



11<sup>th</sup> June, 2002

**COMPANY ANNOUNCEMENT**

**QUOTE**

The Board of Directors of Maltacom p.l.c. duly convened for Meeting Number 77 of the Company, held on the 10<sup>th</sup> of June, 2002, met, discussed and approved the Financial Statements for the period ended 31<sup>st</sup> of March, 2002.

**UNQUOTE**

A handwritten signature in cursive script that reads "Ray Fava".

Raymond Fava  
Company Secretary

# Maltacom p.l.c.

## Statement of Results - The Group

For the Quarter Ended 31 March 2002

---

	<b>3 Months 31.03.02</b>	<b>3 Months 31.03.01</b>	<b>Year 31.12.01</b>
	Lm000	Lm000	Lm000
<b>FINANCIAL HIGHLIGHTS</b>			
Turnover	<b>12,758</b>	11,477	50,752
Profit before Taxation	<b>2,903</b>	2,615	13,126
Profit for the Period	<b>1,911</b>	1,965	9,337
Total Assets	<b>115,669</b>	107,887	113,140
Shareholders' Funds	<b>64,172</b>	56,951	62,261
<b>PROFIT AND LOSS ACCOUNT</b>			
<b>Turnover</b>	<b>12,758</b>	11,477	50,752
Cost of Sales	<b>(6,802)</b>	(6,723)	(26,443)
<b>Gross Margin</b>	<b>5,956</b>	4,754	24,309
Administrative and Distribution Expenses	<b>(3,235)</b>	(2,249)	(11,446)
Other Operating Income	71	291	1,616
Other Operating Charges	<b>(171)</b>	(162)	(1,365)
	<b>(100)</b>	129	251
<b>Operating Profit before Exceptional Items</b>	<b>2,621</b>	2,634	13,114
Exceptional Items	9	215	942
<b>Operating Profit</b>	<b>2,630</b>	2,849	14,056
Investment and Similar Income	641	158	862
Interest and Similar Charges	<b>(307)</b>	(317)	(1,373)
	334	(159)	(511)
<b>Profit from Direct Operations</b>	<b>2,964</b>	2,690	13,545
Equity Share of Associated Undertakings' Results	<b>(61)</b>	(75)	(419)
<b>Profit before Taxation</b>	<b>2,903</b>	2,615	13,126
Taxation	<b>(992)</b>	(650)	(3,789)
<b>Profit for the Period</b>	<b>1,911</b>	1,965	9,337
<b>Earnings per Share</b>	<b>1c9</b>	1c9	9c2

# Balance Sheet

At 31 March 2002

	31.03.02	31.03.01	31.12.01
	Lm000	Lm000	Lm000
<b>Fixed Assets</b>			
Intangible Assets	756	790	768
Tangible Assets	74,429	65,028	72,381
Financial Assets	2,973	3,351	3,017
	-----	-----	-----
	<b>78,158</b>	69,169	76,166
<b>Other Long-Term Assets</b>			
Deferred Taxation	2,303	2,276	2,274
Debtors	2,129	3,382	2,129
	-----	-----	-----
	<b>82,590</b>	74,827	80,569
<b>Current Assets</b>			
Stocks	1,983	1,255	1,829
Debtors	25,938	25,175	25,554
Current Investments	2,626	2,626	2,626
Cash in Hand and at Bank	2,532	4,004	2,562
	-----	-----	-----
	<b>33,079</b>	33,060	32,571
<b>Creditors: Amounts falling due within One Year</b>			
Bank Loans	2,394	2,394	2,397
Other Bank Borrowings	2,719	883	1,904
Creditors	23,833	22,824	24,212
Taxation	1,698	2,158	668
	-----	-----	-----
	<b>30,644</b>	28,259	29,181
<b>Net Current Assets</b>	<b>2,435</b>	4,801	3,390
<b>Total Assets less Current Liabilities</b>	<b>85,025</b>	79,628	83,959
<b>Creditors: Amounts falling due after more than One Year</b>			
Bank Loans	19,473	19,267	20,318
<b>Provisions for Liabilities and Charges</b>			
Provision for Restructuring	1,380	3,410	1,380
	-----	-----	-----
	<b>64,172</b>	56,951	62,261
<b>Capital and Reserves</b>			
Called Up Issued Share Capital	25,328	25,328	25,328
Profit and Loss Account	33,258	24,208	31,385
Other Reserves	5,586	7,415	5,548
	-----	-----	-----
	<b>64,172</b>	56,951	62,261
	=====	=====	=====

This report has been extracted from the unaudited interim financial statements of the company which were approved by the Board of Directors on 10 June 2002. Comparative information for the year ended 31 December 2001 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 2002

