

30th May, 2001

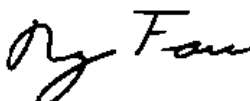
COMPANY ANNOUNCEMENT

QUOTE

The Board of Directors of Maltacom p.l.c. duly convened during Meeting No. 57 of the Company, held on the 29th of May, 2001, met, discussed and approved the Financial Statements for the period ended 31st March, 2001.

An extract from the above mentioned statements, are hereby being attached.

UNQUOTE



**Raymond Fava
Company Secretary**

Maltacom p.l.c.

Statement of Results

For the Quarter Ended 31 March 2001

	3 Months 31.03.01	3 Months 31.03.00	Year 31.12.00
	Lm000	Lm000	Lm000
FINANCIAL HIGHLIGHTS			
Turnover	11,586	10,607	47,744
Profit before Taxation	2,615	2,959	13,666
Profit Attributable to the Group	1,965	2,173	9,524
Total Assets	107,887	87,646	104,933
Shareholders' Funds	56,951	42,686	54,986
PROFIT AND LOSS ACCOUNT			
Turnover	11,586	10,607	47,744
Cost of Sales	(6,725)	(5,915)	(27,844)
Gross Margin	4,861	4,692	19,900
Administrative and Distribution Expenses	(2,395)	(1,901)	(8,535)
Other Operating Income	438	217	1,712
Other Operating Charges	(162)	(261)	(1,123)
	276	(44)	589
Operating Profit before Exceptional Item	2,742	2,747	11,954
Exceptional Item	215	21	138
Operating Profit	2,957	2,768	12,092
Investment and Similar Income	158	104	403
Interest and Similar Charges	(425)	(253)	(1,123)
Goodwill on Consolidation	-	(17)	(2)
Equity Share of Associated Undertakings' Results	(75)	357	2,296
	(342)	191	1,574
Profit before Taxation	2,615	2,959	13,666
Taxation	(650)	(786)	(4,142)
Profit Attributable to the Group	1,965	2,173	9,524
Earnings per Share	Lm0.020	Lm0.021	Lm0.094

Balance Sheet

As 31 March 2001

	31.03.01	31.03.00	31.12.00
	Lm000	Lm000	Lm000
Fixed Assets			
Intangible Assets	790	718	802
Tangible Assets	65,028	48,797	64,035
Financial Assets	3,351	4,398	3,551
	<u>69,169</u>	<u>53,913</u>	<u>68,388</u>
Other Long-Term Assets			
Deferred Taxation	2,276	1,920	1,577
Debtors	3,382	4,160	3,382
	<u>74,827</u>	<u>59,993</u>	<u>73,347</u>
Current Assets			
Stocks	1,255	441	1,306
Debtors	25,175	23,332	25,106
Current Investments	2,626	-	2,626
Cash in Hand and at Bank	4,004	3,880	2,548
	<u>33,060</u>	<u>27,653</u>	<u>31,586</u>
Creditors: Amounts falling due within One Year			
Bank Loans	2,394	2,394	2,394
Other Bank Borrowings	883	688	454
Creditors	22,824	21,822	26,811
Taxation	2,158	3,991	812
	<u>28,259</u>	<u>28,895</u>	<u>30,471</u>
Net Current Assets/(Liabilities)	<u>4,801</u>	<u>(1,242)</u>	<u>1,115</u>
Total Assets less Current Liabilities	<u>79,628</u>	<u>58,751</u>	<u>74,462</u>
Creditors: Amounts falling due after more than One Year			
Bank Loans	(19,267)	(12,315)	(15,921)
Provisions for Liabilities and Charges			
Provision for Restructuring	(3,410)	(3,750)	(3,555)
	<u>56,951</u>	<u>42,686</u>	<u>54,986</u>
Capital and Reserves			
Called Up Issued Share Capital	25,328	25,328	25,328
Profit and Loss Account	24,208	12,815	22,950
Other Reserves	7,415	4,543	6,708
	<u>56,951</u>	<u>42,686</u>	<u>54,986</u>

This report has been extracted from the unaudited interim financial statements of the company which were approved by the Board of Directors on 29 May 2001. Comparative information for the year ended 31 December 2000 has been extracted from the audited financial statements for the year ended as at that date.

