



9<sup>th</sup> April, 2002

## **COMPANY ANNOUNCEMENT**

### **QUOTE**

The Board of Directors of Maltacom p.l.c. has yesterday, the 8<sup>th</sup> April 2002, met, discussed and resolved that the Financial Statements for the year ended 31<sup>st</sup> December 2001, be submitted for the approval of the Shareholders at the forthcoming Annual General Meeting of the Company. In terms of Bye-Law 6.05.06 of the Malta Stock Exchange and Bye-Law 23.64 of the London Stock Exchange, an extract from the above mentioned Financial Statements (preliminary statement of results), is hereto being attached.

The Board is also proposing that the Annual General Meeting approves the payment of a Net Dividend of Lm0.03c2 (three cents two mills) per Share, [after taxation] as recommended by the Directors. This Dividend amounts to the sum of Lm3,241,935-62c0 (three million, two hundred and forty one thousand, nine hundred and thirty five Maltese Liri, sixty two cents) net of tax (which represents a gross payment of Lm 4,631,336-59c0 [four million, six hundred and thirty one thousand, three hundred and thirty six Maltese Liri and fifty nine cents). The Board is recommending the Dividend out of the accumulated profits as at 31<sup>st</sup> December, 2000, when the Company was subject to a Tax rate of 30%.

At the said Meeting, the Board also fixed the 24<sup>th</sup> April 2002, as the "Record Date", and hence, the Shareholders on the Company's Register, at the Central Securities Depository of the Malta Stock Exchange, following closing of business on the 24<sup>th</sup> April 2002:

- i) will receive notice of, and will be entitled to attend and to vote at the forthcoming Annual General Meeting of the Company, and
- ii) will be paid the Dividend as approved by the Annual General Meeting.

Moreover, the Board also decided that the said Annual General Meeting shall be held on the 24<sup>th</sup> of May 2002 at 10.00hours, at the Mediterranean Conference Centre, Valletta, Malta.

Copies of the Annual Report, including Financial Statements and Accounts will be made available by the 29<sup>th</sup> April 2002, from the Company Secretary, Maltacom p.l.c , G.P.O. Box 175, Marsa.

### **UNQUOTE**

**Raymond Fava**  
**Company Secretary**

# Maltacom p.l.c.

## Preliminary Statement of Group Results and State of Affairs

At and for the Year Ended 31 December 2001

	2001		2000	
	Lm000	□000	Lm000	□000
<b>FINANCIAL HIGHLIGHTS</b>				
Turnover	<b>50,752</b>	<b>126,794</b>	47,665	119,081
Profit before Taxation	<b>13,126</b>	<b>32,792</b>	13,666	34,141
Profit for the Year	<b>9,337</b>	<b>23,326</b>	9,524	23,793
Total Assets	<b>113,140</b>	<b>282,658</b>	104,910	262,098
Shareholders' Funds	<b>62,261</b>	<b>155,547</b>	54,986	137,371
<b>PROFIT AND LOSS ACCOUNT</b>				
<b>Turnover</b>	<b>50,752</b>	<b>126,794</b>	47,665	119,081
Cost of Sales	<b>(26,443)</b>	<b>(66,063)</b>	(27,833)	(69,535)
<b>Gross Margin</b>	<b>24,309</b>	<b>60,731</b>	19,832	49,546
Administrative and Distribution Expenses	<b>(11,446)</b>	<b>(28,596)</b>	(8,545)	(21,348)
Other Operating Income	<b>1,616</b>	<b>4,037</b>	1,712	4,277
Other Operating Charges	<b>(1,365)</b>	<b>(3,410)</b>	(1,123)	(2,806)
	<b>251</b>	<b>627</b>	589	1,471
<b>Operating Profit before Exceptional Items</b>	<b>13,114</b>	<b>32,762</b>	11,876	29,669
Exceptional Items	<b>942</b>	<b>2,353</b>	138	345
<b>Operating Profit</b>	<b>14,056</b>	<b>35,115</b>	12,014	30,014
Investment and Similar Income	<b>862</b>	<b>2,154</b>	403	1,007
Interest and Similar Charges	<b>(1,373)</b>	<b>(3,430)</b>	(1,045)	(2,611)
Equity Share of Associated Undertakings' Results	<b>(419)</b>	<b>(1,047)</b>	2,296	5,736
Goodwill on Consolidation	-	-	(2)	(5)
	<b>(930)</b>	<b>(2,323)</b>	1,652	4,127
<b>Profit before Taxation</b>	<b>13,126</b>	<b>32,792</b>	13,666	34,141
Taxation	<b>(3,789)</b>	<b>(9,466)</b>	(4,142)	(10,348)
<b>Profit for the Year</b>	<b>9,337</b>	<b>23,326</b>	9,524	23,793
<b>Earnings per Share</b>	<b>9c2</b>	<b>23c0</b>	9c4	23c5

