

Malta International Airport plc

Interim condensed consolidated financial statements and Directors' report

30 June 2015

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Malta International Airport plc

Interim Directors' report pursuant to Listing Rule 5.75.2

Interim condensed consolidated financial statements 30 June 2015

These interim condensed consolidated financial statements comprise the interim consolidated financial statements of Malta International Airport plc and its subsidiaries Airport Parking Limited, Sky Parks Development Limited and Sky Parks Business Centre Limited.

Performance Review

Passenger movements registered an increase of 6.9% to achieve the best ever figures for the first six months of the year with traffic reaching 1,987,497 movements. This represents a growth of 127,765 additional passenger movements from 2014. During this period, we have seen an increase of 3.7% in seat capacity (92,172 additional seats) together with an increase in seat load factor of 2.3 percentage points to reach a 77.9% average seat load factor across all airlines.

Passenger growth was registered in all core markets with traffic increasing by 24.2% in Spain, 13.7% in Italy, 9.6% in Germany, 3.8% in UK and 2.8% in France. Significant increases were also noted in Turkey with an increase in frequencies and also Poland with new routes being introduced.

The Group's turnover for the period increased from Euro 28.1 million in the first six months of 2014 to Euro 29.9 million for the same period in 2015. This increase is the result of the additional passenger movements as well as an increase in non-aviation revenue arising from airport activities and from the subsidiary companies. Revenue from the Airport segment increased from Euro 19.0 million in 2014 to Euro 20.6 million in 2015. The revenue from the Retail and Property segment increased from Euro 8.8 million in 2014 to Euro 9.1 million in 2015.

With regards to expenditure of the Group, staff costs have decreased by 4.2%, mainly due to the reduction in manpower following the early retirement scheme offered in the closing months of 2014. On the other hand, the operating costs increased by 8.1% over last year due to new contracts for the upkeep of the Air Terminal, additional administrative costs and new marketing initiatives promoting Malta. Depreciation was also up by Euro 259,234 as a result of additional investment in the expansion of the Air Terminal. On the other hand the finance costs are down by Euro 125,005, or 10%, due to some renegotiation of existing loans as well as a reduction in the debts of the Group.

The profit for the period is Euro 7.29 million compared to the Euro 6.64 million for the same period in 2014.

Dividends

The group is proposing a net dividend of €0.03 per share on all shares settled as at close of business on Wednesday 12 August 2015 and payable by not later than Friday 4 September 2015.

Alan Borg

Chief Executive Officer

By Order of the Board
29 July 2015

Malta International Airport plc

Condensed consolidated statement of comprehensive income

Period ended 30 June 2015

	Group	
	30 Jun 2015 6 months (unaudited) EUR	30 Jun 2014 6 months (unaudited) EUR
Revenue	29,877,472	28,058,897
Staff costs	(3,732,660)	(3,897,546)
Depreciation	(3,166,946)	(2,907,712)
Other operating expenses	(10,953,172)	(10,131,793)
Release of deferred income arising on the sale of terminal buildings and fixtures	104,382	104,382
Finance income	404,554	432,956
Finance costs	(1,097,539)	(1,222,544)
Profit before tax	11,436,091	10,436,640
Income tax expense	(4,144,350)	(3,795,550)
Profit for the period attributable to the ordinary equity holders of the Company	7,291,741	6,641,090
Other comprehensive income / (expense)		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Net gain on available-for-sale financial assets	5,677	3,960
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Actuarial losses on defined benefit pension plans	(136,167)	(35,398)
Deferred tax credit	47,658	12,389
	(88,509)	(23,009)
Other comprehensive expense for the period attributable to the ordinary equity holders of the Company, net of tax	(82,832)	(19,049)
Total comprehensive income for the period attributable to the ordinary equity holders of the Company, net of tax	7,208,909	6,622,041
Earnings per share attributable to the ordinary equity holders of the Company	5.39cents	4.91cents

