOR, LICENSED UNDER THE INVESTMENT SERVICES ACT (CAP. 370 OF THE LAWS OF MALTA) FOR ADVICE.

Part III – Specimen Application Form



APPLICATIONFORM
Premier Capital p.l.c.
€20,000,000 • 6.8% • 2017–2020



Please read the notes overleaf before completing this Application Form.

APPLICANT (see notes 2 to 6) (Mark 'X' if applicable)			
A	<input type="checkbox"/> Non-Resident	<input type="checkbox"/> CIS-Prescribed Fund	<input type="checkbox"/> Minor (under 18)
	<input type="checkbox"/> Body Corporate/Body of Persons		
B	Title (Mr/Mrs/Ms/...)	Full Name & Surname / Registered Name	
	Address		
			Post Code
	MSE A/C No. (if applicable)	ID Card / Passport / Company Reg. No.	Tel. No. / Mobile No.
C ADDITIONAL (JOINT) APPLICANTS (see note 2) (please use additional Application Forms if space is not sufficient)			
	Title (Mr/Mrs/Ms/...)	Full Name & Surname	ID Card / Passport No.
	Title (Mr/Mrs/Ms/...)	Full Name & Surname	ID Card / Passport No.
D MINOR'S PARENTS / LEGAL GUARDIANS (see note 4) (to be completed ONLY if the Applicant is a minor)			
i	Title (Mr/Mrs/Ms/...)	Full Name & Surname	ID Card / Passport No.
ii	Title (Mr/Mrs/Ms/...)	Full Name & Surname	ID Card / Passport No.
E I / WE APPLY TO PURCHASE AND ACQUIRE			
	Amount in figures €	Amount in words	
Premier Capital p.l.c. 6.8% Bonds 2017-2020 (minimum €1,000 and in multiples of €100 thereafter) or any smaller amount of Bonds for which this Application may be accepted at the Bond Offer Price as defined in the Prospectus regulating the Bond Issue (the "Prospectus") payable in full upon application under the Terms and Conditions contained therein.			
F RESIDENT – WITHHOLDING TAX ON INTEREST (see note 9) (to be completed ONLY if the Applicant is a Resident of Malta)			
	<input type="checkbox"/> I / We elect to have Final Withholding Tax deducted from my / our interest.		
	<input type="checkbox"/> I / We elect to receive interest GROSS (i.e. without deduction of Withholding Tax).		
G NON-RESIDENT – DECLARATION FOR TAX PURPOSES (see note 10) (to be completed ONLY if the Applicant is a Non-Resident)			
	Tax Country	Town of Birth	Country of Birth / TIN (Tax Identification Number)
	ID Card / Passport No.	Country of Issue	Issue Date
	<input type="checkbox"/> I/We am/are NOT Resident in Malta but I/we am/are Resident in the European Union.		
	<input type="checkbox"/> I/We am/are NOT Resident in Malta and I/we am/are NOT Resident in the European Union.		
H INTEREST MANDATE (see note 9) (Completion of this panel is mandatory)			
	Bank	Branch	Account Number
I I/We have fully understood the instructions for completing this Application Form, and am / are making this Application solely on the basis of the Prospectus and subject to its terms and conditions which I/we fully accept. Furthermore, I/we confirm that this is the only Application Form I/we am/are submitting on my/our behalf or on behalf of the company or other entity I/we represent.			
Signature/s of Applicant/s (both parents or legal guardian are/is to sign if Applicant is a minor) (all parties are to sign in the case of a joint Application)			Date

Authorised Intermediary's Stamp

Authorised Intermediary's Code

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Part III – Specimen Application Form (cont'd)

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus regulating the Bond Issue

