



9th April, 2003

COMPANY ANNOUNCEMENT

QUOTE

The Board of Directors of Maltacom p.l.c. has yesterday, the 8th April 2003, met, discussed and resolved that the Financial Statements for the year ended 31st December 2002, be submitted for the approval of the Shareholders at the forthcoming Fifth 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 Lm0.03c7 (three cents seven mills) per Share, [after taxation] to all shareholders of Maltacom p.l.c. registered at the closure of business on the 21st April, 2003. The dividend is being declared out of the Accumulated Profits, as at 31st December, 2000, when the Company had a Tax Rate of 30% and out of Exempt Profits generated during 2002 in terms of sub-article 1 of article 9 of the Business Promotion Act.

At the said Meeting, the Board also fixed the 21st April 2003, 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 21st April 2003:

- i) will receive notice of, and will be entitled to attend and to vote at the forthcoming Fifth 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 16th of May 2003 at 10.00hours, at the Hilton Malta Conference Centre, St.Julians, Malta.

Copies of the Annual Report, including Financial Statements and Accounts will be made available by Friday, the 25th of April 2003, from the Company Secretary, Maltacom p.l.c , G.P.O. Box 175, Marsa.

UNQUOTE

A handwritten signature in cursive script, appearing to read "Ray Fava".

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 2002

	2002		2001	
	Lm000	€000	Lm000	€000
FINANCIAL HIGHLIGHTS				
Turnover	54,580	130,419	50,752	121,272
Profit before Taxation	13,484	32,220	13,126	31,364
Profit for the Year	9,633	23,018	9,337	22,310
Total Assets	126,667	302,671	113,140	270,347
Shareholders' Funds	68,652	164,044	62,261	148,771
PROFIT AND LOSS ACCOUNT				
Turnover	54,580	130,419	50,752	121,272
Cost of Sales	(29,271)	(69,943)	(26,443)	(63,186)
Gross Margin	25,309	60,476	24,309	58,086
Administrative and Distribution Expenses	(11,284)	(26,963)	(11,446)	(27,350)
Other Operating Income	719	1,718	1,616	3,861
Other Operating Charges	(1,066)	(2,547)	(1,365)	(3,262)
	(347)	(829)	251	599
Operating Profit before Exceptional Items	13,678	32,684	13,114	31,335
Exceptional Items	635	1,517	942	2,251
Operating Profit	14,313	34,201	14,056	33,586
Investment and Similar Income	781	1,866	862	2,060
Interest and Similar Charges	(1,471)	(3,515)	(1,373)	(3,281)
Equity Share of Associated Undertakings' Results	(139)	(332)	(419)	(1,001)
	(829)	(1,981)	(930)	(2,222)
Profit before Taxation	13,484	32,220	13,126	31,364
Taxation	(3,851)	(9,202)	(3,789)	(9,054)
Profit for the Year	9,633	23,018	9,337	22,310
Earnings per Share	9c5	22c7	9c2	22c0

BALANCE SHEET

	2002		2001	
	Lm000	€000	Lm000	€000
Fixed Assets				
Intangible Assets	768	1,835	768	1,835
Tangible Assets	75,684	180,847	72,381	172,954
Financial Assets	2,934	7,011	3,017	7,209
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	79,386	189,693	76,166	181,998
Other Long-Term Assets				
Deferred Taxation	3,083	7,367	2,274	5,434
Debtors	1,157	2,765	2,129	5,087
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	83,626	199,825	80,569	192,519
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Current Assets				
Stocks	1,700	4,062	1,829	4,370
Debtors	35,095	83,859	25,554	61,061
Current Investments	2,626	6,275	2,626	6,275
Cash in Hand and at Bank	3,620	8,650	2,562	6,122
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	43,041	102,846	32,571	77,828
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Creditors: Amounts falling due within One Year				
Bank Loans	2,394	5,720	2,397	5,728
Other Bank Borrowings	13,462	32,167	1,904	4,549
Creditors	24,103	57,594	24,212	57,855
Taxation	67	161	668	1,596
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	40,026	95,642	29,181	69,728
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Net Current Assets	3,015	7,204	3,390	8,100
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Total Assets less Current Liabilities	86,641	207,029	83,959	200,619
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Creditors: Amounts falling due after more than One Year				
Bank Loans	17,989	42,985	20,318	48,550
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Provisions for Liabilities and Charges				
Provision for Restructuring	-	-	1,380	3,298
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	68,652	164,044	62,261	148,771
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Capital and Reserves				
Called Up Issued Share Capital	25,328	60,521	25,328	60,521
Profit and Loss Account	36,425	87,038	31,385	74,994
Other Reserves	6,899	16,485	5,548	13,256
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	68,652	164,044	62,261	148,771
	=====	=====	=====	=====

