



Malta International Airport plc,  
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1<sup>st</sup> March 2007

### **COMPANY ANNOUNCEMENT**

The following is a Company Announcement by Malta International Airport plc pursuant to the Malta Financial Services Authority Listing Rules 8.6.2 and 8.6.17:

The Board of Directors is proposing that the Annual General Meeting approves the payment of a gross dividend of Lm0.0338. Upon such approval, all shares of Malta International Airport plc settled as at close of business on Monday, 23<sup>rd</sup> April 2007, shall be entitled to a payment of a net dividend of Lm0.022 per share, which shall be paid by not later than the 15<sup>th</sup> May 2007.

The Board of Directors of Malta International Airport plc has today approved the financial statements for the period ended 31<sup>st</sup> December 2006 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.

The Board of Directors has also decided that the Annual General Meeting shall be held on the 12<sup>th</sup> April 2007. Shareholders on the Company's Register as the Central Securities Depository of the Malta Stock Exchange as at close of business on Wednesday, 14<sup>th</sup> March 2007 will receive notice of the Annual General Meeting together with a copy of the Annual Report and Financial Statements.

A handwritten signature in black ink, appearing to read "Louis de Gabriele", is written over a circular stamp.

Louis de Gabriele  
Company Secretary

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DIRECTORS:  
Michael Höferer (Chairman),  
John Ellul Vincenti (Deputy Chairman),  
Peter Bolech, Austin Calleja,  
Louis-M. St-Maurice,  
Winston J. Zahra, Karin Zipperer.  
Company Registration No.: C12663

# Malta International Airport p.l.c.

## Preliminary statements of annual results

### Income statement

Period ended 31 December 2006

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	31.12.2006 (9 months) Lm	31.03.2006 (12 months) Lm
Revenue	14,053,331	16,686,758
Staff costs	(2,589,248)	(3,351,520)
Other operating expenses	(4,754,780)	(6,008,912)
Depreciation	(1,351,840)	(1,588,823)
Investment income	108,720	61,174
Finance costs	(648,355)	(1,025,547)
Release of deferred income arising on the sale of terminal buildings and fixtures	92,790	123,720
Profit before tax	4,910,618	4,896,850
Income tax expense	(1,792,393)	(1,820,437)
<b>Profit for the period/year</b>	<b>3,118,225</b>	<b>3,076,413</b>
<b>Earnings per share</b>	<b>4.61 c</b>	<b>4.55 c</b>

# Malta International Airport p.l.c.

## Preliminary statements of annual results

### Balance sheet

31 December 2006

	31.12.2006 Lm	31.03.2006 Lm
<b>ASSETS AND LIABILITIES</b>		
<b>Non-current assets</b>		
Property, plant and equipment	41,212,948	40,989,696
Financial assets	379,800	373,300
Deferred tax assets	1,765,295	1,821,289
	<u>43,358,043</u>	<u>43,184,285</u>
<b>Current assets</b>		
Inventories	456,340	438,503
Trade and other receivables	3,364,329	2,628,445
Cash and cash equivalents	2,301,975	3,787,834
	<u>6,122,644</u>	<u>6,854,782</u>
<b>Total assets</b>	<u>49,480,687</u>	<u>50,039,067</u>
<b>Current liabilities</b>		
Trade and other payables	1,956,200	2,455,302
Other financial liabilities	33,477	91,877
Bank loans	500,000	-
Current tax liabilities	1,050,878	1,116,102
	<u>3,540,555</u>	<u>3,663,281</u>
<b>Non-current liabilities</b>		
Bank loans	19,500,000	20,000,000
Deferred income	3,458,509	3,348,509
Provision for retirement benefit fund	1,441,276	1,434,038
	<u>24,399,785</u>	<u>24,782,547</u>
<b>Total liabilities</b>	<u>27,940,340</u>	<u>28,445,828</u>
<b>Net assets</b>	<u>21,540,347</u>	<u>21,593,239</u>
<b>EQUITY</b>		
Share capital	13,530,000	13,530,000
Revaluation reserve	736,057	751,719
Retained earnings	7,274,290	7,311,520
<b>Total equity</b>	<u>21,540,347</u>	<u>21,593,239</u>

