

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by Malta Properties Company p.l.c. (“**the Company**”) pursuant to Malta Financial Services Authority Listing Rules.

Quote

The Board of Directors of the Company has approved the attached Preliminary Statement of annual results for the financial year ended 31 December 2015. These audited financial statements are also available for viewing on the Company’s website at www.maltaproperties.com.mt.

The Annual General Meeting will be held on Thursday 2 June 2016 at the Malta Hilton, St. Julians.

Unquote

Dr. Francis Galea Salomone LL.D.
Company Secretary

21 March 2016

Preliminary Statement of Group Results and State of Affairs for the year ended and as at 31 December 2015

This Statement is published pursuant to The Malta Financial Services Authority Listing Rules Chapter 5 and Article 4(2)(b) of the Prevention of Financial Markets Abuse (Disclosure and Notification) Regulations, 2005.

The financial information has been extracted from Malta Properties Company p.l.c.'s Annual Report and Consolidated Financial Statements for the year ended 31 December 2015 as approved by the Board of Directors on 21 March 2016, which have been audited by PricewaterhouseCoopers.

These financial statements will be laid before the members at the general meeting to be held on 2 June 2016. The Group's financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Maltese Companies Act, 1995.

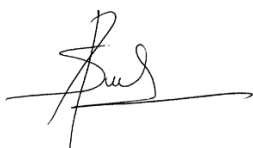
Statements of financial position

	As at 31 December			
	Group		Company	
	2015 €	2014 €	2015 €	2014 €
ASSETS				
Non-current assets				
Property, plant and equipment	8,491	-	8,491	-
Investment property	54,018,149	50,610,000	10,812,435	10,810,000
Investment in subsidiaries	-	-	69,993	69,993
Loans receivable from subsidiaries	-	-	38,859,068	38,859,068
Trade and other receivables	12,142	12,142	-	-
Total non-current assets	54,038,782	50,622,142	49,749,987	49,739,061
Current assets				
Trade and other receivables	91,443	4,446,643	2,002,225	2,710,096
Current tax asset	38,094	-	-	-
Cash and cash equivalents	1,602,639	120,421	1,599,024	50,202
Total current assets	1,732,176	4,567,064	3,601,249	2,760,298
Total assets	55,770,958	55,189,206	53,351,236	52,499,359

Statements of financial position - continued

	As at 31 December			
	Group		Company	
	2015	2014	2015	2014
	€	€	€	€
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	32,419,356	50,000	32,419,356	50,000
Retained earnings	1,168,142	(695,584)	319,884	16,917
Total equity	33,587,498	(645,584)	32,739,240	66,917
LIABILITIES				
Non-current liabilities				
Borrowings	16,000,000	49,523,792	16,000,000	49,523,792
Deferred tax liability	5,401,815	6,073,200	1,081,243	1,297,200
Total non-current liabilities	21,401,815	55,596,992	17,081,243	50,820,992
Current liabilities				
Trade and other payables	481,501	143,370	3,315,780	1,590,910
Current tax liability	300,144	94,428	214,973	20,540
Total current liabilities	781,645	237,798	3,530,753	1,611,450
Total liabilities	22,183,460	55,834,790	20,611,996	52,432,442
Total equity and liabilities	55,770,958	55,189,206	53,351,236	52,499,359

The financial statements were authorised for issue by the Board on 21 March 2016 and were signed on its behalf by:



Mr. Deepak S Padmanabhan
Chairman



Edmond Brincat
Director

Statements of comprehensive income

	Year ended 31 December			
	Group		Company	
	2015	2014	2015	2014
	€	€	€	€
Rental income	3,174,500	2,971,427	719,000	639,884
Other income	251,731	-	251,731	-
Administrative expenses	(541,664)	(12,353)	(528,813)	(1,710)
Operating profit	2,884,567	2,959,074	441,918	638,174
Finance income	-	-	1,457,216	4,206,061
Finance costs	(1,557,957)	(1,857,140)	(1,557,957)	(1,857,142)
Adjustment arising on fair valuation of property	89,783	(215,910)	-	(185,656)
Profit before tax	1,416,393	886,024	341,177	2,801,437
Tax credit/(expense)	447,333	(183,526)	(38,210)	(266,608)
Profit for the year				
- total comprehensive income	1,863,726	702,498	302,967	2,534,829
Earnings per share	0.07¹	4.50 ²		

¹ 2015 EPS was calculated using the weighted average number of shares outstanding during the year.

