



28th November, 2001

COMPANY ANNOUNCEMENT

QUOTE

The Board of Directors of Maltacom p.l.c. duly convened during Meeting No. 69 of the Company, held on the 27th of November, 2001, met, discussed and approved the Financial Statements for the period ended 30th of September, 2001.

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

UNQUOTE

A handwritten signature in black ink, appearing to read "Ray Fava". The signature is written in a cursive style and is located below the "UNQUOTE" section.

**Raymond Fava
Company Secretary**

Maltacom p.l.c.

Statement of Results - The Group

For the Period Ended 30 September 2001

	9 Months 30.09.01	9 Months 30.09.00	Year 31.12.00
	Lm000	Lm000	.m000
FINANCIAL HIGHLIGHTS			
Turnover	38,286	34,974	47,744
Profit before Taxation	9,329	11,288	13,666
Profit Attributable to the Group	6,570	7,758	9,524
Total Assets	110,432	98,425	104,933
Shareholders' Funds	58,517	45,628	54,986
PROFIT AND LOSS ACCOUNT			
Turnover	38,286	34,974	47,744
Cost of Sales	(20,940)	(18,947)	(27,844)
Gross Margin	17,346	16,027	19,900
Administrative and Distribution Expenses	(8,957)	(5,783)	(8,535)
Other Operating Income	1,425	903	1,712
Other Operating Charges	(634)	(690)	(1,123)
	791	213	589
Operating Profit before Exceptional Items	9,180	10,457	11,954
Exceptional Items	505	83	138
Operating Profit	9,685	10,540	12,092
Investment and Similar Income	833	250	403
Interest and Similar Charges	(999)	(834)	(1,123)
Goodwill on Consolidation	-	(2)	(2)
	(166)	(586)	(722)
Profit from Direct Operations	9,519	9,954	11,370
Equity Share of Associated Undertakings' Results	(190)	1,334	2,296
Profit before Taxation	9,329	11,288	13,666
Taxation	(2,759)	(3,530)	(4,142)
Profit Attributable to the Group	6,570	7,758	9,524
Earnings per Share	6c5	7c7	9c4

Balance Sheet

At 30 September 2001

	30.09.01	30.09.00	31.12.00
	Lm000	Lm000	Lm000
Fixed Assets			
Intangible Assets	766	698	802
Tangible Assets	67,846	55,655	64,035
Financial Assets	3,248	5,102	3,551
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	71,860	61,455	68,388
Other Long-Term Assets			
Deferred Taxation	3,014	2,109	1,577
Debtors	2,129	3,155	3,382
	-----	-----	-----
	77,003	66,719	73,347
	-----	-----	-----
Current Assets			
Stocks	1,586	477	1,306
Debtors	24,997	26,253	25,106
Current Investments	2,626	-	2,626
Cash in Hand and at Bank	4,220	4,976	2,548
	-----	-----	-----
	33,429	31,706	31,586
	-----	-----	-----
Creditors: Amounts falling due within One Year			
Bank Loans	2,394	2,394	2,394
Other Bank Borrowings	1,744	319	454
Creditors	22,997	27,505	26,811
Taxation	2,185	5,225	812
	-----	-----	-----
	29,320	35,443	30,471
	-----	-----	-----
Net Current Assets/(Liabilities)	4,109	(3,737)	1,115
	-----	-----	-----
Total Assets less Current Liabilities	81,112	62,982	74,462
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Creditors: Amounts falling due after more than One Year			
Bank Loans	20,135	13,514	15,921
	-----	-----	-----
Provisions for Liabilities and Charges			
Provision for Restructuring	2,460	3,840	3,555
	-----	-----	-----
	58,517	45,628	54,986
	-----	=====	-----
Capital and Reserves			
Called Up Issued Share Capital	25,328	25,328	25,328
Profit and Loss Account	27,995	18,191	22,950
Other Reserves	5,194	2,109	6,708
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	58,517	45,628	54,986
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This report has been extracted from the unaudited interim financial statements of the company which were approved by the Board of Directors on 27 November 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 Period Ended 30 September 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
At 1 January 2000	40,513	25,328	11,008	9	,635		2,533
Profit for the Period	7,758	-	7,758				
Dividend Approved by General Meeting	(2,533)						(2,533)
Transfers to/from Profit and Loss Account:							
■ realised excesses on termination benefits provision			9	(9)			
■ losses of subsidiary assumed upon acquisition of minority interest	(110)		(110)				
■ unrealised gains recognised			(474)		474		
At 30 September 2000	45,628	25,328	18,191		2,109		
Profit for the Period	1,766	-	1,766				
Surplus on Revaluation	7,592		-			7,592	
Transfers to/from Profit and Loss Account:							
■ reversal of unrealised gains			525		(525)		
■ dividends proposed for approval by general meeting			(3,039)				3,039
■ transfer from revaluation reserve upon transfer of tangible fixed assets on finance lease	-	-	5,507			(5,507)	
At 1 January 2001	54,986	25,328			1,584	2,085	3,039
Profit for the Period	6,570	-					
Dividend Approved by General Meeting	(3,039)						(3,039)
Transfer from Profit and Loss Account:							
■ unrealised gains recognised	-	-	(1,525)		1,525		
At 30 September 2001	58,517	25,328	27,995		3,109	2,085	