Malta International Airport plc

Condensed consolidated statement of financial position

30 June 2015

	Group	
	30 Jun 2015 (unaudited) EUR	31 Dec 2014 (audited) EUR
ASSETS		
Non-current assets		
Property, plant and equipment	95,128,690	96,441,938
Investment property	18,260,604	18,642,271
Available-for-sale financial assets	1,189,831	1,184,154
Deferred tax assets	3,671,194	3,593,385
	<u>118,250,319</u>	<u>119,861,748</u>
Current assets		
Inventories	801,700	827,659
Trade and other receivables	17,262,029	14,283,514
Cash and short term deposits	23,987,933	30,726,466
	<u>42,051,662</u>	<u>45,837,639</u>
TOTAL ASSETS	<u><u>160,301,981</u></u>	<u><u>165,699,387</u></u>
EQUITY AND LIABILITIES		
Equity attributable to ordinary shareholders of the Company		
Share capital	33,825,000	33,825,000
Other reserve	1,301,081	1,325,397
Fair value reserve	22,835	17,158
Retained earnings	34,872,321	38,455,666
Total equity	<u>70,021,237</u>	<u>73,623,221</u>
Non-current liabilities		
Bank loans	55,254,218	57,098,140
Deferred income	6,204,863	6,227,489
Provision for retirement benefit plan	3,755,516	3,828,974
Provision for MIA benefit plan	190,414	163,645
	<u>65,405,011</u>	<u>67,318,248</u>
Current liabilities		
Trade and other payables	18,884,418	21,255,758
Bank loans	2,456,423	2,456,423
Current tax liabilities	3,534,892	1,045,737
	<u>24,875,733</u>	<u>24,757,918</u>
Total liabilities	<u>90,280,744</u>	<u>92,076,166</u>
TOTAL EQUITY AND LIABILITIES	<u><u>160,301,981</u></u>	<u><u>165,699,387</u></u>

Malta International Airport plc

Condensed consolidated statement of changes in equity

Period ended 30 June 2015

Group	Share capital EUR	Other reserve EUR	Fair value reserve EUR	Retained earnings EUR	Total EUR
Balance at 1 January 2014	33,825,000	1,374,042	8,245	31,776,471	66,983,758
Profit for the period	-	-	-	6,641,090	6,641,090
Other comprehensive income/ (expense)	-	-	3,960	(23,009)	(19,049)
Total comprehensive income for the period	-	-	3,960	6,618,081	6,622,041
Difference between historical cost depreciation charge and actual depreciation for the year calculated on the revalued amount	-	(37,423)	-	37,423	-
Deferred tax	-	13,107	-	-	13,107
Dividends	-	-	-	(6,088,500)	(6,088,500)
Balance at 30 June 2014 (unaudited)	33,825,000	1,349,726	12,205	32,343,475	67,530,406
	Share capital EUR	Other reserve EUR	Fair value reserve EUR	Retained earnings EUR	Total EUR
Balance at 1 January 2015	33,825,000	1,325,397	17,158	38,455,666	73,623,221
Profit for the period	-	-	-	7,291,741	7,291,741
Other comprehensive income/ (expense)	-	-	5,677	(88,509)	(82,832)
Total comprehensive income for the period	-	-	5,677	7,203,232	7,208,909
Difference between historical cost depreciation charge and actual depreciation for the year calculated on the revalued amount	-	(37,423)	-	37,423	-
Deferred tax	-	13,107	-	-	13,107
Dividends	-	-	-	(10,824,000)	(10,824,000)
Balance at 30 June 2015 (unaudited)	33,825,000	1,301,081	22,835	34,872,321	70,021,237