1. The Application Form is to be completed in BLOCK LETTERS.
2. Applicants are to insert full personal details in Panel B. In the case of an application by more than one person (including husband and wife) full details of all individuals – including I.D. Card Numbers – must be given in Panels B and C but the person whose name appears in Panel B shall, for all intents and purposes, be deemed to be the registered holder of the Bond. Interest and redemption proceeds will be issued in the name of such Bondholder (See note 6 below).
3. Applicants who are Non-Resident in Malta for tax purposes must indicate their passport number in Panel B, complete Panel G and the relative box in Panel A must also be marked appropriately.
4. In the case of an Applicant who is a minor, the word 'MINOR' must be indicated in Panel B next to the Applicant's name and the relative box in Panel A must also be marked. A Public Registry birth certificate must be attached to the Application Form. (The birth certificate is not required if the minor already holds securities which are listed on the Malta Stock Exchange (MSE)). The Application Form must be signed by both parents or by the legal guardian/s. In the latter case documentary evidence of the legal guardian's appointment should be provided. (Interest and redemption proceeds will be made payable to the parent / legal guardian named in Panel D until such time as the Issuer is notified that the minor named in Panel B has attained the age of 18). The address to be inserted in Panel B is to be that of the parents / legal guardian/s.
5. In the case of a body corporate, the name of the entity, exactly as registered, and the registration number are to be inserted in Panel B. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
6. **APPLICANTS WHO HOLD SECURITIES ON THE MALTA STOCK EXCHANGE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL B. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT NUMBER QUOTED ON THE APPLICATION FORM EVEN IF DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF.**
7. Application must be for a minimum of €1,000 and thereafter in multiples of €100.
8. Payment may be made in cash or by cheque payable to 'The Registrar - Premier Capital Bond Issue 2010'. In the event that cheques accompanying Application Forms are not honoured on their first presentation, the Issuer reserves the right to invalidate the relative Application.
9. Only Applicants who hold a valid official Maltese Identity Card or Companies registered in Malta will be treated as residents in Malta. In such cases, the Applicant may elect to have Final Withholding Tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross, i.e. without deduction of Final Withholding Tax but he/she will be obliged to declare interest so received on his / her return. Authorised entities applying in the name of a Prescribed Fund (having indicated their status in the appropriate box in Panel A) will have Final Withholding Tax, currently 10%, deducted from interest payments. Applicants will receive their interest directly in a bank account held locally, which has to be indicated in Panel H. If any Application is not accepted, or is accepted for fewer Bonds than those applied for, the monies of the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the Applicant's bank account as indicated in Panel H.
10. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. European Council Directive 2003/48/EC on the Taxation of Savings Income in the form of interest payments requires all payors established in the EU that pay interest to an individual resident in another EU Member State, to report the interest payment to the tax authorities of the Member State in which the payor is established. If the Applicant's permanent residential address is in an EU Member State or in another country to which the Directive applies (called a "specified territory") then the interest paid will be reported.
11. Subscription lists will open at 08.30am on 24 March 2010 and will close at 12.00pm on 30 March 2010. The Issuer reserves the right, however, to close the Bond Issue before the 30 March 2010 in the event of over-subscription. Any Applications received by the Registrar after the subscription lists close will be rejected.
12. Completed Application Forms are to be delivered to any Authorised Financial Intermediary listed in the Prospectus, during normal office hours. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not received by the closing of the subscription lists.
13. The Issuer reserves the right to refuse any Application which appears to be in breach of the terms and conditions of the Bond as contained in the Prospectus.
14. This application is governed by the Terms and Conditions contained in the Prospectus. Capitalised terms not defined herein, shall unless the context otherwise requires, have the same meaning as that assigned to them in the Prospectus.
15. The Issuer may process the personal data that the Applicant provides in the Application Form, for all purposes necessary for and related to the issue of the Bonds applied for, in accordance with the Data Protection Act, Cap 440. The Applicant has the right to request access to and rectification of the personal data relating to him/her, as processed by the Issuer. Any such requests must be made in writing and sent to the Issuer at the address indicated in the Prospectus. The requests must further be signed by the Applicant to whom the personal data relates.