Cash Flow Statement

For the Period Ended 30 September 2001

	9 Months 30.09.01	9 Months 30.09.00	Year 31.12.00
	Lm000	Lm000	Lm000
Cash Flows from Operating Activities			
Profit before Taxation	9,329	11,288	13,666
Adjustments for:			
Depreciation, Amortisation and Write Downs	5,537	4,216	6,485
Interest Expense	883	629	821
Investment Income and Interest Receivable (403)		(833)	(223)
Share of Associated Undertakings' Results	190	(1,334)	(2,296)
Net Gain Arising on Decommissioning or Disposal of Tangible Fixed Assets and Transactions in Financial Fixed Assets	(186)	(324)	(1,663)
Net Increase/(Decrease) in Provisions	170	76	(96)
Exceptional Gains	(505)	(83)	(138)
Goodwill on Consolidation	-	2	2
	-----	-----	-----
Operating Profit before Working Capital Changes	14,585	14,247	16,378
Increase in Stocks	(264)	(778)	(744)
Decrease/(Increase) in Debtors	1,915	(2,267)	(4,243)
(Decrease)/Increase in Creditors	(713)	4,500	5,157
Movement in Related Undertakings' Balances	(2,119)	(516)	1,733
Settlement of Restructuring Costs	(707)	(680)	(850)
	-----	-----	-----
Cash Generated from Operations	12,697	14,506	17,431
Interest Received	84	113	128
Interest Paid on Bank Overdrafts	(10)	(14)	(13)
Tax Paid	(2,582)	(1,310)	(5,661)
Input VAT Credit Received	158		
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Net Cash from Operating Activities	10,347	13,295	11,885
	-----	-----	-----
Cash Flows from Investing Activities			
Payments to Acquire Intangible Fixed Assets	(2)	(284)	(168)
Payments to Acquire Tangible Fixed Assets	(11,165)	(6,798)	(11,086)
Payments to Acquire Financial Fixed Assets	-	(91)	(299)
Receipts from Disposal of Tangible Fixed Assets	6	2	
Receipts from Disposals of Financial Fixed Assets	200	-	14
Loan Advanced to Third Party	-	-	(25)
Repayments of Loan Advanced to Third Party	2	-	
Income from Investments	521	323	456
Input VAT Credit Received	85		
	-----	-----	-----
Net Cash used in Investing Activities	(10,353)	(6,848)	(11,108)
	-----	-----	-----
carried forward	(6)	6,447	777

Cash Flow Statement

For the Period Ended 30 September 2001

	9 Months 30.09.01	9 Months 30.09.00	Year 31.12.00
	Lm000	Lm000	Lm000
brought forward	(6)	6,447	777
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Cash Flows from Financing Activities			
Proceeds from Long Term Borrowings	6,239	2,390	5,160
Repayments of Long Term Borrowings	(2,031)	(1,938)	(2,294)
Dividends Paid	(3,039)	(2,533)	(1,773)
Loan Interest Paid	(781)	(814)	(853)
	-----	-----	-----
Net Cash from/(used in) Financing Activities	388	(2,895)	240
		-----	-----
Effect of Exchange Rate Changes in Cash and Cash Equivalents	-	27	(1)
	-----	-----	-----
Net Increase in Cash and Cash Equivalents	382	3,579	1,016
Cash and Cash Equivalents at Beginning of Period/Year	2,094	1,078	1,078
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Cash and Cash Equivalents at End of Period/Year	2,476	4,657	2,094
	=====	=====	=====

Explanatory Notes

For the Period Ended 30 September 2001

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.

