

COMPANY ANNOUNCEMENT

MALITA INVESTMENTS P.L.C
(THE "COMPANY")

Approval of Financial Statements & Dividend Proposal

Date of Announcement	05 March 2018
Reference	64/2018
In Terms of Listing Rules	5.16.4/5.16.21

This is a company announcement being made by the Company in compliance with Chapter 5 of the Listing Rules:

QUOTE

The Board of Directors of the Company approved the financial statements for the period ended 31 December 2017 and resolved that they be submitted for the approval of the shareholders at the forthcoming Annual General Meeting (the "**AGM**"), which is scheduled for Friday 27 April 2018.

Shareholders on the Company's share register at the Central Securities Depository of the Malta Stock Exchange at close of business on Wednesday 28 March 2018 (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 2017.

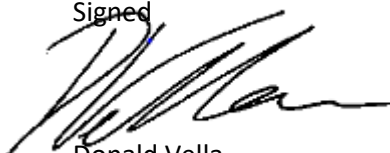
The Directors resolved to recommend to the AGM the payment of an additional gross dividend of €3,228,756 or €0.0218 per share, equating to a net dividend of €2,744,442 or €0.01853 per share. If approved, the additional gross dividend will be paid on 4 May 2018 to those shareholders included in the shareholders register of the Company as at 28 March 2018.

The Preliminary Statement of Annual Results for year ended 31 December 2017 is included hereunder.

The audited financial statements are available for viewing on the Company's website at http://www.malitainvestments.com/images/stories/Documents/Malita_FS_31_December_2017_signed.pdf

UNQUOTE

Signed



Donald Vella
Company Secretary

PRELIMINARY STATEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017, as approved by the Board of Directors on 5 March 2018, 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 2018. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

REVIEW OF PERFORMANCE

The Company registered a pre-tax profit of €22,498,833 (2016: €8,263,266), while revenue for the year amounted to €7,472,533 (2016: €6,976,714). 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. During the period under review, the Company has reached an agreement with the Government of Malta in relation to a number of improvements to the Parliament Building amounting to €7,000,000. As a result, the Company has entered into a further lease agreement and is receiving additional rent as from 1 June 2017. Administrative expenses for the year were in line with the Company's expectations. The positive movement in the fair value of investment property of €16,687,000 (2016: €3,015,000) comprises the movement in the fair value of the dominium directum of the MIA and VCP properties as well as the Parliament Building and Open Air Theatre which up to 31 December 2016 were measured at cost. The increase in fair value 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 2017. Similar to previous years, this surplus has been considered to be non-distributable and has accordingly been transferred to a non-distributable reserve. As at 31 December 2017, the certificate of completion of the Parliament Building, despite being officially opened in 2015, has not yet been issued. On the other hand, the Open Air Theatre was completed on 18 October 2013. Nonetheless, in the opinion of the Directors, the Parliament Building and Open Air Theatre should be carried at fair value.

On 28 June 2017, the Company entered into two credit facility agreements with the European Investment Bank and the Council of Europe Development Bank for the purpose of financing the construction of a number of affordable housing units in Malta. The facility has been granted for a 25-year term and amounts to €53,700,000. Pursuant to this agreement, on 29 December 2017 the Company entered into an emphyteutical deed for 28 years with the Housing Authority to acquire sixteen (16) property sites in a number of locations across Malta to be used by the Company for the purposes of developing the affordable housing units.

The Board of Directors continued to consider and evaluate a number of potential projects including ones with a mix of public/private participation.

An interim dividend was declared by the directors and paid on 7 September 2017 amounting to €1,955,026 or €0.0132 per share, equating to a net dividend of €1,362,594 or €0.0092 per share. The Directors will recommend the payment of an additional gross dividend of €3,228,756 or €0.0218 per share (December 2016: €3,376,864 or €0.0228 per share), equating to a net dividend of €2,744,442 or €0.01853 per share (December 2016: €2,194,962 or €0.01482 per share), to be approved at the AGM scheduled for 27 April 2018. If approved, the additional gross dividend will be paid on 4 May 2018 to those shareholders included in the shareholders register of the Company as at 28 March 2018.

CONDENSED STATEMENT OF FINANCIAL POSITION

	As at 31 December	
	2017	2016
	€	€
Assets		
Non-current assets	177,743,321	152,546,725
Current assets	2,120,187	3,828,458
Total assets	179,863,508	156,375,183
Equity and Liabilities		
Capital and reserves	120,748,496	111,321,938
Non-current liabilities	52,396,524	42,686,902
Current liabilities	6,718,488	2,366,343
Total liabilities	59,115,012	45,053,245
Total equity and liabilities	179,863,508	156,375,183

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2017	2016
	€	€
Revenue	7,472,533	6,976,714
Administrative expenses	(391,134)	(447,982)
Change in fair value of investment property	16,687,000	3,015,000
Operating profit	23,768,399	9,543,732
Net finance costs	(1,269,566)	(1,280,466)
Profit before tax	22,498,833	8,263,266
Tax expense	(9,514,719)	(1,839,461)
Profit for the year	12,984,114	6,423,805
Earnings per share (cents)	8.77	4.34

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Non-distributable reserves			Total
			Fair value gains	Other		
	€	€	€	€	€	€
Balance at 1 January 2016	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
Balance at 1 January 2017	73,295,143	5,925,209	30,531,648	1,569,938		111,321,938
Comprehensive income						
Profit for the year	-	12,984,114	-	-	-	12,984,114
Transactions with owners						
Transfer within owners' equity	-	(8,204,857)	8,204,857	-	-	-
Transfer within owners' equity	-	(477,927)	-	477,927	-	-
Dividends to equity shareholders	-	(3,557,556)	-	-	-	(3,557,556)
Balance at 31 December 2017	73,295,143	6,668,983	38,736,505	2,047,865		120,748,496

CONDENSED STATEMENT OF CASH FLOWS

	Year ended 31 December	
	2017	2016
	€	€
Net cash flow generated from operating activities	5,404,965	4,960,715
Net cash flow used in investing activities	(4,623,460)	(311)
Net cash flow used in financing activities	(3,159,334)	(6,067,426)
Net movement in cash and cash equivalents	(2,377,829)	(1,107,022)
Cash and cash equivalents at beginning of year	3,427,250	4,534,272
Cash and cash equivalents at end of year	1,049,421	3,427,250