

MELITA CAPITAL PLC

Gasan Centre, Imriehel By-Pass, Birkirkara
C-46318

Date	31 August 2010
Company	Melita Capital plc
Description	Announcement of approval of interim financial statements and update on prospective financial reporting by the Company
Announcement Code	MLT03

This is a company announcement being made by Melita Capital plc (the "Company") in accordance with Chapter 8 of the Listing Rules:

QUOTE:

During the meeting of the board of directors of the Company held on 31 August 2010, the interim financial statements of the Company covering the period from incorporation until 31 December 2009 and for the six month period ended 30 June 2010 were approved. The said interim financial statements are available for viewing at the registered office of the Company.

The Board of Directors also announces that the Company will be adopting the following schedule of financial and other reporting in respect of the financial period commencing on the Company's date of registration (16 July 2009) and ending on 31 December 2010:

- (i) Interim financial statements of the Company covering the period from incorporation until 31 December 2009 are being published herewith;
- (ii) Half yearly financial statements covering the period from 1 January 2010 until 30 June 2010 are being published herewith;
- (iii) A directors' statement in the form of a commentary such as that forming part of the company announcement MLT01 issued on 30 December 2009 will be issued on or around the commencement of the final quarter 2010; and
- (iv) The first audited financial statements of the Company, covering the financial period from incorporation until 31 December 2010, will be published by the end of April 2011.

UNQUOTE.

By order of the Board.


Henri Mizzi

Company Secretary
Melita Capital plc

Melita Capital p.l.c.

Interim Directors' Report

The Board of Directors hereby submits the group's interim results for the period ended 31 December 2009.

During the period, trading was in line with expectations. Gross profit for the period was €906,000, which entirely related to operation of the submarine cable.

The principle event during the period under review was the successful floatation of a bond on the Maltese Stock Exchange raising €25.8 million. Finance income represents interest due on loans made to Melita Mobile Ltd and Melita Infrastructure Ltd during the period. Finance expense primarily represents interest accrued relating to the bond.

By Order of the Board
31st August 2010

Statement pursuant to Listing Rule 9.44k.3 issued by the Listing Authority

I confirm that to the best of my knowledge:

- ❖ The condensed interim financial information gives a true and fair view of the financial position of the group as at 31 December 2009, and of its financial performance and its cash flows for the period then ended, in accordance with International Financial Reporting Standards as adopted by the EU applicable to Interim Financial Reporting (IAS34); and
- ❖ The Interim Directors' Report includes a fair review of the information required in terms of Listing Rule 9.44q.


Joseph Gasan

Chairman

31st August 2010

MELITA CAPITAL p.l.c.
CONDENSED CONSOLIDATED INCOME STATEMENT
Period ended 31 December 2009

	Group
	Period from 16 July 2009 to 31 December 2009 (unaudited)
	€'000
Revenue	1,476
Gross profit	906
Administrative expenses	(448)
Operating profit	458
Finance income	197
Finance costs	(571)
Profit for the period	84
Tax expense	-
Profit for the period	84
Earnings per share	0.0005

MELITA CAPITAL p.l.c.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2009

	Group
	As at 31 December 2009
	(unaudited)
	€'000
ASSETS	
Non-current assets	24,655
Current assets	11,392
Total assets	36,046
EQUITY AND LIABILITIES	
Capital and reserves attributable to owners of the company	260
Non-current liabilities	33,013
Current liabilities	2,774
Total liabilities	35,787
Total equity and liabilities	36,046

MELITA CAPITAL p.l.c
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Period ended 31 December 2009

Attributable to equity shareholders

	Share capital €'000	Retained earnings €'000	Total €'000
GROUP			
Period ended 31 December 2009			
Profit for the period ended 31 December 2009	-	84	84
Issue of share capital	176	-	176
Balance at 31 December 2009	<u>176</u>	<u>84</u>	<u>260</u>

MELITA CAPITAL p.l.c
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
Period ended 31 December 2009

	Group
	Period from 16 July 2009 to 31 December 2009 (unaudited)
	€'000
Net cash generated from operating activities	2,019
Net cash used in investing activities	(25,029)
Net cash generated from financing activities	33,189
<u>Net movement in cash and cash equivalents</u>	<u>10,179</u>
Cash and cash equivalents at beginning of period	0
<u>Cash and cash equivalents at end of period</u>	<u>10,179</u>

MELITA CAPITAL p.l.c.
NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS

1. This report is being published pursuant to the terms of Chapters 8 and 9 of the Malta Financial Services Authority Listing Rules and the Prevention of Financial Markets Abuse Act 2005.
2. The financial information being published has been extracted from the Melita Capital p.l.c.'s unaudited interim consolidated financial statements for the period ended 31 December 2009, prepared in accordance with accounting standards adopted for use in the European Union for reported interim financial information (IAS 34 - Interim Financial Reporting). In terms of Listing Rule 9.44k.5, this interim report has not been audited or reviewed by the group's independent auditors.
3. Melita Capital p.l.c. was incorporated on 16 July 2009 to carry on the business of a finance and investment company and accordingly this interim financial report has been prepared from the date of incorporation to 31 December 2009.
4. The accounting policies used in the preparation of the interim financial information are consistent with those used in the consolidated financial statements for the period ended 31 December 2009.
5. On 3 September 2009 the company entered into a business combination where it acquired 100% of the share capital of Melita Infrastructure Limited. Goodwill recognised upon the acquisition amounts to €263,000 and is included with non-current assets.