	Total	Called Up Issued Share Capital	Profit and Loss Account	Other Reserve	Revaluation Reserve	Dividend Payment Reserve
	Lm000	Lm000	Lm000	Lm000	Lm000	Lm000
At 1 January 2001	54,986	25,328	22,950	1,584	2,085	3,039
Profit for the Quarter	1,965	-	1,965	-	-	-
Transfer 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
Profit for the Period	7,372	-	7,372	-	-	-
Dividends Paid	(3,039)	-	-	-	-	(3,039)
Surplus on Revaluation	977	-	-	-	977	-
Transfers from/to Profit and Loss Account:						
■ unrealised gains	-	-	(15)	15	-	-
■ 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
At 1 January 2002	62,261	25,328	31,385	2,306	-	3,242
Profit for the Quarter	1,911	-	1,911	-	-	-
Transfer from Profit and Loss Account:						
■ unrealised gains	-	-	(38)	38	-	-
<b>At 31 March 2002</b>	<b>64,172</b>	<b>25,328</b>	<b>33,258</b>	<b>2,344</b>	<b>-</b>	<b>3,242</b>

# Cash Flow Statement

For the Quarter Ended 31 March 2002

	<b>3 Months</b> <b>31.03.02</b>	<b>3 Months</b> <b>31.03.01</b>	<b>Year</b> <b>31.12.01</b>
	Lm000	Lm000	Lm000
<b>Cash Flows from Operating Activities</b>			
Profit before Taxation	<b>2,903</b>	2,615	13,126
Adjustments for:			
Depreciation and Amortisation	<b>2,144</b>	1,879	7,553
Interest Expense	<b>269</b>	278	1,189
Investment Income and Interest Receivable	<b>(625)</b>	(152)	(862)
Share of Associated Undertakings' Results	<b>61</b>	75	419
Net Gain Arising on Decommissioning or Disposal of Tangible Fixed Assets and Transactions in Financial Fixed Assets	<b>(11)</b>	(77)	(90)
Net Increase in Provisions	<b>355</b>	95	1,415
Exceptional Gains	<b>(9)</b>	(215)	(942)
Liabilities Written Back	<b>-</b>	-	(2)
	-----	-----	-----
Operating Profit before Working Capital Changes	<b>5,087</b>	4,498	21,806
(Increase)/Decrease in Stocks	<b>(164)</b>	56	(521)
Increase in Debtors	<b>(1,020)</b>	(51)	(1,138)
Increase/(Decrease) in Creditors	<b>882</b>	(525)	(1,790)
Movement in Related Undertakings' Balances	<b>907</b>	(385)	(1,093)
Settlement of Restructuring Costs	<b>(204)</b>	(132)	(1,213)
	-----	-----	-----
Cash Generated from Operations	<b>5,488</b>	3,461	16,051
Interest Received	<b>5</b>	24	111
Interest Paid on Bank Overdrafts	<b>(10)</b>	(8)	(15)
Taxation Refunded/(Paid)	<b>1</b>	-	(4,396)
Input VAT Credit Received	<b>-</b>	-	158
	-----	-----	-----
<b>Net Cash from Operating Activities</b>	<b>5,484</b>	3,477	11,909
	-----	-----	-----
<b>Cash Flows from Investing Activities</b>			
Payment to Acquire Intangible Fixed Assets	<b>-</b>	-	(16)
Payments to Acquire Tangible Fixed Assets	<b>(5,504)</b>	(5,546)	(15,354)
Receipts from Disposal of Tangible Fixed Assets	<b>5</b>	5	67
Receipts from Disposal of Financial Fixed Assets	<b>-</b>	150	199
Repayments of Amounts Advanced to Third Parties	<b>-</b>	-	2
Income from Investments	<b>-</b>	44	521
Input VAT Credit Received	<b>-</b>	-	85
	-----	-----	-----
<b>Net Cash used in Investing Activities</b>	<b>(5,499)</b>	(5,347)	(14,496)
	-----	-----	-----
carried forward	<b>(15)</b>	(1,870)	(2,587)

# Cash Flow Statement

For the Quarter Ended 31 March 2002

---

	<b>3 Months 31.03.02</b>	<b>3 Months 31.03.01</b>	<b>Year 31.12.01</b>
	Lm000	Lm000	Lm000
brought forward	(15)	(1,870)	(2,587)
	----	-----	-----
<b>Cash Flows from Financing Activities</b>			
Proceeds from Long Term Borrowings	-	4,175	6,770
Repayments of Long Term Borrowings	(836)	(834)	(2,381)
Dividends Paid	-	-	(2,128)
Loan Interest Paid	(1)	(450)	(1,109)
	-----	-----	-----
<b>Net Cash (used in)/from Financing Activities</b>	<b>(837)</b>	2,891	1,152
	-----	-----	-----
Effect of Exchange Rate Changes in Cash and Cash Equivalents	5	6	(4)
	-----	-----	-----
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(847)</b>	1,027	(1,439)
Cash and Cash Equivalents at Beginning of Quarter/Year	660	2,094	2,097
	-----	-----	-----
<b>Cash and Cash Equivalents at End of Quarter/Year</b>	<b>(187)</b>	3,121	658
	=====	=====	=====

