

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by Malita Investments p.l.c., (“the Company”) pursuant to the Listing Rules of the Malta Financial Services Authority.

01 March 2017

Quote

The Board of Directors of Malita Investments p.l.c. has approved the audited financial statements for the financial year ended 31 December 2016 on the 28 February 2017. The Board resolved that these audited financial statements are submitted for the approval of the shareholders at the forthcoming Annual General Meeting (“the AGM”) which is scheduled for Thursday 27 April 2017. A preliminary statement of annual results is being attached herewith in terms of the Listing Rules. Shareholders on the Company’s share register at the Central Securities Depository of the Malta Stock Exchange at close of business Tuesday 28 March 2017 (the record date) will receive notice of the AGM, together with a copy of the Annual Report and Financial Statements for the year ended 31 December 2016.

The Board of Directors further resolved to recommend for the approval of the Annual General Meeting, the payment of a final gross dividend of €3,376,864 or €0.0228 per share, equating to a final net dividend of €2,194,962 or €0.01482 per share to all shareholders on the register. The final net dividend will be paid on Friday 5 May 2017 to the Shareholders on the Company’s share register of the Malta Stock Exchange at close of business Tuesday 28 March 2017.

Unquote

By Order of the Board



Dr Astrid May Grima
Company Secretary

PRELIMINARY STATEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

The Company's Preliminary Statement of Annual Results and the decision by the Board of Directors to declare a dividend is being published pursuant to Listing Rules 5.16.4 and 5.54 of the Listing Rules issued by the Listing Authority. The financial information has been extracted from the Company's audited financial statements for the year ended 31 December 2016, as approved by the Board of Directors on 28 February 2017, which have been audited by PricewaterhouseCoopers. These financial statements will be laid before the members at the general meeting to be held on 27 April 2017. The Company's financial statements have been prepared in accordance with International Accounting Standards as adopted by the European Union.

REVIEW OF PERFORMANCE

The Company registered a pre-tax profit of €8,263,266 (2015: €16,859,728), while revenue for the year amounted to €6,976,714 (2015: €6,935,891). The Company continued to receive ground rents from the Malta International Airport (MIA) and Valletta Cruise Port (VCP) in respect of properties on which Malita owns the dominium directum. In addition, the Company receives lease income in respect of the Open Air Theatre in City Gate, Valletta and a penalty from Government until the completion certificate of Parliament Building in Valletta is issued. Administrative expenses for the year were in line with the Company's expectations. The positive movement in the fair value of investment property of €3,015,000 (2015: €11,609,000)

comprises the movement in the fair value of the dominium directum of the MIA and VCP properties. This is due to the downward movement of interest rates. The fair value of investment property is calculated with reference to the cash flows receivable by the Company in terms of its contractual agreements, discounted to present value as at 31 December 2016. Similar to previous years, this profit has been considered to be non-distributable and has accordingly been transferred to a non-distributable reserve.

The Parliament Building and the Open Air Theatre are measured at cost in view that the certificate of completion of the Parliament Building has not yet been issued. Accordingly, it is premature to estimate the separate fair value of the Parliament Building and Open Air Theatre, and as such, any changes in fair value are not reflected in the financial statements. The Board of Directors continued to consider and evaluate a number of potential projects including ones with a mix of public/private participation.

The Directors recommend the payment of a final gross dividend of €3,376,864 or €0.0228 per share (December 2015: €3,258,377 or €0.0220 per share), equating to a final net dividend of €2,194,962 or €0.01482 per share (December 2015: €2,117,945 or €0.0143 per share).

CONDENSED STATEMENT OF FINANCIAL POSITION

	As at 31 December	
	2016	2015
	€	€
Assets		
Non-current assets	152,546,725	149,530,007
Current assets	3,828,458	4,909,517
Total assets	156,375,183	154,439,524
Equity and Liabilities		
Capital and reserves	111,321,938	108,248,337
Non-current liabilities	42,686,902	45,313,126
Current liabilities	2,366,343	878,061
Total liabilities	45,053,245	46,191,187
Total equity and liabilities	156,375,183	154,439,524

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2016	2015
	€	€
Revenue	6,976,714	6,935,891
Administrative expenses	(447,982)	(387,705)
Change in fair value of investment property	3,015,000	11,609,000
Operating profit	9,543,732	18,157,186
Net finance costs	(1,280,466)	(1,297,458)
Profit before tax	8,263,266	16,859,728
Tax expense	(1,839,461)	(282,676)
Profit for the year	6,423,805	16,577,052
Earnings per share (cents)	4.34	11.19

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Non-distributable reserves			Total
			Fair value gains	Other		
	€	€	€	€	€	€
Balance at 1 January 2015	73,295,143	6,092,159	14,854,368	837,581		95,079,251
Comprehensive income						
Profit for the year	-	16,577,052	-	-		16,577,052
Transactions with owners						
Transfer within owners' equity	-	(12,903,480)	12,903,480	-		-
Transfer within owners' equity	-	(367,357)	-	367,357		-
Dividends to equity shareholders	-	(3,407,966)	-	-		(3,407,966)
Balance at 31 December 2015	73,295,143	5,990,408	27,757,848	1,204,938		108,248,337
Balance at 1 January 2015	73,295,143	5,990,408	27,757,848	1,204,938		108,248,337
Comprehensive income						
Profit for the year	-	6,423,805	-	-		6,423,805
Transactions with owners						
Transfer within owners' equity	-	(2,773,800)	2,773,800	-		-
Transfer within owners' equity	-	(365,000)	-	365,000		-
Dividends to equity shareholders	-	(3,350,204)	-	-		(3,350,204)
Balance at 31 December 2016	73,295,143	5,925,209	30,531,648	1,569,938		111,321,938

CONDENSED STATEMENT OF CASH FLOWS

	Year ended 31 December	
	2016	2015
	€	€
Net cash flow generated from operating activities	4,960,715	5,084,231
Net cash flow used in investing activities	(311)	(303,627)
Net cash flow used in financing activities	(6,067,426)	(4,724,266)
Net movement in cash and cash equivalents	(1,107,022)	56,338
Cash and cash equivalents at beginning of year	4,534,272	4,477,934
Cash and cash equivalents at end of year	3,427,250	4,534,272