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**BALANCE SHEET**

	<b>2001</b>		<b>2000</b>	
	Lm000	□000	Lm000	□000
<b>Fixed Assets</b>				
Intangible Assets	768	1,919	802	2,004
Tangible Assets	72,381	180,829	64,035	159,979
Financial Assets	3,017	7,537	3,551	8,871
	<u>76,166</u>	<u>190,285</u>	<u>68,388</u>	<u>170,854</u>
<b>Other Long-Term Assets</b>				
Deferred Taxation	2,274	5,681	1,577	3,940
Debtors	2,129	5,319	3,382	8,449
	<u>80,569</u>	<u>201,285</u>	<u>73,347</u>	<u>183,243</u>
<b>Current Assets</b>				
Stocks	1,829	4,569	1,306	3,263
Debtors	25,554	63,842	25,083	62,665
Current Investments	2,626	6,561	2,626	6,561
Cash in Hand and at Bank	2,562	6,401	2,548	6,366
	<u>32,571</u>	<u>81,373</u>	<u>31,563</u>	<u>78,855</u>
<b>Creditors: Amounts falling due within One Year</b>				
Loans	2,397	5,988	2,394	5,981
Other Bank Borrowings	1,904	4,757	454	1,134
Creditors	24,212	60,489	26,788	66,927
Taxation	668	1,669	812	2,029
	<u>29,181</u>	<u>72,903</u>	<u>30,448</u>	<u>76,071</u>
<b>Net Current Assets</b>	<u>3,390</u>	<u>8,470</u>	<u>1,115</u>	<u>2,784</u>
<b>Total Assets less Current Liabilities</b>	<u>83,959</u>	<u>209,755</u>	<u>74,462</u>	<u>186,027</u>
<b>Creditors: Amounts falling due after more than One Year</b>				
Bank Loans	20,318	50,760	15,921	39,775
<b>Provisions for Liabilities and Charges</b>				
Provision for Restructuring	1,380	3,448	3,555	8,881
	<u>62,261</u>	<u>155,547</u>	<u>54,986</u>	<u>137,371</u>
<b>Capital and Reserves</b>				
Called Up Issued Share Capital	25,328	63,277	25,328	63,277
Profit and Loss Account	31,385	78,409	22,950	57,336
Other Reserves	5,548	13,861	6,708	16,758
	<u>62,261</u>	<u>155,547</u>	<u>54,986</u>	<u>137,371</u>

## STATEMENT OF CHANGES IN EQUITY

	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
<b>The Group</b>							
At 1 January 2000	40,513	25,328	11,008	9	1,635	-	2,533
Profit for the Year	9,524	-	9,524	-	-	-	-
Dividends Paid	(2,533)	-	-	-	-	-	(2,533)
Surplus on Revaluation	7,592	-	-	-	-	7,592	-
Transfers from Profit and Loss Account:							
■ unrealised excesses on termination benefits provision	-	-	9	(9)	-	-	-
■ reversal of unrealised gains recognised in prior years	-	-	51	-	(51)	-	-
■ loss of subsidiary assumed on acquisition of minority interest	(110)	-	(110)	-	-	-	-
■ transfer from revaluation reserve	-	-	5,507	-	-	(5,507)	-
■ dividends proposed for approval by General Meeting	-	-	(3,039)	-	-	-	3,039
At 1 January 2001	54,986	25,328	22,950	-	1,584	2,085	3,039
Profit for the Year	9,337	-	9,337	-	-	-	-
Dividends Paid	(3,039)	-	-	-	-	-	(3,039)
Surplus on Revaluation	977	-	-	-	-	977	-
Transfers from/to Profit and Loss Account:							
■ reversal of unrealised gains recognised in prior years	-	-	(722)	-	722	-	-
■ transfer from revaluation reserve upon transfer of tangible fixed assets on finance lease	-	-	3,062	-	-	(3,062)	-
■ dividends proposed for approval by General Meeting	-	-	(3,242)	-	-	-	3,242
<b>At 31 December 2001</b>	<b>62,261</b>	<b>25,328</b>	<b>31,385</b>	<b>-</b>	<b>2,306</b>	<b>-</b>	<b>3,242</b>
<i>At 31 December 2001 (€000)</i>	<i>155,547</i>	<i>63,277</i>	<i>78,409</i>	<i>-</i>	<i>5,762</i>	<i>-</i>	<i>8,099</i>
<i>At 31 December 2000 (€000)</i>	<i>137,371</i>	<i>63,277</i>	<i>57,336</i>	<i>-</i>	<i>3,957</i>	<i>5,209</i>	<i>7,592</i>