Segmental Information

	Turnover	Operating Profit/(Loss)
	Lm000	Lm000
Local Traffic	7,957	1,984
International Traffic	6,523	2,845
Mobile Traffic	9,711	(922)
Line Rentals	6,123	3,781
Income from Foreign Administrations	2,921	1,996
Internet Related Services	1,526	(9)
Card Services	1,481	551
Radio Paging and Telemarketing Services	84	(171)
Others	1,960	(875)
	-----	-----
	38,286	9,180
	=====	=====

Exceptional Items

	Lm000
Savings realised or anticipated on provision for restructuring cost	347
Deemed input VAT credit available to the providers of cable telephony services to non-VAT registered persons as per Legal Notice 217 of 1999	158

	505
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Property, Plant and Equipment

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

	Lm000
Acquisitions	9,590
	=====
Disposals	285

Explanatory Notes

For the Period Ended 30 September 2001

5 Provision for Restructuring

During the period, the amount of Lm1,095,000 was reversed out of the Provision for Restructuring.

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 Lm15.2 million.

Review of Group Operations

30 September 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 30 September 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 30 September 2000.

Seasonality

The group's operations are to some extent cyclical, being affected by tourism which peaks during the summer months.

Performance

The Maltacom Group has recorded a profit for the period before taxation amounting to Lm9.3 million (2000 Nine Months: Lm11.3 million, 2000 Year: Lm13.7 million). This represents an annualised return of 21.9 % (2000 Nine Months annualised: 34.9 %, 2000 Year: 28.6%) on the average shareholders' funds, and of 11.6% (2000 Nine Months: 16.6%, 2000 Year: 14.6%) on the average total assets employed. Earnings per share for the period amounted to 6c5 (2000 Nine Months: 7c7, 2000 Year: 9c4).

The Gross Margin for the period amounted to Lm17.3 million (2000 Nine Months Lm16.0 million, 2000 Year: Lm19.9 million), equivalent to 45.3% (2000 Nine Months: 45.8%, 2000 Year: 41.7%) of turnover. Net operating costs amounted to Lm28.6 million (2000 Nine Months: Lm24.4 million, 2000 Year: Lm36.0 million) and mainly represent interconnection, labour, foreign administration charges and depreciation. The tax expense provided for the period amounted to Lm2.8 million (2000 Nine Months: Lm3.5 million, 2000 Year: Lm4.1 million) and represents an effective tax rate of 29.6% (2000 Nine Months: 31.3%, 2000 Year: 30.3%).

No interim dividend is being declared.

Balance Sheet

Group total assets at 30 September 2001 stood at Lm110.4 million (2000 Nine Months: Lm98.4 million, 2000 Year: Lm104.9 million). Loans by financial institutions amounted to Lm22.5 million (2000 Nine Months: Lm15.9 million, 2000 Year: Lm18.3 million) and finance 31.4% (2000 Nine Months: 25.9%, 2000 Year: 26.8%) of the group's fixed assets.

Debtors, net of provisions for doubtful debts, amounted to Lm27.1 million (2000 Nine Months: Lm29.4 million, 2000 Year: Lm28.5 million). Of these, 69.1% (2000 Nine Months: 71.4%, 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 Lm14.5 million (2000 Nine Months: Lm20.3 million, 2000 Year: Lm16.9 million).

Shareholders' funds amounted to Lm58.5 million (2000 Nine Months: Lm45.6 million, 2000 Year: Lm55.0 million). They finance 53.0% (2000 Nine Months: 46.4%, 2000 Year: 52.4%) of the group's total assets. The group's net asset value per share stands at 57c8 (2000 Nine Months: 45c, 2000 Year: 54c3).