Malta International Airport plc

Condensed consolidated statement of cash flows

Period ended 30 June 2015

	Group	
	30 Jun 2015 6 months (unaudited) EUR	30 Jun 2014 6 months (unaudited) EUR
Cash flows from operating activities		
Profit before tax	11,436,091	10,436,640
<i>Adjustments for:</i>		
Operating items	3,761,784	3,703,243
Working capital movements	(5,009,331)	(7,601,414)
Cash flows from operations	10,188,544	6,538,469
Interest paid	(1,097,539)	(1,222,544)
Income taxes paid	(1,585,952)	(1,278,483)
<i>Net cash flows from operating activities</i>	7,505,053	4,037,442
Cash flows from investing activities		
Payments for property, plant and equipment	(1,367,717)	(2,173,303)
Interest received	404,554	432,956
<i>Net cash flows used in investing activities</i>	(963,163)	(1,740,347)
Cash flows from financing activities		
Repayment of bank loans	(2,456,423)	(1,846,423)
Dividends paid	(10,824,000)	(6,088,500)
<i>Net cash flows used in financing activities</i>	(13,280,423)	(7,934,923)
Net movement in cash and cash equivalents	(6,738,533)	(5,637,828)
Cash and cash equivalents at the beginning of the period	30,726,466	29,178,589
Cash and cash equivalents at the end of the period	23,987,933	23,540,761

Malta International Airport plc

Notes to the interim condensed consolidated financial statements

30 June 2015

1. Corporate information

The interim condensed consolidated financial statements of the group for the six months ended 30 June 2015 were authorised for issue in accordance with a resolution of the directors of the 29 July 2015.

Malta International Airport plc is a public company incorporated and domiciled in Malta whose shares are publicly traded.

The principal activities of the company and its subsidiaries ('the group') are the development, operation and management of Malta's airport. The group also operates the Business Centre within the limits of the airport.

2. Basis of preparation, significant accounting policies and International Financial Reporting Standards in issue but not yet effective

Basis of preparation

These interim condensed consolidated financial statements for the six months ended 30 June 2015 have been extracted from the unaudited management accounts of the group and have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* and in terms of the Malta Financial Services Authority Listing Rules.

The financial information of the group as at 30 June 2015 and for the six months then ended reflect the financial position and the performance of Malta International Airport plc and its subsidiaries Airport Parking Limited, Sky Parks Development Limited, and Sky Parks Business Centre Limited. The comparative amounts reflect the position of the group as included in the audited financial statements ended 31 December 2014 and the unaudited results for the period ended 30 June 2014.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the group's annual financial statements as at 31 December 2014.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the group's annual financial statements for the year ended 31 December 2014.

International Financial Reporting Standards in issue but not yet effective

At the date of authorisation of these condensed financial statements, the following International Financial Reporting Standards were in issue but not yet effective.

IFRS 9– Financial Instruments

The final version of IFRS 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. The Standard supersedes all previous versions of IFRS 9. IFRS 9 introduces a logical approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule based requirements that are generally considered to be overly complex and difficult to apply.

Malta International Airport plc

Notes to the interim condensed consolidated financial statements

30 June 2015

2. Basis of preparation, significant accounting policies and International Financial Reporting Standards in issue but not yet effective (continued)

International Financial Reporting Standards in issue but not yet effective (continued)

IFRS 9– Financial Instruments (continued)

The new model also results in a single, forward-looking ‘expected loss’ impairment model that will require more timely recognition of expected credit losses. IFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. The Standard has not as yet been endorsed by the European Union.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 *Revenue*, IAS 11 *Construction Contracts* and a number of revenue-related interpretations. The Standard applies to nearly all contracts with customers, the main exceptions being leases, financial instruments and insurance contracts. IFRS 15 is applicable for annual periods beginning on or after 1 January 2017. The Standard has not as yet been endorsed by the European Union.

IAS 19 Amendment (as part of the Annual Improvements to IFRSs 2012 – 2014 cycle) – Employee Benefits

The Amendments to IAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in retained earnings at the beginning of that period. These Amendments are applicable for annual periods beginning on or after 1 January 2016. The Amendments have not as yet been endorsed by the European Union.

IAS 1 Amendments – Disclosure Initiative

The Amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports. The Amendments are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. The amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures.

Malta International Airport plc

Notes to the interim condensed consolidated financial statements

30 June 2015

2. Basis of preparation, significant accounting policies and International Financial Reporting Standards in issue but not yet effective (continued)

International Financial Reporting Standards in issue but not yet effective (continued)

IAS 1 Amendments – Disclosure Initiative (continued)

Furthermore, the Amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures. The Amendments are applicable for annual periods beginning on or after 1 January 2016. The Amendments have not as yet been endorsed by the European Union.

