

VERDALA FINANCE plc



Lm 3,000,000 8% 2006 Secured Note Issue

Dear Investor,

We write to inform you of the Verdala Finance plc 8% 2006 Secured Note Offer, which is open to the general public for subscription until Friday, 4th May 2001. Detailed here are some of the characteristics of the Offer. In addition, should you be interested in receiving further information, kindly fill in the cut-off section below and send it in the self-addressed envelope enclosed.

The purpose of this Issue is to finance the completion of the Verdala Mansions, a complex of 32 luxurious apartments and 4 penthouses in Rabat finished to deluxe standards and specifications.

The Note's characteristics are:

- **8% Interest** per annum & **1% Redemption Premium** per annum (equivalent to **9% yield** per annum)
- **Short term maturity** - 5 years
- **Guaranteed** by Verdala Mansions Ltd.
- **Two Installment structure** -
1st installment - 67% payable on subscription
2nd installment - 33% payable between December 1, 2001, & April 1, 2002
If the 2nd installment is prepaid on the subscription date, 5.75% interest per annum will accrue on such second installment from subscription date until the date of a call for payment of the second installment
- **Trustee** - Bank of Valletta plc
- **Secured by a First Special Hypotec** on the property
- **Sinking Fund** for Redemption of Note
- **Possibility of Early Redemptions**, after 11 April, 2003
- **Minimum Subscription Lm10,000** and multiples of Lm1,000
- **Not Listed** on The Malta Stock Exchange
- **No Initial Fees**

Investment should be made on the full details of the Offering Memorandum and after having examined all the risks involved. Investor attention is drawn to the possible illiquidity risk that may arise.

This Offer will close on **Friday, May 4, 2001, or earlier.**



For further information on the Verdala Finance 8% 2006 Secured Note Issue

Kindly fill in the following and return it in the self-addressed envelope to GLOBE FINANCIAL MANAGEMENT plc, 120, The Strand, Gzira.

Name:

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Address:

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