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 on offer will be repayable in full upon redemption. An investor should consult an independent investment advisor, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.



Annex II – List of Authorised Intermediaries

Name	Address	Telephone	Fax
APS Bank Ltd	17, Republic Street, Valletta VLT 1111	25671719	25671167
Atlas Investment Services Ltd*	Abate Rigord Street Ta' Xbiex XBX 1121	23265690	23265691
Bank of Valletta p.l.c.*	BOV Centre, Cannon Road St Venera SVR 9030	21312020	22751733
Calamatta Cuschieri & Co Ltd*	Fifth Floor, Valletta Buildings, South Street, Valletta VLT 1103	25688688	25688256
Charts Investment Management Service Ltd*	Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913	21224106	21241101
Crystal Finance Investments Ltd	6, Freedom Square, Valletta VLT 1011	21226190	21226188
Curmi & Partners Ltd*	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	21347331	21347333
Financial Planning Services Ltd*	4, Marina Court No. 1, G. Cali Street, Ta' Xbiex XBX 1421	21344255	21341202
FINCO Treasury Management Ltd*	Level 5, The Mall Complex, The Mall, Floriana FRN 1470	21220002	21243280
GlobalCapital Financial Management Ltd*	120, The Strand, Gzira GZR 1027	21342342	21333100
Growth Investments Ltd	Middle Sea House, Floriana FRN 1442	21234582	21249811
Hogg Capital Investments Ltd*	Regent House, Suite 33, Bizazza Street, Sliema SLM 1641	21322872	21342760

HSBC Bank Malta p.l.c.	241/2, Republic Street, Valletta VLT 1116	25972209	25972475
HSBC Stockbrokers (Malta) Ltd*	233, Republic Street, Valletta VLT 1116	25972242	25972494
Island Financial Services Ltd	Insurance House, Psaila Street, Birkirkara BKR 9078	23855555	23855238
Jesmond Mizzi Financial Services Ltd	67, Flat 3, South Street, Valletta VLT 1105	21224410	21223810
Joseph Scicluna Investment Services Ltd	Bella Vista Court, Level 3, Gorg Borg Olivier Street, Victoria VCT 2517 Gozo	21565707	21565706
Lombard Bank Malta p.l.c.*	59, Republic Street, Valletta VLT 1117	25581114	25581815
Mercieca Financial Investment Services Ltd	Mercieca, JF Kennedy Square, Victoria VCT 2580 Gozo	21553892	21553892
MFSP Financial Management Ltd	220, Immaculate Conception Street, Msida MSD 1838	21322426	21322190
Michael Grech Financial Investment Services Ltd	1, Mican Court, JF Kennedy Square, Victoria VCT 2580 Gozo	21554492	21559199
MZ Investment Services Ltd	11, St Rita Street, Rabat RBT 1523	21453739	21453407
Quest Investment Services Ltd	101, Town Square, Qui Si Sana, Sliema SLM 3112	21343500	21313733
Rizzo, Farrugia & Co (Stockbrokers) Ltd*	Airways House, Third Floor, High Street, Sliema SLM 1549	22583000	22583001

* Members of the Malta Stock Exchange

Issuer

Premier Capital p.l.c.
Nineteen Twenty Three
Valletta Road
Marsa
MRS 3000
Malta

Advisors to the Issuer

Legal Counsel to the Issuer and
Legal Counsel on the Bond Issue:

Camilleri Preziosi
Level 3, Valletta Buildings, South Street,
Valletta – VLT 1103 – Malta

Sponsor:

Charts Investment Management
Service Limited
Valletta Waterfront, Vault 17, Pinto Wharf,
Floriana - FRN 1913 - Malta

Manager & Registrar:

HSBC Bank Malta p.l.c.
233, Republic Street,
Valletta - VLT 1116 - Malta

Auditors

Deloitte

Deloitte Place, Mriehel Bypass,
Mriehel – BKR 3000 - Malta