The Group is in the process of assessing the impact of these standards on the financial position and performance of the Group.

The Board of Directors anticipate that the adoption of the International Financial Reporting Standards that were in issue at the date of authorisation of these financial statements, but not yet effective, other than the above, will have no material impact on the financial statements of the Group in the period of initial application.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Except as discussed below, the directors did not make any significant judgments in the process of applying the group's accounting policies which can significantly affect the amounts recognised in the interim condensed consolidated financial statements and, at the end of the reporting period, there were no key assumptions concerning the future, or any other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

IFRIC 12 *Service Concession Arrangements* was endorsed by the EU for financial years beginning after 29 March 2009. The Interpretation, which is limited in scope, clarifies the accounting of service concession arrangements by private sector operators which provide public services on behalf of government or other public sector entities. The Interpretation states that for arrangements falling within its scope, the infrastructure assets are not recognised as property, plant and equipment of the operator. Rather, depending on the terms of the arrangement, the operator will recognise:

1. a financial asset (where the operator has an unconditional right to receive a specified amount of cash or other financial asset over the life of the arrangement); or
2. an intangible asset (where the operator's future cash flows are not specified, for example, where they will vary according to usage of the infrastructure asset); or
3. both a financial asset and an intangible asset where the operator's return is provided partially by a financial asset and partially by an intangible asset.

The group's business activities and operations are governed under a 65 year concession which was granted by the Government in July 2002. The directors have conducted a detailed analysis to determine the applicability of IFRIC 12 and concluded that IFRIC 12 does not apply in its entirety to the group. Based on the group's proportion of regulated and unregulated activities, the directors have determined that the extent of unregulated business activities cannot be deemed as insignificant.

Malta International Airport plc

Notes to the interim condensed consolidated financial statements

30 June 2015

4. Operating segment information

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

For management purposes the group is organised into operating segments based on the nature of its operations and has three reportable segments as shown below.

Management monitors the operating results of its segments separately for the purposes of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on earnings before interest, tax and deferred income arising from the sale of terminal buildings and fixtures (EBIT). However, the Group financing (including finance income and finance costs), deferred income arising from the sale of terminal buildings and fixtures and income tax are managed on a Group basis and are not allocated to operating segments.

The results of the segments are reported below:

	Group	
	30 Jun 2015	30 Jun 2014
	EUR	EUR
Airport		
Segment revenue (external)	20,593,101	19,035,688
Segment EBIT	6,708,398	6,015,260
Retail and property		
Segment revenue (external)	9,125,968	8,757,779
Segment EBIT	5,157,893	4,841,156
Other segment		
Segment revenue (external)	158,403	265,430
Segment EBIT	158,403	265,430
Total		
Segment revenue (external)	29,877,472	28,058,897
Segment EBIT	12,024,694	11,121,846

Airport segment

The Airport segment basically comprises of the activities usually carried out by an airport. These services include revenue from airport regulated fees, aviation concessions and PRMs (persons with reduced mobility) and their associated costs. This segment also includes the operations and maintenance of the terminal, runways, taxiways and aircraft parks.

The revenue from this segment has increased by 8.2%, mainly from an increase in passenger throughput in the first 6 months of the year.

The segment's EBIT has increased by 11.5% when compared to the previous six months.

Malta International Airport plc

Notes to the interim condensed consolidated financial statements

30 June 2015

4. Operating segment information (continued)

Retail & Property segment

The Retail & Property segment includes various services that support the airport operations. These include the operations of the various retail outlets within the airport perimeter, advertising sites and rental of offices, warehouses and income from the running of the VIP lounges. Income and costs from Airport Parking Limited, Sky Parks Development Limited, and Sky Parks Business Centre Limited are also allocated within the Retail & Property segment. Revenue from this segment has increased by 4.2% over the same period last year.

Other segment

Other segment comprises the services that do not fall under the Airport and the Retail and Property segments. These include miscellaneous income and disbursement fees from third parties and any costs associated with this income.

