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Company Announcement

The following is a company announcement made by Malta International Airport p.l.c. pursuant to Bye-Law 6.05.04 (iii) and 6.05.06 (i):

At a meeting held today, the Board of Directors of Malta International Airport p.l.c. approved the unaudited interim accounts for the six-month period commencing 1 April 2002 and ended 30 September 2002. The Directors also approved the payment of an interim dividend of Lm541,200 representing a dividend per share of Lm0.008 to all shareholders on the Company's Register of Members on 30 January 2003.

Signed and executed on this the 14th day of January 2003


Louis de Gabriele
Company Secretary

DIRECTORS

Lorenzo Zammit (Chairman), Eric Warrick (Deputy Chairman)
Peter Bofechi, Austin Calleja, Joseph R. Darrmann, Ileana Depasquale, Louis M. S. Marnice
Company Registration No. C.12665

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Directors' commentary

30th September 2002

Operating performance

The company's turnover on its continuing operations for the first six months of the year has decreased slightly from *Lm8,164,157* to *Lm7,941,278* mainly due to the downturn in the number of passengers as a result of the 11th September 2001 tragedy. Despite the above, the profit for the period on continuing operations increased from *Lm1,652,498* to *Lm1,741,729*.

On the 26th July 2002 the Government of Malta sold 40% of the equity of the company to Malta Mediterranean Link Consortium Limited. As part of this transaction the company sold its terminal land, terminal buildings and certain other fixed assets to the Government of Malta at a profit of *Lm10,588,392* (net of tax). Simultaneously it entered into a 65 year emphyteusis agreement of a revised footprint of this property and obtained the right to manage the airfield as a whole.

Dividends

The company has paid a net dividend of *Lm11,287,035* to the Government of Malta prior to the 40% sale described above and is declaring a dividend of *Lm0.008* per share, equivalent to *Lm541,200*, to the shareholders of the company at 30th January 2003.

By order of the Board
14th January 2003

Malta International Airport p.l.c.

Interim financial statements

Profit and loss account

Period ended 30th September 2002

	30.09.2002 (6 months) (unaudited) Lm	30.09.2001 (6 months) (unaudited) Lm
Continuing operations		
Operating income	7,941,278	8,164,157
Operating costs	(5,001,760)	(5,559,371)
Operating profit	2,939,518	2,604,786
Gain on disposal of tangible fixed assets	-	16,450
Income from financial assets	-	8,122
Interest receivable and similar income	31,390	58,391
Interest payable and similar charges	(291,325)	(145,444)
Profit on core operations	2,679,583	2,542,305
Taxation	(937,854)	(889,807)
	1,741,729	1,652,498
Gain on sale of terminal land (net of taxes of <i>Lm5,411,608</i>)	10,588,392	-
Profit for the period	12,330,121	1,652,498
Discontinuing operations		
Operating income	350	1,958,888
Operating costs	(40,822)	(1,277,339)
(Loss)/profit on core operations	(40,472)	681,549
Taxation	14,165	(238,542)
(Loss)/profit for the period	(26,307)	443,007
Total operations		
Profit on core operations	2,639,111	3,223,854
Taxation	(923,689)	(1,128,349)
Profit on core operations	1,715,422	2,095,505
Gain on sale of terminal land (net of taxes of <i>Lm5,411,608</i>)	10,588,392	-
Profit for the period	12,303,814	2,095,505
Earnings per share		
Basic	90.94c	15.49c
Excluding gain on sale of terminal land and including discontinued operations	12.68c	15.49c
Excluding gain on sale of terminal land and discontinuing operations	12.87c	12.21c

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Balance sheet

30th September 2002

	30.09.2002 (unaudited) Lm	31.03.2002 (audited) Lm
Non-current assets		
Emphyteutical grant	17,998,701	-
Tangible assets	25,158,648	20,219,421
Financial assets	124,666	124,666
Deferred taxation	1,068,754	1,068,754
	<u>44,350,769</u>	<u>21,412,841</u>
Current assets		
Stock	367,460	410,371
Debtors	2,777,083	4,833,450
Cash at bank and in hand	2,440,489	2,115,611
	<u>5,585,032</u>	<u>7,359,432</u>
Creditors: amounts falling due within one year	<u>(3,498,168)</u>	<u>(7,255,633)</u>
Net current assets	<u>2,086,864</u>	<u>103,799</u>
Total assets less current liabilities	46,437,633	21,516,640
Creditors: amounts falling due after more than one year	<u>(25,151,337)</u>	<u>(1,247,123)</u>
Deferred taxation	(444,124)	(449,746)
	<u>20,842,172</u>	<u>19,819,771</u>
Capital and reserves		
Called up issued share capital	13,530,000	13,530,000
Other reserves	-	156,994
Revaluation reserve	824,803	835,243
Profit and loss account	6,487,369	5,297,534
	<u>20,842,172</u>	<u>19,819,771</u>