CASH FLOW STATEMENT

	2002		2001	
	Lm000	€000	Lm000	€000
Cash Flows from Operating Activities				
Profit before Taxation	13,484	32,220	13,126	31,364
Adjustments for:				
Depreciation, Amortisation and Write Downs	8,529	20,380	7,553	18,048
Interest Expense		1,303	3,114	1,189
Investment Income and Interest Receivable	(641)	(1,531)	(861)	(2,058)
Share of Associated Undertakings' Results	139	332	419	1,001
Net Loss/(Gain) Arising on Decommissioning or Disposal of Tangible Fixed Assets and Transactions in Financial Fixed Assets		1	2	(90)
Net Increase in Provisions and Write Offs	1,447	3,458	1,415	3,381
Exceptional Gains		(635)	(1,517)	(942)
Liabilities Written Back		-	-	(2)
Operating Profit before Working Capital Changes	23,627	56,458	21,807	52,106
Increase in Stocks	(150)	(358)	(521)	(1,245)
Increase in Debtors	(11,558)	(27,618)	(1,138)	(2,719)
Increase/(Decrease) in Creditors		1,263	3,014	(1,791)
Movement in Group Undertakings' Balances	1,386	3,312	(1,093)	(2,612)
Settlement of Restructuring Costs		(785)	(1,876)	(1,213)
Cash Generated from Operations	13,783	32,932	16,051	38,353
Interest Received	20	48	111	265
Interest Paid on Bank Overdrafts	(191)	(456)	(15)	(36)
Net Taxation Paid	(5,061)	(12,093)	(4,396)	(10,504)
Input VAT Credit Received	200	478	158	378
Net Cash from Operating Activities	8,751	20,909	11,909	28,456
Cash Flows from Investing Activities				
Payments to Acquire Intangible Fixed Assets	(21)	(50)	(16)	(38)
Payments to Acquire Tangible Fixed Assets	(13,955)	(33,345)	(15,354)	(36,688)
Receipts from Disposal of Tangible Fixed Assets	4	10	67	160
Receipts from Disposal of Financial Fixed Assets	-	-	199	476
Dividends Received		400	956	-
Repayments of Amounts Advanced to Third Parties	-	-	2	5
Income from Investments	-	-	521	1,245
Input VAT Credit Received	-	-	85	203
Net Cash used in Investing Activities	(13,572)	(32,429)	(14,496)	(34,637)
Cash Flows from Financing Activities				
Proceeds from Long Term Borrowings	210	502	6,770	16,177
Repayments of Long Term Borrowings	(2,391)	(5,713)	(2,381)	(5,689)
Dividends Paid	(2,269)	(5,422)	(2,128)	(5,085)
Loan Interest Paid	(1,168)	(2,791)	(1,109)	(2,650)
Net Cash (used in)/from Financing Activities	(5,618)	(13,424)	1,152	2,753
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(18)	(43)	(4)	(10)
Net Decrease in Cash and Cash Equivalents	(10,457)	(24,987)	(1,439)	(3,438)
Cash and Cash Equivalents at Beginning of Year	615	1,470	5,011	
Cash and Cash Equivalents at End of Year	(9,842)	(23,517)	658	1,573

Review of Group Operations

31 December 2002

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 2002 and 2001. 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 Financial Reporting Standards and the accounting policies adopted by the Group.

Performance

The Maltacom Group has recorded a profit for the year before taxation amounting to Lm13.5 million (€22.2 million) (2001: Lm13.1 million (€31.4 million)). This represents a return of 20.6% (2001: 22.4%) on the average shareholders' funds and of 11.2% (2001: 12.0%) on the average total assets employed. Earnings per share for the year amounted to 9c5 (€0.227) (2001: 9c2 (€0.220)).

The gross margin for the year amounted to Lm25.3 million (€60.5 million) (2001: Lm24.3 million (€58.1 million)), equivalent to 46.4% (2001: 47.9%) of total revenues. Net operating costs amounted to Lm40.3 million (€96.2 million) (2001: Lm36.7 million (€87.7 million)) and mainly represent interconnection, labour, foreign administration charges and depreciation. The tax expense for the year amounted to Lm3.9 million (€9.2 million) (2001: Lm3.8 million (€9.1 million)) and represents an effective tax rate of 28.6% (2001: 28.9%).

A dividend of 3c7 (€0.088) (2001: 3c2 (€0.076)) per share net of taxation is proposed for the year under review and, if approved, is payable on the 30th May 2003.

Balance Sheet

Group total assets at balance sheet date stood at Lm126.7 million (€302.7 million) (2001: Lm113.1 million (€270.3 million)). Loans by financial institutions amounted to Lm20.4 million (€48.7 million) (2001: Lm22.7 million (€54.3 million)) and finance 24.4% (2001: 28.2%) of the Group's fixed assets.

Debtors, net of provisions for doubtful debts, amounted to Lm36.3 million (€86.6 million) (2001: Lm27.7 million (€66.1 million)). Of these, 67.5% (2001: 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 year amounted to Lm14.5 million (€34.7 million) (2001: Lm16.1 million (€38.5 million)).

Shareholders' funds amounted to Lm68.7 million (€164.0 million) (2001: Lm62.3 million (€148.8 million)). They finance 54.2% (2001: 55.0%) of the Group's total assets. The Group's net asset value per share stands at Lm0.678 (€1.62) (2001: Lm0.615 (€1.47)).

Share Register Information as at 31 December 2002

	% Interest in the Company
Mr S Muscat	0.026
Mr I Pellicano	0.003
Mr J A Ellul Vincenti	0.002
Mr P J Baldacchino	0.001
Mr M Grech	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 2002 were:

	Number of Ordinary Shares	Percentage Held (%)
Government of Malta	60,786,288	60.0
HSBC Bank Malta p.l.c. as custodian for the depository (Bank of New York)	3,453,678	3.4
Maltacom Employees' Foundation	3,039,315	3.0

- (b) As at 31 December 2002, the Company's issued share capital, which consists of ordinary shares with equal voting rights attached, was held by 8,422 shareholders as follows:

Range	Shareholders
1 - 500	1,232
501 - 1000	1,631
1001 - 5000	4,848
5000 and over	711

	8,422
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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 8th April 2003 are to be laid before the members in the general meeting on the 16th May 2003.

Raymond Fava
Company Secretary

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Marsa

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9 April 2003