Statement of Changes in Equity

For the Quarter Ended 31 March 2001

	Total	Called Up Issued Share Capital	Profit and Loss Account	Special Reserve	Other Reserve	Revaluation Reserve	Dividend Payment Reserve
	Lm000	Lm000	Lm000	Lm000	Lm000	Lm000	Lm000
The Group							
At 1 January 2000	40,513	25,328	11,008	9	1,635	-	2,533
Profit for the Quarter	2,173	-	2,173	-	-	-	-
Transfers to/from Profit and Loss Account:							
■ unrealised excesses on termination benefits provision	-	-	8	(8)	-	-	-
■ unrealised gains	-	-	(374)	-	374	-	-
At 31 March 2000	42,686	25,328	12,815	1	2,009	-	2,533
Profit for the Period	7,351	-	7,351	-	-	-	-
Dividends Paid	(2,533)	-	-	-	-	-	(2,533)
Surplus on Revaluation	7,592	-	-	-	-	7,592	-
Transfers to/from Profit and Loss Account:							
■ unrealised excesses on termination benefits provision	-	-	1	(1)	-	-	-
■ unrealised gains	-	-	425	-	(425)	-	-
■ dividends proposed for approval by General Meeting	-	-	(3,039)	-	-	-	3,039
■ losses of subsidiary assumed upon acquisition of minority interest	(110)	-	(110)	-	-	-	-
■ transfer from revaluation reserve upon transfer of tangible fixed assets on finance lease	-	-	5,507	-	-	(5,507)	-
At 31 December 2000	54,986	25,328	22,950	-	1,584	2,085	3,039
Profit for the Quarter	1,965	-	1,965	-	-	-	-
Transfers from Profit and Loss Account:							
■ unrealised gains	-	-	(707)	-	707	-	-
At 31 March 2001	56,951	25,328	24,208	-	2,291	2,085	3,039

Cash Flow Statement

For the Quarter Ended 31 March 2001

	3 Months 31.03.01	3 Months 31.03.00	Year 31.12.00
	Lm000	Lm000	Lm000
Cash Flows from Operating Activities			
Profit before Taxation	2,615	2,959	13,666
Adjustments for:			
Depreciation, Amortisation and Write Downs	1,879	1,376	6,485
Interest Expense	274	212	821
Investment Income and Interest Receivable	(151)	(103)	(403)
Share of Associated Undertakings' Results	75	(357)	(2,296)
Net Gain Arising on Decommissioning or Disposal of Tangible Fixed Assets and Transactions in Financial Fixed Assets	(77)	(43)	(1,663)
Net (Decrease)/Increase in Provisions	(120)	30	(234)
Goodwill on Consolidation	-	17	2
Operating Profit before Working Capital Changes	4,495	4,091	16,378
Decrease/(Increase) in Stocks	56	(77)	(744)
Increase in Debtors	(51)	(2,602)	(4,243)
(Decrease)/Increase in Creditors	(522)	2,872	5,157
Movement in Group Undertakings' Balances	(385)	294	1,733
Settlement of Restructuring Costs	(132)	(291)	(850)
Cash Generated from Operations	3,461	4,287	17,431
Interest Received	24	24	128
Interest Paid on Bank Overdrafts	(8)	(5)	(13)
Tax Paid	-	-	(5,661)
Net Cash from Operating Activities	3,477	4,306	11,885
Cash Flows from Investing Activities			
Payments to Acquire Intangible Fixed Assets	-	(9)	(168)
Payments to Acquire Tangible Fixed Assets	(5,546)	(1,339)	(11,086)
Payments to Acquire Financial Fixed Assets	-	-	(299)
Receipts from Disposal of Intangible Fixed Assets	-	1	-
Receipts from Disposal of Tangible Fixed Assets	5	-	-
Receipts from Disposals of Financial Fixed Assets	150	-	14
Dividends Received	-	200	-
Repayments of Amounts Advanced to Group Undertakings	-	9	-
Loan Advanced to Third Party	-	-	(25)
Income from Investments	44	103	456
Net Cash used in Investing Activities	(5,347)	(1,035)	(11,108)
carried forward	(1,870)	3,271	777

Cash Flow Statement

For the Quarter Ended 31 March 2001

	3 Months 31.03.01	3 Months 31.03.00	Year 31.12.00
	Lm000	Lm000	Lm000
brought forward	<u>(1,870)</u>	<u>3,271</u>	<u>777</u>
Cash Flows from Financing Activities			
Proceeds from Long Term Borrowings	4,175	-	5,160
Repayment of Long Term Borrowings	(834)	(735)	(2,294)
Dividends Paid	-	-	(1,773)
Loan Interest Paid	(450)	(422)	(853)
Net Cash from/(used in) Financing Activities	<u>2,891</u>	<u>(1,157)</u>	<u>240</u>
Effect of Exchange Rate Changes in Cash and Cash Equivalents	<u>6</u>	<u>-</u>	<u>(1)</u>
Net Increase in Cash and Cash Equivalents	<u>1,027</u>	<u>2,114</u>	<u>1,016</u>
Cash and Cash Equivalents at Beginning of Period	<u>2,094</u>	<u>1,078</u>	<u>1,078</u>
Cash and Cash Equivalents at End of Period	<u>3,121</u>	<u>3,192</u>	<u>2,094</u>

Explanatory Notes

For the Quarter Ended 31 March 2001

1 Basis of Preparation

This interim financial report has been compiled in compliance with the requirements of International Accounting Standard 34 'Interim Financial Reporting' and complies with the continuing listing obligations of the Malta Stock Exchange.