30 June 2015

	Airport EUR	Retail and property EUR	Other segment EUR	Group EUR
Segment revenue (external)	20,593,101	9,125,968	158,403	29,877,472
Segment operating costs	(13,884,703)	(3,968,075)	-	(17,852,778)
Segment EBIT	<u>6,708,398</u>	<u>5,157,893</u>	<u>158,403</u>	12,024,694
Finance income				404,554
Finance cost				(1,097,539)
Release of deferred income arising on the sale of terminal buildings and fixtures				104,382
Profit before tax				<u>11,436,091</u>

30 June 2014

	Airport EUR	Retail and property EUR	Other segment EUR	Group EUR
Segment revenue (external)	19,035,688	8,757,779	265,430	28,058,897
Segment operating costs	(13,020,428)	(3,916,623)	-	(16,937,051)
Segment EBIT	<u>6,015,260</u>	<u>4,841,156</u>	<u>265,430</u>	11,121,846
Finance income				432,956
Finance cost				(1,222,544)
Release of deferred income arising on the sale of terminal buildings and fixtures				104,382
Profit before tax				<u>10,436,640</u>

Malta International Airport plc

Notes to the interim condensed consolidated financial statements

30 June 2015

4. Operating segment information (continued)

Segment assets

	Group	
	30 Jun 2015 (unaudited) EUR	31 Dec 2014 (audited) EUR
Assets by segment		
Airport	75,257,617	75,364,013
Retail and property	55,393,706	54,003,710
Total assets in reported segments	130,651,323	129,367,723
Assets not allocated to a specified segment		
Financial assets	1,189,831	1,184,154
Deferred tax assets	3,671,194	3,593,385
Inventories	801,700	827,659
Cash and short term deposits	23,987,933	30,726,466
Total not allocated	29,650,658	36,331,664
Group assets	160,301,981	165,699,387

5. Income tax

The interim period income tax is based on the corporate tax rate of 35%.

6. Property, plant and equipment

During the first six months of the year the group spent €1.4 million (2014 - €2.2 million) on the completion of various projects within the terminal.

Borrowing costs

No borrowing costs were capitalised during the first six months of 2015 (€Nil in 2014).

7. Available-for-sale financial assets

	Local unlisted Equity Shares	Local Listed Fund	Total
	EUR	EUR	EUR
At 31 December 2014	1,090,391	93,763	1,184,154
At 30 June 2015	1,090,391	99,440	1,189,831

Malta International Airport plc

Notes to the interim condensed consolidated financial statements

30 June 2015

7. Available-for-sale financial assets (continued)

Available-for-sale financial asset - Local unlisted equity shares

The Group has a 10% shareholding interest in Valletta Cruise Port plc, a company set up to develop the Valletta Waterfront and operate a cruise liner terminal at the Grand Harbour.

Available-for-sale financial asset - Fund

The Group holds an investment in a fund whose fair value is determined by prices quoted on the Malta Stock Exchange.

Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

As at 30 June 2015, the group held the following financial instruments measured at fair value:

	30.06.2015 EUR	Level 1 EUR	Level 2 EUR	Level 3 EUR
Assets measured at fair value				
Fund	99,440	99,440	-	-

As at 31 December 2014 the group held the following financial instruments measured at fair value:

	31.12.2014 EUR	Level 1 EUR	Level 2 EUR	Level 3 EUR
Assets measured at fair value				
Fund	93,763	93,763	-	-

As per the group's accounting policy, investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

During the reporting periods ended 30 June 2015 and 31 December 2014, there were no transfers between Level 1 and Level 2 fair value measurements for financial instruments, and no transfers into and out of Level 3 fair value measurements for financial instruments.

Malta International Airport plc

Notes to the interim condensed consolidated financial statements

30 June 2015

8. Borrowings

Repayments of bank loans amounting to €2.5 million (2014: €1.8 million) were made in line with previously disclosed repayment terms.

9. Contingencies and commitments

There were no changes in contingent liabilities as reported in the group's annual financial statements of 2014.

