



Malta International Airport plc,
Luqa LQA 05, Malta.

Tel: (356) 2124 9600, 2169 7800.
Direct dialing-in: (+356) 2369+ext.
Fax: (356) 2124 9563.

e-mail: mia@maltairport.com
www.maltairport.com

9th June 2004

COMPANY ANNOUNCEMENT

The following is a Company Announcement by Malta International Airport plc pursuant to Listing Rule 8.6.2 of the Listing Authority Rules and Malta Stock Exchange Bye-Laws 6.05.04 (iii) and 6.05.06 (iii):

The Board of Directors is proposing that the Annual General Meeting approves the payment of a Gross Dividend of Lm0.02153846. Upon such approval, all shareholders of Malta International Airport plc registered as at close of business on Tuesday, 15th June 2004, shall be entitled to a payment of a Net Dividend of Lm0.014 per share, which shall be paid by not later than 31st July 2004.

The Board of Directors of Malta International Airport plc has today approved the financial statements for the year ended 31st March 2004 and resolved that they be submitted for the approval of the shareholders at the forthcoming Annual General Meeting. A preliminary profits statement is being attached herewith in terms of Listing Rule 8.6.19 and 9.53 as well as Malta Stock Exchange Bye-Law 6.05.06 (iii).

The Board of Directors has also decided that the Annual General Meeting shall be held on the 15th July 2004. Shareholders on the Company's Register, at the Central Securities Depository of the Malta Stock Exchange as at close of business on Tuesday, 1st June 2004 will receive notice of the Annual General Meeting together with a copy of the Annual Report and Financial Statements.

Louis de Gabriele
Company Secretary

Enc:

DIRECTORS:
Michael Höferer (Chairman),
Jean Depasquale (Deputy Chairman),
Peter Bolech, Austin Calleja,
Ivan John Falzon, Louis M. St. Maurice,
Winston J. Zahra.
Company Registration No.: C12663

Malta International Airport p.l.c.
Preliminary statement of annual results

Profit and loss account
Year ended 31st March, 2004

	2004	2003
	Lm	Lm
Operating income	14,302,327	13,331,132
Operating costs	(10,744,130)	(10,434,136)
Operating profit	3,558,197	2,896,996
Realised exchange loss	(4,129)	(54,935)
(Loss)/gain on disposal of tangible fixed assets	(1,164)	3,159
Release of deferred income arising on the sale of the terminal building and fixtures	123,720	82,480
Gain on disposal of current asset investment	1,760	-
Interest receivable and similar income	46,921	65,650
Interest payable and similar charges	(1,074,712)	(825,137)
Profit on ordinary activities before exceptional items and taxation	2,650,593	2,168,213
Exceptional item – profit on sale and leaseback transaction	-	16,000,000
Profit before taxation	2,650,593	18,168,213
Tax on profit on ordinary activities	(1,039,922)	(4,592,148)
Profit for the year	1,610,671	13,576,065
Earnings per share	2.38 c	20.07 c
Earnings per share excluding sale and leaseback transaction	2.38 c	2.04 c

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Balance sheet
Year ended 31st March, 2004

	2004 Lm	2003 Lm
Fixed assets		
Tangible assets	40,929,914	42,259,194
Financial assets	124,666	124,666
	<u>41,054,580</u>	<u>42,383,860</u>
Non-current asset		
Deferred taxation	2,423,831	2,497,520
	<u>2,423,831</u>	<u>2,497,520</u>
Current assets		
Stock	403,508	414,480
Debtors	2,418,456	1,767,552
Taxation	1,327,074	843,718
Investments	-	247,881
Cash at bank and in hand	2,525,884	1,339,498
	<u>6,674,922</u>	<u>4,613,129</u>
Creditors: amounts falling due within one year	<u>(3,536,824)</u>	<u>(2,210,683)</u>
Net current assets	<u>3,138,098</u>	<u>2,402,446</u>
Total assets less current liabilities	<u>46,616,509</u>	<u>47,283,826</u>
Creditors: amounts falling due after more than one year	<u>(3,595,949)</u>	<u>(3,719,669)</u>
Interest bearing liabilities	<u>(20,000,000)</u>	<u>(20,000,000)</u>
Provisions for liabilities and charges	<u>(1,930,478)</u>	<u>(1,795,891)</u>
	<u>21,090,082</u>	<u>21,768,266</u>
Capital and reserves		
Called up issued share capital	13,530,000	13,530,000
Revaluation reserve	793,481	814,362
Dividends payable reserve	947,100	1,353,000
Profit and loss account	5,819,501	6,070,904
	<u>21,090,082</u>	<u>21,768,266</u>

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Statement of changes in equity
Year ended 31st March, 2004

