

BAY STREET FINANCE p.l.c.
A Group Member of Bay Street Holdings Limited

Unaudited Half-Yearly Financial Report
For the period 1 January 2011 to 30 June 2011

Company No. C-29784

BAY STREET FINANCE p.l.c.

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BAY STREET FINANCE p.l.c.

DIRECTORS' REPORT PURSUANT TO LISTING RULE 5.75.2

The Directors present the Company's unaudited interim financial statements for the period 1st January 2011 to 30th June 2011.

Bay Street Finance p.l.c. was set up and established to act as a finance and investment company for Bay Street Holdings Limited. The project which the Company financed comprises the development by Bay Street Holdings Limited of the Bay Street Tourist Complex situated in the St George's Bay area, St. Julian's.

During the period under review, the Company registered a loss before taxation amounting to €4,791. The retained earnings as at 30th June 2011 stand at €34,985. The Directors do not anticipate significant changes in the performance during the last six months of the current year.

In June 2002, the Company issued 76,026 redeemable bonds at 8% interest per annum, with a nominal value of €100 each. These bonds are redeemable by the Company on the 26th June 2012. The Company has advanced the proceeds of the bond issue to its parent company Bay Street Holdings Limited at an annual interest rate of 8.2% per annum. The bonds are being guaranteed by Bay Street Holdings Limited.

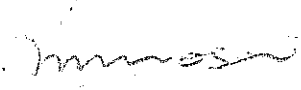
It was originally envisaged that the source of repayment of the bonds would be entirely dependent on the performance of Bay Street Holdings Limited, which includes directly, the ownership and possession income of the Bay Street outlets and the operation of the hotel withing the complex. During the financial year ended 31 December 2010, and as part of a general re-structuring of finance, alternative funding from a credit institution for the repayment of the bonds was sought and obtained through the holding company.

During the period under review 133 8% redeemable bonds of €100 each were bought back from existing bondholders at a premium of 2%. The bonds still in issue as at 30 June 2011 total 27,726 compared to 76,026 issued in 2002.

The published figures have been extracted from the unaudited management financial statements for the six months ended 30 June 2011 and its comparative period in 2010. Comparative balance sheet information as at 31 December 2010 has been extracted from the audited financial statements for the year ended on that date. This report is being published in terms of Listing Rule 5.74 issued by the Malta Financial Services Authority, and has been prepared in accordance with the applicable Listing Rules and the International Accounting Standard 34, 'Interim Financial Reporting'. The financial statements published in this Half-Yearly Report are condensed in accordance with the form and content requirements of this standard. In terms of Listing Rule 5.75.5 the Directors are stating that this Half-Yearly Financial Report has not been audited or reviewed by the Company's independent auditors.

Approved by the Board on 25th August 2011 and signed on its behalf by:

Mr. Paul Camilleri
Director


Mr. Rene Formosa
Director

Bay Street Hotel Tourist Complex,
Bay Street Management Offices,
St. George's Bay,
St. Julians, STJ 02.

BAY STREET FINANCE p.l.c.

CONDENSED INTERIM INCOME STATEMENT PERIOD ENDED 30 JUNE 2011

	01.01.2011 to 30.06.2011 €	01.01.2010 to 30.06.2010 €
Interest receivable	114,184	316,144
Interest payable	(107,347)	(304,104)
Net interest earned	<u>6,837</u>	<u>12,040</u>
Other income: recovery of cost of early redemption of bonds	2,501	-
Cost of early redemption of bonds	(2,501)	-
Administrative expenses	(11,628)	(10,391)
(Loss)/profit before taxation	<u>(4,791)</u>	<u>1,649</u>
Taxation	-	(577)
(Loss)/profit for the period	<u>(4,791)</u>	<u>1,072</u>
Earnings per share	<u>-</u>	<u>1c4</u>

BAY STREET FINANCE p.l.c.


CONDENSED INTERIM BALANCE SHEET

30 JUNE 2011

	30.06.2011	31.12.2010
	€	€
ASSETS		
Fixed assets		
Financial assets	2,855,260	2,868,549
Current assets		
Receivables	228,878	258,341
Cash at bank and in hand	9,636	9,799
	238,514	268,140
Total assets	3,093,774	3,136,689
EQUITY AND LIABILITIES		
Capital and reserves		
Called up issued share capital	174,703	174,703
Profit and loss account	34,985	39,776
	209,688	214,479
Current liabilities		
Trade and other payables	111,483	136,318
Non current liabilities		
Debt securities in issue	2,772,603	2,785,892
Total liabilities	2,884,086	2,922,210
Total equity and liabilities	3,093,774	3,136,689

Approved by the Board on 25th August 2011 and signed on its behalf by:

Mr. Paul Camilleri
Director


Mr. Rene Formosa
Director

BAY STREET FINANCE p.l.c.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY PERIOD ENDED 30 JUNE 2011

	Called Up Issued Share Capital €	Profit and Loss Account €	Total €
At 1 January 2010	174,703	38,381	213,084
Profit for the period	-	1,395	1,395
At 31 December 2010	<u>174,703</u>	<u>39,776</u>	<u>214,479</u>
Loss for the period	-	(4,791)	(4,791)
At 30 June 2011	<u>174,703</u>	<u>34,985</u>	<u>209,688</u>

BAY STREET FINANCE p.l.c.

CONDENSED INTERIM CASH FLOW STATEMENT PERIOD ENDED 30 JUNE 2011


	01.01.2011 to 30.06.2011 €	01.01.2010 to 30.06.2010 €
Cash flows from operating activities (Loss)/profit before taxation	(4,791)	1,072
<i>Adjustments for:</i>		
Movement in debtors	31,147	164,779
Movement in creditors	(24,835)	(164,579)
<i>Cash used in operations</i>	<u>1,521</u>	<u>1,272</u>
Income tax paid	(1,684)	(764)
<i>Net movement in cash and cash equivalents</i>	<u>(163)</u>	<u>508</u>
Cash and cash equivalents at the beginning of the period	9,799	2,450
Cash and cash equivalents at the end of the period	<u>9,636</u>	<u>2,958</u>

BAY STREET FINANCE p.l.c.


STATEMENT PURSUANT TO LISTING RULE 5.75.3 ISSUED BY THE LISTING AUTHORITY

We hereby confirm that to the best of our knowledge as follows:

- The condensed consolidated interim financial statements give a true and fair view of the financial position of the Company as at 30 June 2011, as well as of the financial performance and cash flows for the said period, fully in compliance with the accounting standards for Interim Financial Statements; and
- The Interim Directors' Report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.



Mr. Paul Camilleri
Director



Mr. René Formosa
Director