At 30 June 2015, the group had capital commitments of approximately €2.2 million (31.12.2014 - €2.7 million) in respect of works within the terminal.

10. Related party disclosures

During the course of the period, the group entered into transactions with related parties as set out below:

The related party transactions in question were:

	30.06.2015			30.06.2014		
	Related party activity EUR	Total activity EUR	%	Related party activity EUR	Total activity EUR	%
Revenue:						
<i>Related party transactions with:</i>						
Entities which are controlled by Government	8,380,887			9,441,360		
Entities which jointly control the Company's parent	1,410			1,390		
	8,382,297	29,877,472	28	9,442,750	28,058,897	34
Staff and other operating costs:						
<i>Related party transactions with:</i>						
Key management personnel of the Group	245,764			333,447		
Related parties other than the parent and key management personnel of the Group	2,272,736			2,858,777		
	2,518,500	14,685,832	17	3,192,224	14,029,339	23

In addition to the above, the details of the material contracts entered into by the group in the period ended 30 June 2015 with its substantial shareholders and their related parties are listed below:

Malta Mediterranean Link Consortium Limited

The provision for Technical Services by the Group's strategic partners VIE Operations Limited and SNC-Lavalin Inc., gives rise to an expense of EUR792,393 (30.06.2014 – EUR699,530).

Malta International Airport plc

Notes to the interim condensed consolidated financial statements

30 June 2015

10. Related party disclosures (continued)

The Government of Malta

- (i) The terminal and other land lease agreements with Malita Investments plc for EUR497,743 (30.06.2014 – EUR497,743);
- (ii) The contract for contribution to the Malta Tourism Authority for EUR116,468 (30.06.2014 – EUR116,468);
- (iii) The contract with the Armed Forces of Malta for the security of the restricted areas at the Airport for an expense of EUR900,000 (30.06.2014 – EUR900,000);
- (iv) The provision of Air Navigation Services and other services by Malta Air Traffic Services Limited for an expense of EUR460,588 (30.06.2014 – EUR451,449);
- (v) The provision of Meteorological Services and other services to Malta Air Traffic Services Limited for revenue of EUR368,469 (30.06.2014 – EUR368,469);
- (vi) The contract with EneMed Co Ltd. for fuel throughput charges generated the amount of EUR168,610 (30.06.2014 – EUR157,238) in revenue;
- (vii) The ground handling and concession agreements with Air Malta plc and its subsidiaries that generated income of EUR885,711 (30.06.2014 – EUR873,055).

Property, plant and equipment includes land held on temporary emphyteusis, which relates to the land assigned by the Government of Malta to the group by title of temporary emphyteusis. This is amortised over the remaining term of the lease in accordance with IAS17.

11. Dividends

During the interim period, a net dividend of €0.08 (2014: €0.045) per share was paid to the shareholders of the parent company.

12. Fair value of financial assets and financial liabilities

At 30 June 2015 and 31 December 2014 the carrying amounts of financial assets and financial liabilities classified with current assets and current liabilities respectively approximated their fair values due to the short term maturities of these assets and liabilities that are not measured at fair value. The fair values of non-current financial liabilities are not materially different from their carrying amounts.

Investments in available for sale equity instruments that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are stated at cost since the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reliably assessed. It is not possible to disclose the range of estimates within which fair value is highly likely to lie.

13. Seasonality of the airport business

The revenue and earnings of the first six months of the year generally represents around 46% of the total annual revenue and earnings of the group. The first quarter of the year is generally around 17% and the second quarter is approximately 29% of the total revenue and earnings of the group.

Malta International Airport plc

Statement pursuant to Listing Rule 5.75.3 issued by the Listing Authority

30 June 2015

I confirm that to the best of my knowledge:

- a. the condensed consolidated financial statements give a true and fair view of the financial position of the group as at 30 June 2015, financial performance and cash flows for the period then ended, in accordance with accounting standards adopted for use in the EU for interim financial statements (*adopted IAS 34 'Interim Financial Reporting'*); and
- b. the interim Directors' report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.

Austin Calleja
Chief Financial Officer