## CASH FLOW STATEMENT

	2001		2000	
	Lm000	□000	Lm000	□000
<b>Cash Flows from Operating Activities</b>				
Profit before Taxation	13,126	32,792	13,666	34,141
Adjustments for:				
Depreciation, Amortisation and Write Downs	7,553	18,870	6,485	16,201
Interest Expense	1,189	2,971	821	2,051
Investment Income and Interest Receivable	(862)	(2,154)	(403)	(1,007)
Share of Associated Undertakings' Results	419	1,047	(2,296)	(5,736)
Net Gain Arising on Decommissioning or Disposal of Tangible Fixed Assets and Transactions in Financial Fixed Assets	(90)	(225)	(1,663)	(4,155)
Net Decrease in Provision	1,415	3,535	(96)	(240)
Exceptional Gains	(942)	(2,353)	(138)	(345)
Goodwill on Consolidation	-	-	2	5
Liabilities Written Back	(2)	(5)	-	-
Operating Profit before Working Capital Changes	21,806	54,478	16,378	40,915
(Increase)/Decrease in Stocks	(521)	(1,302)	(744)	(1,859)
Increase in Debtors	(1,138)	(2,842)	(4,243)	(10,600)
(Decrease)/Increase in Creditors	(1,790)	(4,472)	5,157	12,884
Movement in Group Undertakings' Balances	(1,093)	(2,730)	1,733	4,330
Settlement of Restructuring Costs	(1,213)	(3,031)	(850)	(2,124)
Cash Generated from Operations	16,051	40,101	17,431	43,546
Interest Received	111	277	128	320
Interest Paid on Bank Overdrafts	(15)	(37)	(13)	(32)
Taxation Paid	(4,396)	(10,983)	(5,661)	(14,143)
Input VAT Credit Received	158	395	-	-
<b>Net Cash from Operating Activities</b>	<b>11,909</b>	<b>29,753</b>	<b>11,885</b>	<b>29,691</b>
<b>Cash Flows from Investing Activities</b>				
Payments to Acquire Intangible Fixed Assets	(16)	(40)	(168)	(420)
Payments to Acquire Tangible Fixed Assets	(15,354)	(38,359)	(11,086)	(27,696)
Payments to Acquire Financial Fixed Assets	-	-	(299)	(747)
Receipts from Disposal of Tangible Fixed Assets	67	167	-	-
Receipts from Disposal of Financial Fixed Assets	199	497	14	35
Loan Advanced to Third Party	-	-	(25)	(62)
Repayments of Amounts Advanced to Third Parties	2	5	-	-
Income from Investments	521	1,302	456	1,139
Input VAT Credit Received	85	212	-	-
<b>Net Cash used in Investing Activities</b>	<b>(14,496)</b>	<b>(36,216)</b>	<b>(11,108)</b>	<b>(27,751)</b>
<b>Cash Flows from Financing Activities</b>				
Proceeds from Long Term Borrowings	6,770	16,913	5,160	12,891
Repayments of Long Term Borrowings	(2,381)	(5,948)	(2,294)	(5,731)
Dividends Paid	(2,128)	(5,316)	(1,773)	(4,429)
Loan Interest Paid	(1,109)	(2,771)	(853)	(2,131)
<b>Net Cash from Financing Activities</b>	<b>1,152</b>	<b>2,878</b>	<b>240</b>	<b>600</b>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(4)	(10)	2	5
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(1,439)</b>	<b>(3,595)</b>	<b>1,019</b>	<b>2,545</b>
Cash and Cash Equivalents at Beginning of Year	2,097	5,239	1,078	2,694
<b>Cash and Cash Equivalents at End of Year</b>	<b>658</b>	<b>1,644</b>	<b>2,097</b>	<b>5,239</b>