² 2014 EPS was restated as a result of the redenomination of the 50,000 shares of €1 each to 156,250 shares of €0.32 each.

Statements of changes in equity

Group	Share capital €	Retained earnings €	Total €
Balance at 1 January 2014	50,000	1,451,918	1,501,918
Comprehensive income			
Profit for the year	-	702,498	702,498
Transactions with owners			
Dividend	-	(2,850,000)	(2,850,000)
Balance at 31 December 2014	50,000	(695,584)	(645,584)
Comprehensive income			
Profit for the year	-	1,863,726	1,863,726
Transactions with owners			
Issue of share capital	32,369,356	-	32,369,356
Balance at 31 December 2015	32,419,356	1,168,142	33,587,498

Company	Share capital €	Retained earnings €	Total €
Balance 1 January 2014	50,000	332,088	382,088
Comprehensive income			
Profit for the year	-	2,534,829	2,534,829
Transactions with owners			
Dividend	-	(2,850,000)	(2,850,000)
Balance at 31 December 2014	50,000	16,917	66,917
Comprehensive income			
Profit for the year	-	302,967	302,967
Transactions with owners			
Issue of share capital	32,369,356	-	32,369,356
Balance at 31 December 2015	32,419,356	319,884	32,739,240

Statements of cash flows

	Year ended 31 December			
	Group		Company	
	2015	2014	2015	2014
	€	€	€	€
Cash flows from operating activities				
Cash generated from operations	4,146,540	421	4,213,144	202
Net cash generated from operating activities	4,146,540	421	4,213,144	202
Cash flows from investing activities				
Acquisition of/additions to investment property	(2,655,831)	-	(2,655,831)	-
Purchase of property, plant and equipment	(8,491)	-	(8,491)	-
Net cash used in investing activities	(2,664,322)	-	(2,664,322)	-
Net movement in cash and cash equivalents	1,482,218	421	1,548,822	202
Cash and cash equivalents at beginning of year	120,421	120,000	50,202	50,000
Cash and cash equivalents at end of year	1,602,639	120,421	1,599,024	50,202

Review of Group operations

2015 marked the dawn of a new era for Malta Properties Company p.l.c. (MPC), as the Company was successfully spun-off from its former parent, GO p.l.c. (GO), and listed as a separate entity on the Malta Stock Exchange.

The success of the spin-off delivered a special dividend valued at €33.6 million to GO shareholders, and valued the Company's properties at €53.1 million as at that date. This clearly demonstrates the strong foundations on which MPC has been built. Coupled with a clear and focused strategy to redevelop the Company's commercial property portfolio, the Company has continued to progress in 2015, delivering satisfactory results from which we can look forward to the future with optimism.

Performance

In 2015, MPC generated a profit before tax of €1.4 million (2014: €0.9 million). This was based on revenues from rental income of €3.2 million (2014: €3.0 million) which increased by 6.8%. In the short to medium term, these revenue levels are expected to remain stable and increase gradually in line with inflation. This expectation is based on the fact that MPC has in place a number of long term lease agreements with its tenants. These long term leases on various properties will also shield the Company from any potential unforeseen economic uncertainties.

Administrative expenses increased substantially as a result of the independent operation of the Group and its listing on the Malta Stock Exchange during the year, and amounted to €0.5 million (2014: €12,353). Whilst, over the coming few years, costs will necessarily increase as the Group undertakes the first in a series of planned redevelopment projects, the Group is expected to create significant value as its investments will serve to enhance the underlying value of its extensive portfolio.

Financial position

The Group's total asset base stands at €54.0 million, an increase of €3.4 million over the prior year. During the year the Group acquired a new property and performed several small developments and improvements to existing properties.

The Group's current assets decreased by €2.8 million and stood at €1.7million (2014: €4.5 million), which decrease is mainly due to the settlement of amounts owed by GO p.l.c. Part of the debt owed to GO amounting to €32.4 million was capitalised during the year under review and this capitalisation was the major factor which led to a decrease in the Group's borrowings of €33.5 million.

On 5 October 2015, MPC issued as fully paid-up 101,154,238 ordinary shares with a nominal value of €0.32 each and allotted these shares to its previous parent company's shareholders.

2015 has been in many ways a foundation year for MPC. In 2016, construction works will begin on several fronts, and in line with its strategic plans, MPC is currently focusing its energies on three main projects, which are set to transform the Group's potential rental income from 2019 onwards.