The accounting policies adopted in the preparation of these interim financial statements are the same as those that had been adopted in the preparation of the audited financial statements for the year ended 31 December 2000.

2 Segmental Information

	Turnover	Operating Profit/(Loss)
	Lm000	Lm000
Local Traffic	2,571	576
International Traffic	2,135	1,050
Mobile Traffic	2,422	(937)
Line Rentals	1,898	928
Income from Foreign Administrations	908	613
Internet Related Services	558	325
Card Services	441	210
Radio Paging and Telemarketing Services	25	(43)
Others	628	20
	<u>11,586</u>	<u>2,742</u>

3 Exceptional Item

Savings Realised or Anticipated in Provision for Restructuring Cost	Lm000
	<u>215</u>

4 Property, Plant and Equipment

Movements on property, plant and equipment during the period were:

	Lm000
Acquisitions	2,902
Disposals	<u>89</u>

5 Provision for Restructuring

During the period, the amount of Lm215,346 was reversed out of the Provision for Restructuring.

Explanatory Notes

For the Quarter Ended 31 March 2001

6 Changes in Contingent Liabilities

No changes in contingent liabilities arose since the last audited financial statements.

7 Capital Commitments

Commitments at the balance sheet date for the acquisition of property, plant and equipment and financial assets amounted to Lm19.6 million.

Review of Group Operations

31 March 2001

Review of Group Operations

Introduction

This financial information has been extracted from Maltacom p.l.c.'s unaudited consolidated financial statements, for the period between 1 January 2001 and 31 March 2001. The comparative amounts reflect the position and results of the group as included in the audited financial statements for the year ended 31 December 2000 and the position and results for the period 1 January 2000 to 31 March 2000.

Seasonality

The group's operations are affected to a large extent by the impact of tourism which peaks during the summer months.

Performance

The Maltacom Group has recorded a profit for the quarter before taxation amounting to Lm2.6 million (2000 Three Months: Lm3.0 million, 2000 Year: Lm13.7 million). This represents an annualised return of 18.7% (2000 Three Months annualised: 28.5%, 2000 Year: 28.6%) on the average shareholders' funds, and of 9.8% (2000 Three Months: 13.9%, 2000 Year: 14.6%) on the average total assets employed. Earnings per share for the quarter amounted to 2c0 (2000 Three Months: 2c1, 2000 Year: 9c4).

The Gross Margin for the quarter amounted to Lm4.9 million (2000 Three Months Lm4.7 million, 2000 Year: Lm19.9 million), equivalent to 42.0% (2000 Three Months: 44.2%, 2000 Year: 41.7%) of turnover. Net operating costs amounted to Lm8.6 million (2000 Three Months: Lm7.8 million, 2000 Year: Lm35.7 million) and mainly represent interconnection, labour and foreign administration charges. The tax expense provided for the quarter amounted to Lm0.7 million (2000 Three Months: Lm0.8 million, 2000 Year: Lm4.1 million) and represents an effective tax rate of 24.9% (2000 Three Months: 26.6%, 2000 Year: 30.3%).

No interim dividend is being declared.

Balance Sheet

Group total assets at 31 March 2001 stood at Lm107.9 million (2000 Three Months: Lm87.6 million, 2000 Year: Lm104.9 million). Loans by financial institutions amounted to Lm21.7 million (2000 Three Months: Lm14.7 million, 2000 Year: Lm18.3 million) and finance 31.3% (2000 Three Months: 27.3%, 2000 Year: 26.8%) of the group's fixed assets.

Debtors, net of provisions for doubtful debts, amounted to Lm28.6 million (2000 Three Months: Lm27.5 million, 2000 Year: Lm28.5 million). Of these, 68.3% (2000 Three Months: 62.5%, 2000 Year: 67.5%) represent amounts receivable in respect of services rendered and goods sold by the group. The group's trade and capital creditors at the end of the period amounted to Lm14.9 million (2000 Three Months: Lm14.3 million, 2000 Year: Lm16.9 million).

Shareholders' funds amounted to Lm57.0 million (2000 Three Months: Lm42.7 million, 2000 Year: Lm55.0 million). They finance 52.8% (2000 Three Months: 48.7%, 2000 Year: 52.4%) of the group's total assets. The group's net asset value per share stands at Lm0.56 (2000 Three Months: Lm0.42, 2000 Year: Lm0.54).