# Malta International Airport p.l.c.

## Preliminary statements of annual results

### Statement of changes in equity

Period ended 31 December 2006

	Share capital Lm	Revaluation reserve Lm	Retained earnings Lm	Total Lm
<b>Balance at 1 April 2005</b>	13,530,000	772,600	7,382,531	21,685,131
Difference between historical cost 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 income recognised directly in equity	-	(20,881)	32,126	11,245
Profit for the year	-	-	3,076,413	3,076,413
<b>Total recognised income and expense for the year</b>	-	(20,881)	3,108,539	3,087,658
Dividends (note 12)	-	-	(3,179,550)	(3,179,550)
<b>Balance at 1 April 2006</b>	13,530,000	751,719	7,311,520	21,593,239
Difference between historical cost depreciation charge and actual depreciation for the year calculated on the revalued amount	-	(24,095)	24,095	-
Deferred tax liability on revaluation	-	8,433	-	8,433
Net income recognised directly in equity	-	(15,662)	24,095	8,433
Profit for the period	-	-	3,118,225	3,118,225
<b>Total recognised income and expense for the period</b>	-	(15,662)	3,142,320	3,126,658
Dividends (note 12)	-	-	(3,179,550)	(3,179,550)
<b>Balance at 31 December 2006</b>	<b>13,530,000</b>	<b>736,057</b>	<b>7,274,290</b>	<b>21,540,347</b>

# Malta International Airport p.l.c.

## Preliminary statements of annual results

### Condensed Cash flow statement

Period ended 31 December 2006

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	<b>31.12.2006</b> <b>(9 months)</b> Lm	31.03.2006 (12 months) Lm
<b>Net cash flows from operating activities</b>	<b>2,960,473</b>	6,410,311
<b>Net cash flows from investing activities</b>	<b>(1,266,782)</b>	(2,071,552)
<b>Cash flows from financing activities</b>	<b>(3,179,550)</b>	(3,179,550)
<b>Net movement in cash and cash equivalents</b>	<b>(1,485,859)</b>	1,159,209
<b>Cash and cash equivalents at the beginning of the period/year</b>	<b>3,787,834</b>	2,628,625
<b>Cash and cash equivalents at the end of the period/year</b>	<b>2,301,975</b>	3,787,834

# Malta International Airport p.l.c.

## Preliminary statements of annual results

### Explanatory notes

Period ended 31 December 2006

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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 period ended 31<sup>st</sup> December 2006.

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 p.l.c. Upon privatisation, the company was granted a 65 year concession to operate Malta's only airport, this concession commenced in July 2002. The company is also involved through a 10% shareholding interest in VISET Malta p.l.c., a company set up to develop the Valletta Waterfront and operate a cruise liner terminal in Grand Harbour.

#### Change in accounting reference date

During the year the company changed its accounting reference date to 31 December. This change was made in order to align the company's financial results with those of its operations statistics. Because of this change in the company's accounting year-end, the annual financial statements presented herewith are for a period of nine months and therefore, comparative amounts for the income statement, statement of changes in equity, cash flow statement and related notes are not comparable.

#### Performance review

The decline in passenger traffic experienced in the last few years continued throughout 2006 with the exception of November and December 2006 which showed encouraging increases.

The company continued in its efforts to encourage new airlines to fly to Malta and some successes were recorded. However, a number of schemes introduced by Malta International Airport p.l.c., together with the Government of Malta aimed at inducing travel to and from underserved destinations, were not taken up by any airline. Nevertheless, our marketing team introduced new routes and new airlines for summer 2006 and they are constantly seeking new opportunities to increase passenger traffic by having on-going talks with existing and prospective airlines to increase or commence operations to Malta.

The results of the company for the nine-month financial period 1 April 2006 to 31 December 2006 show a profit on ordinary activities before taxation of *Lm4,910,618* (31.03.2006 – *Lm4,896,850*). These results are *Lm13,768* better than the results of the previous full 12-month period and highlights the seasonality of the business. The passenger traffic for this period was 2.1% less than the traffic for the same period last year and the improved results is largely due to the fact that revenues are concentrated mainly in the summer months.

# Malta International Airport p.l.c.

## Preliminary statements of annual results

### Explanatory notes

Period ended 31 December 2006

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The revenue of the company decreased from *Lm16,686,758* to *Lm14,053,331*, but staff costs are also down from *Lm3,351,520* to *Lm2,589,248* and operating expenses from *Lm6,008,912* to

*Lm4,754,780* giving a profit after tax for the 9-month period of *Lm3,118,225* compared to *Lm3,076,413* for the previous 12-month period.

Commercial income from retail and catering outlets showed modest but constant increases throughout the financial year. Two new catering outlets opened during this period and a large tax-free outlet refurbished its premises extensively. We anticipate that the results will continue to improve in the coming years as the transition from the dependence on the revenue on tax-free tobacco and alcohol shifts to other products. By the end of the first quarter of 2007, we are also expecting to open about 200sq metres of new retail area in the departure lounge.

The development of the area in front of the main air terminal remains one of the top priorities of the company. Prolonged talks with a prospective investor during the first half of 2006 ended without success. However, management is currently holding more talks with other investors with the aim of concluding a deal with one or more interested parties in the best interest of the company.