	Share capital Lm	Exchange reserve Lm	Revaluation reserve Lm	Dividends payable reserve Lm	Profit and loss account Lm	Total Lm
Balance at 1st April, 2002	13,530,000	156,994	835,243	-	5,297,534	19,819,771
Difference between historical depreciation charge and actual depreciation for the year calculated on the revalued amount	-	-	(32,126)	-	32,126	-
Deferred tax liability on revaluation	-	-	11,245	-	-	11,245
Transfer to profit and loss account	-	(156,994)	-	-	156,994	-
Net gains and losses not recognised in the profit and loss account	-	(156,994)	(20,881)	-	189,120	11,245
Profit for the year	-	-	-	-	13,576,065	13,576,065
Dividends paid	-	-	-	-	(11,638,815)	(11,638,815)
Dividends proposed	-	-	-	1,353,000	(1,353,000)	-
	-	-	-	1,353,000	584,250	1,937,250
Balance at 31st March, 2003	13,530,000	-	814,362	1,353,000	6,070,904	21,768,266
Difference between historical depreciation charge and actual depreciation for the year calculated on the revalued amount	-	-	(32,126)	-	32,126	-
Deferred tax liability on revaluation	-	-	11,245	-	-	11,245
Net gains and losses not recognised in the profit and loss account	-	-	(20,881)	-	32,126	11,245
Profit for the year	-	-	-	-	1,610,671	1,610,671
Dividends paid	-	-	-	(1,353,000)	(947,100)	(2,300,100)
Dividends proposed	-	-	-	947,100	(947,100)	-
	-	-	-	(405,900)	(283,529)	(689,429)
Balance at 31st March, 2004	13,530,000	-	793,481	947,100	5,819,501	21,090,082

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Condensed cash flow statement
Year ended 31st March, 2004

	2004 Lm	2003 Lm
Net cash flows from operating activities	<u>4,425,665</u>	<u>(251,618)</u>
Net cash flows from investing activities	<u>(637,745)</u>	<u>(4,145,700)</u>
Net cash flows from financing activities	<u>(2,849,415)</u>	<u>3,869,086</u>
Net movement in cash and cash equivalents	938,505	(528,232)
Cash and cash equivalents at the beginning of the year	<u>1,587,379</u>	<u>2,115,611</u>
Cash and cash equivalents at the end of the year	<u><u>2,525,884</u></u>	<u><u>1,587,379</u></u>

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Explanatory notes
Year ended 31st March, 2004

Basis of preparation

These financial results are being published in terms of the MFSA Listing Rules 8.6.19 and 9.53. They have been extracted from the company's audited financial statements for the year ended 31st March, 2004.

The accounting policies have been consistently applied by the Company and are consistent with those used in previous years.

Principal activities

The Company's principal activities are the development, operation and management of Malta International Airport. The Company is also involved through a 10.9% shareholding interest in VISET Malta p.l.c., a company set up to develop an area known as Valletta Waterfront and operate a cruise liner terminal in Grand Harbour.

Performance review

Considering the instability in the travel and tourism industry in the last two years, the results of the Company for the financial year ended 31st March, 2004 are satisfactory.

The results of the Company for the financial year show a profit on ordinary activities before exceptional items and taxation of *Lm2,650,593* (2003 – *Lm2,168,213*). The operating income of the Company increased to *Lm14,302,327* from *Lm13,331,132* primarily as a result of the introduction of a Lm0.55c security fee levied on each departing passenger. Operating costs increased by *Lm309,994* mainly due to increases in marketing, technical service agreements and rents payable; the last two items incurred a full year's charge compared to only 8 months in the previous financial year (post-privatisation).

In the first six months of the year, passenger traffic showed a slight increase when compared to the same period for the previous year. However, a significant slow down in passenger traffic for the last six months (October 2003 to March 2004) resulted in a marginal increase of only 0.9% in the number of passengers making use of the Airport facilities for the whole financial year compared to previous year.

Nevertheless, the Company continues to pursue its long-term strategic objectives and is actively looking for new business opportunities within the aviation sector. An airline marketing division was set up to attract new airlines to Malta and negotiations with various airlines were conducted during the year. It was anticipated that as a result of Malta's membership in the European Union, more airlines would be interested in commencing operations in Malta. The initial successes of this effort are already evident in the current summer season.

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The initiative to attract more cargo traffic to the Airport is also in its final stage of development. A new cargo shed shall be built in the second quarter of the next financial year supported by an agreement with a second ground handler. The Company is also in discussions with Air Malta and various other airlines to explore the possibility of using the Airport as a cargo hub.

The Company remains actively involved in the development of the cruise and fly segment. The Company, in association with VISET Malta p.l.c., participated in the Miami Sea Trade Fair to promote this business. The first operation involving a cruise liner home porting in Malta commenced in May 2004 and there are encouraging prospects for winter 2004 and summer 2005.

Retail activities at the Airport were also high on the agenda of the Company. The first phase of the restructuring of the departures hall was completed by the end of the financial year. New retail outlets and catering facilities were added and existing ones were re-located with the objective of increasing retail activity and enhancing the overall shopping experience of departing passengers. New contracts were also signed with concessionaires reflecting changes in the layout of the retail areas. The Company has also invested in a new point of sale system to reflect the new procedures which needed to be adopted following Malta's entry into the EU.

Another area of interest to the Company is the development of its surrounding land. The development of a Mediterranean Business Park is currently at a concept stage and the project was presented to prospective investors at the MIPIM fair in Nice in March 2004.