# Explanatory Notes

For the Quarter Ended 31 March 2002

---

## 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 2001.

## 2 Segmental Information

	Turnover	Operating Profit/(Loss)
	Lm000	Lm000
Local Traffic	2,525	193
International Traffic	1,891	682
Mobile Traffic	3,402	(611)
Subscribers' Rentals	2,143	1,139
Carriers Revenue	1,380	1,350
Internet Related Services	547	67
Card Services	336	144
Radio Paging and Telemarketing Services	38	(68)
Others	496	(275)
	-----	-----
	<u>12,758</u>	<u>2,621</u>

## 3 Exceptional Item

Savings realised or anticipated on provision for restructuring cost	Lm000
	<u>9</u>

## 4 Property, Plant and Equipment

Movements on property, plant and equipment during the quarter were:	Lm000
Net Acquisitions	<u>4,170</u>

# Explanatory Notes

*For the Quarter Ended 31 March 2002*

---

## **5 Provision for Restructuring**

During the quarter, no movement was recorded on the Provision for Restructuring balance.

## **6 Changes in Contingent Liabilities**

No changes in contingent liabilities arose since the last audited financial statements, except for the fact that following a call-up during the quarter, the share capital not yet called up at quarter-end of one of the subsidiary undertakings, Datastream Limited, represented 17.5% of the undertaking's share capital and amounted to Lm175,000.

## **7 Capital Commitments**

Commitments at the balance sheet date for the acquisition of property, plant and equipment and financial assets amounted to Lm16.5 million.



# Review of Group Operations

31 March 2002

---

## Review of Group Operations

### Introduction

This financial information has been extracted from Maltacom p.l.c.'s unaudited consolidated financial statements, for the quarter between 1 January 2002 and 31 March 2002. The comparative amounts reflect the position and results of the group as included in the audited financial statements for the year ended 31 December 2001 and the position and results for the quarter 1 January 2001 to 31 March 2001.

### 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 quarter before taxation amounting to Lm2.9 million (2001 Three Months: Lm2.6 million, 2001 Year: Lm13.1 million). This represents an annualised return of 18.4 % (2001 Three Months annualised: 18.7 %, 2001 Year: 22.4%) on the average shareholders' funds, and of 10.1% (2001 Three Months: 9.8%, 2001 Year: 12.0%) on the average total assets employed. Earnings per share for the quarter amounted to 1c9 (2001 Three Months: 1c9, 2001 Year: 9c2).

The Gross Margin for the quarter amounted to Lm6.0 million (2001 Three Months Lm4.8 million, 2001 Year: Lm24.3 million), equivalent to 46.7% (2001 Three Months: 41.4%, 2001 Year: 47.9%) of turnover. Net operating costs amounted to Lm10.1 million (2001 Three Months: Lm8.6 million, 2001 Year: Lm36.7 million) and mainly represent interconnection, labour, foreign administration charges and depreciation. The tax expense provided for the quarter amounted to Lm1.0 million (2001 Three Months: Lm0.7 million, 2001 Year: Lm3.8 million) and represents an effective tax rate of 34.2% (2001 Three Months: 24.9%, 2001 Year: 28.9%).

No interim dividend is being declared.

### Balance Sheet

Group total assets at 31 March 2002 stood at Lm115.7 million (2001 Three Months: Lm107.9 million, 2001 Year: Lm113.1 million). Loans by financial institutions amounted to Lm21.9 million (2001 Three Months: Lm21.7 million, 2001 Year: Lm22.7 million) and finance 26.5% (2001 Three Months: 28.9%, 2001 Year: 28.2%) of the group's fixed assets.

Debtors, net of provisions for doubtful debts, amounted to Lm28.1 million (2001 Three Months: Lm28.6 million, 2001 Year: Lm27.7 million). Of these, 56.8% (2001 Three Months: 68.3%, 2001 Year: 72.2%) 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 quarter amounted to Lm17.0 million (2001 Three Months: Lm14.9 million, 2001 Year: Lm16.1 million).

Shareholders' funds amounted to Lm64.2 million (2001 Three Months: Lm57.0 million, 2001 Year: Lm62.3 million). They finance 55.5% (2001 Three Months: 52.8%, 2001 Year: 55.0%) of the group's total assets. The group's net asset value per share stands at 63c3 (2001 Three Months: 56c2, 2001 Year: 61c5).