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Condensed cash flow statement

Period ended 30th September 2002

	30.09.2002 (6 months) (unaudited) Lm	30.09.2001 (6 months) (unaudited) Lm
Cash flows from operating activities	(708,468)	4,008,226
Cash flows from investing activities		
Payments to acquire emphyteutical grant	(2,044,970)	-
Payments to acquire tangible fixed assets	(1,961,261)	(1,971,605)
Proceeds from disposal of tangible fixed assets	-	16,450
Proceeds from disposal of financial fixed assets	-	302,461
Net cash flows from investing activities	(4,006,231)	(1,652,694)
Cash flows from financing activities		
Repayment of bank loan	(3,673,388)	(1,340,467)
Bank loan drawdown	20,000,000	-
Dividends paid	(11,287,035)	-
Net cash flows from financing activities	5,039,577	(1,340,467)
Net movement in cash and cash equivalents	324,878	1,015,065
Cash and cash equivalents at the beginning of the period	2,115,611	1,677,171
Cash and cash equivalents at the end of the period	2,440,489	2,692,236

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Statement of changes in equity

Period ended 30th September 2002

	Share capital Lm	Other reserve Lm	Revaluation reserve Lm	Profit and loss account Lm	Total Lm
Balance at 31st March 2002	13,530,000	156,994	835,243	5,297,534	19,819,771
Difference between historical depreciation charge and actual depreciation for the year calculated on the revalued amount	-	-	(16,062)	16,062	-
Deferred tax liability on revaluation	-	-	5,622	-	5,622
Profit for the period	-	-	-	12,303,814	12,303,814
Transfer to profit and loss account	-	(156,994)	-	156,994	-
Dividends	-	-	-	(11,287,035)	(11,287,035)
	-	(156,994)	(10,440)	1,189,835	1,022,401
Balance at 30th September 2002	13,530,000	-	824,803	6,487,369	20,842,172
Balance at 31st March 2001	13,530,000	178,862	856,124	4,736,217	19,301,203
Difference between historical depreciation charge and actual depreciation for the year calculated on the revalued amount	-	-	(16,062)	16,062	-
Deferred tax liability on revaluation	-	-	5,622	-	5,622
Profit for the period	-	-	-	2,095,505	2,095,505
	-	-	(10,440)	2,111,567	2,101,127
Balance at 30th September 2001	13,530,000	178,862	845,684	6,847,784	21,402,330

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Interim financial statements

Notes to the interim financial statements

Period ended 30th September 2002

1. Basis of preparation

These interim financial statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' and in terms of Section 6.05.06(i) of the bye-laws of the Malta Stock Exchange.

The financial information has been extracted from the company's unaudited interim financial statements for the six month period ended 30th September 2002. The comparative amounts reflect the position of the company as included in the audited financial statements for the year ended 31 March 2002 and the results for the period ended 30 September 2001. The accounting policies applied in these financial statements are consistent with the accounting policies used in the preparation of the 2002 audited financial statements. The following additional accounting policies have been used:

Emphyteutical grant

The emphyteutical grant is being amortised to the profit and loss account in equal annual installments over the term of the grant, being sixty five years.

Deferred income

Deferred income arising from the gain on the disposal of the terminal building is transferred to the profit and loss account in equal annual installments over the remaining useful life of the building, being forty years.

2. Turnover

The contribution of the various continuing activities of the company to turnover is set out below.

	30.09.2002	30.09.2001
	(6 months)	(6 months)
	(unaudited)	(unaudited)
	Lm	Lm
Aircraft landing, parking fees and ground handling charges	1,178,017	1,238,391
Concessionaires' turnover charge	1,186,384	1,168,225
Other income	744,342	522,640
Passenger service charge	4,832,535	5,234,901
	7,941,278	8,164,157

3. Gain on sale of terminal land

This represents the profit on sale, net of income tax, emanating from the sale of the terminal land held by the company at no cost. The land was leased back to the company and is included in the company's non-current assets in the balance sheet as an emphyteutical grant.

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Period ended 30th September 2002

4. Emphyteutical grant

This represents the terminal land leased back by the Government of Malta which is being amortised over the lease period.

5. Tangible fixed assets

Fixed assets acquired on leaseback of the company's terminal building amounted to *Lm5,182,255*.

6. Creditors: amounts falling due after more than one year

Included with creditors is the bank loan proceeds of *Lm20,000,000* received by the company to pay the capital gains tax, stamp duty, other transaction costs emanating from the sale and leaseback of the terminal land and buildings, as well as the dividends to the Government of Malta and the deferred income arising from the gain on disposal of the terminal building of *Lm3,827,721* which is being taken to income in accordance with the accounting policy stated in note 1.