# Review of Group Operations

31 December 2001

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## Review of Group Operations

### Introduction

The financial information has been extracted from Maltacom p.l.c.'s audited consolidated financial statements, for the years ended 31 December 2001 and 2000. These figures are being published in terms of the bye-laws of the Malta Stock Exchange, and the Listing Rules of the London Stock Exchange, and have been drawn up in accordance with International Accounting Standards and the accounting policies adopted by the Group.

### Performance

The Maltacom Group has recorded a profit for the year before taxation amounting to Lm13.1 million (□32.8 million) (2000: Lm13.7 million (□34.1 million)). This represents a return of 22.4% (2000: 28.6%) on the average shareholders' funds and of 12.0% (2000: 14.6%) on the average total assets employed. Earnings per share for the year amounted to 9c2 (□0.230) (2000: 9c4 (□0.235)).

The gross margin for the year amounted to Lm24.3 million (□60.7 million) (2000: Lm19.8 million (□49.5 million)), equivalent to 47.9% (2000: 41.6%) of total revenues. Net operating costs amounted to Lm37.0 million (□92.5 million) (2000: Lm35.7 million (□89.1 million)) and mainly represent interconnection, labour, foreign administration charges and depreciation. The tax expense for the year amounted to Lm3.8 million (□9.5 million) (2000: Lm4.1 million (□10.3 million)) and represents an effective tax rate of 28.9% (2000: 30.3 %).

A dividend of 3c2 (□0.08) (2000: 3c0 (□0.075)) per share net of taxation is proposed for the year under review and, if approved, is payable on the 31<sup>st</sup> of May 2002.

### Balance Sheet

Group total assets at balance sheet date stood at Lm113.1 million (□282.7 million) (2000: Lm104.9 million (□262.1 million)). Loans by financial institutions amounted to Lm22.7 million (□56.7 million) (2000: Lm18.3 million (□45.8 million)) and finance 29.8% (2000: 26.8%) of the Group's fixed assets.

Debtors, net of provisions for doubtful debts, amounted to Lm27.7 million (□69.2 million) (2000: Lm28.5 million (□71.1 million)). Of these, 72.2% (2000: 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 year amounted to Lm16.1 million (□40.3 million) (2000: Lm16.9 million (□42.2 million)).

Shareholders' funds amounted to Lm62.3 million (□155.5 million) (2000: Lm55.0 million (□137.4 million)). They finance 55.0% (2000: 52.4%) of the Group's total assets. The Group's net asset value per share stands at Lm0.62 (□1.55) (2000: Lm0.54 (□1.36)).

## Share Register Information as at 31 December 2001

	<b>% Interest in the Company</b>
Mr S Muscat	0.023
Mr C Sacco	0.016
Mr J Baldacchino	0.006
Mr I Pellicano	0.003
Mr J A Ellul Vincenti	0.001

### Shareholders

- (a) The shareholders holding in excess of 3% of the equity share capital as shown in the Company's Register of Shareholders as at the close of business on 31 December 2001 were:

	<b>Number of Ordinary Shares</b>	<b>Percentage Held (%)</b>
Government of Malta	60,786,288	60.0
HSBC Bank Malta p.l.c. as custodian for the depository (Bank of New York)	3,880,458	3.8
Maltacom Employees' Foundation	3,039,315	3.0

- (b) As at 31 December 2001, the Company's issued share capital, which consists of ordinary shares with equal voting rights attached, was held by 8,417 shareholders as follows:

<b>Range</b>	<b>Shareholders</b>
1 - 500	1,149
501 - 1000	1,624
1001 - 5000	4,963
5000 and over	681
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	8,417
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### Source of Information

The financial information contained herein have been extracted from the audited consolidated financial statements of the Company, which financial statements were approved by the board of directors on 8 April 2002 are to be laid before the members in the general meeting on the 24<sup>th</sup> May 2002.

Raymond Fava  
*Company Secretary*

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9 April 2002