The group's operations consist of the construction and operation of a fibre optic submarine cable for the Maltese islands. The fibre optic submarine cable was commissioned in June 2009. During the latter half of 2009, the business traded in line with expectations, that is, reselling international bandwidth to Melita p.l.c.

6. During the period, the group issued to the public a €25 million bonds 2014 - 2016 of a nominal value of €100 per bond issued at par and bearing interest at the rate of 7.15% per annum.
7. On 3 September 2009, the company subscribed for 168,079 ordinary shares of €2.329373 in Melita Mobile Limited, 30.65% paid up. This investment represented an equity interest of 30% in Melita Mobile Limited. In view of the control exercised by the 70% shareholder in Melita Mobile Limited, through its equity investment and financing arrangements, the stake held by Melita Capital p.l.c. is not deemed to represent significant influence on the company's financial and operating policies. Accordingly, this investment has been treated as an available for sale investment.

Melita Capital p.l.c.

Interim Directors' Report

The Board of Directors hereby submits the group's interim results for the period ended 30 June 2010.

During the period, trading was in line with expectations. Gross profit for the period was €857,000, which entirely related to operation of the submarine cable.

The principle event during the period under review was the payment of the first interest due on the bond in March 2010.


Finance income represents interest due on loans made to Melita Mobile Ltd and Melita Infrastructure Ltd during the period. Finance expense primarily represents interest accrued relating to the bond.

By Order of the Board
31st August 2010

Statement pursuant to Listing Rule 9.44k.3 issued by the Listing Authority

I confirm that to the best of my knowledge:

- ❖ The condensed interim financial information gives a true and fair view of the financial position of the group as at 30 June 2010, and of its financial performance and its cash flows for the period then ended, in accordance with International Financial Reporting Standards as adopted by the EU applicable to Interim Financial Reporting (IAS34); and
- ❖ The Interim Directors' Report includes a fair review of the information required in terms of Listing Rule 9.44q.


Joseph Gasan

Chairman

31st August 2010

MELITA CAPITAL p.l.c.
 CONDENSED CONSOLIDATED INCOME STATEMENT
 Six months ended 30 June 2010

	Group	
	30 June 2010 (unaudited)	31 December 2009 (unaudited)
	€'000	€'000
Revenue	1,510	1,476
Gross profit	857	906
Administrative expenses	(556)	(448)
Operating profit	301	458
Finance income	618	197
Finance costs	(1,063)	(571)
(Loss)/profit for the period	(144)	84
Tax expense	-	-
(Loss)/profit for the period	(144)	84
(Loss)/earnings per share	(0.0008)	0.0005

MELITA CAPITAL p.l.c.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2010

	Group	
	30 June 2010 (unaudited) €'000	31 December 2009 (unaudited) €'000
ASSETS		
Non-current assets	30,248	24,655
Current assets	1,664	11,392
Total assets	31,912	36,046
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the company	116	260
Non-current liabilities	30,611	33,013
Current liabilities	1,185	2,774
Total liabilities	31,796	35,787
Total equity and liabilities	31,912	36,046

MELITA CAPITAL p.Lc
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 Six months ended 30 June 2010

	<u>Attributable to equity shareholders</u>		
	Share capital €'000	Retained earnings €'000	Total €'000
GROUP			
Period ended 31 December 2009			
Profit for the period ended 31 December 2009	-	84	84
Issue of share capital	176	-	176
Balance at 31 December 2009	176	84	260
Period ended 30 June 2010			
Balance at 1 January 2010	176	84	260
Loss for the six months ended 30 June 2010	-	(144)	(144)
Balance at 30 June 2010	176	(60)	116

MELITA CAPITAL p.lc
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
Six months ended 30 June 2010

	Group	
	30 June 2010 (unaudited) €'000	31 December 2009 (unaudited) €'000
Net cash generated from operating activities	(1,604)	1,917
Net cash used in investing activities	(6,149)	(25,013)
Net cash generated from financing activities	(2,402)	33,275
Net movement in cash and cash equivalents	(10,155)	10,179
Cash and cash equivalents at beginning of period	10,179	0
Cash and cash equivalents at end of period	24	10,179

MELITA CAPITAL p.l.c.
NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS

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3. Melita Capital p.l.c. was incorporated on 16 July 2009 to carry on the business of a finance and investment company and accordingly the comparatives in this interim financial report are from the date of incorporation to 31 December 2009.
4. The accounting policies used in the preparation of the interim financial information are consistent with those used in the consolidated financial statements for the period ended 31 December 2009.
5. On 3 September 2009 the company entered into a business combination where it acquired 100% of the share capital of Melita Infrastructure Limited. Goodwill recognised upon the acquisition amounts to €263,000 and is included with non-current assets.

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6. During the period, the group issued to the public a €25 million bonds 2014 - 2016 of a nominal value of €100 per bond issued at par and bearing interest at the rate of 7.15% per annum.
7. On 3 September 2009, the company subscribed for 168,079 ordinary shares of €2.329373 in Melita Mobile Limited, 30.65% paid up. This investment represented an equity interest of 30% in Melita Mobile Limited. In view of the control exercised by the 70% shareholder in Melita Mobile Limited, through its equity investment and financing arrangements, the stake held by Melita Capital p.l.c. is not deemed to represent significant influence on the company's financial and operating policies. Accordingly, this investment has been treated as an available for sale investment.