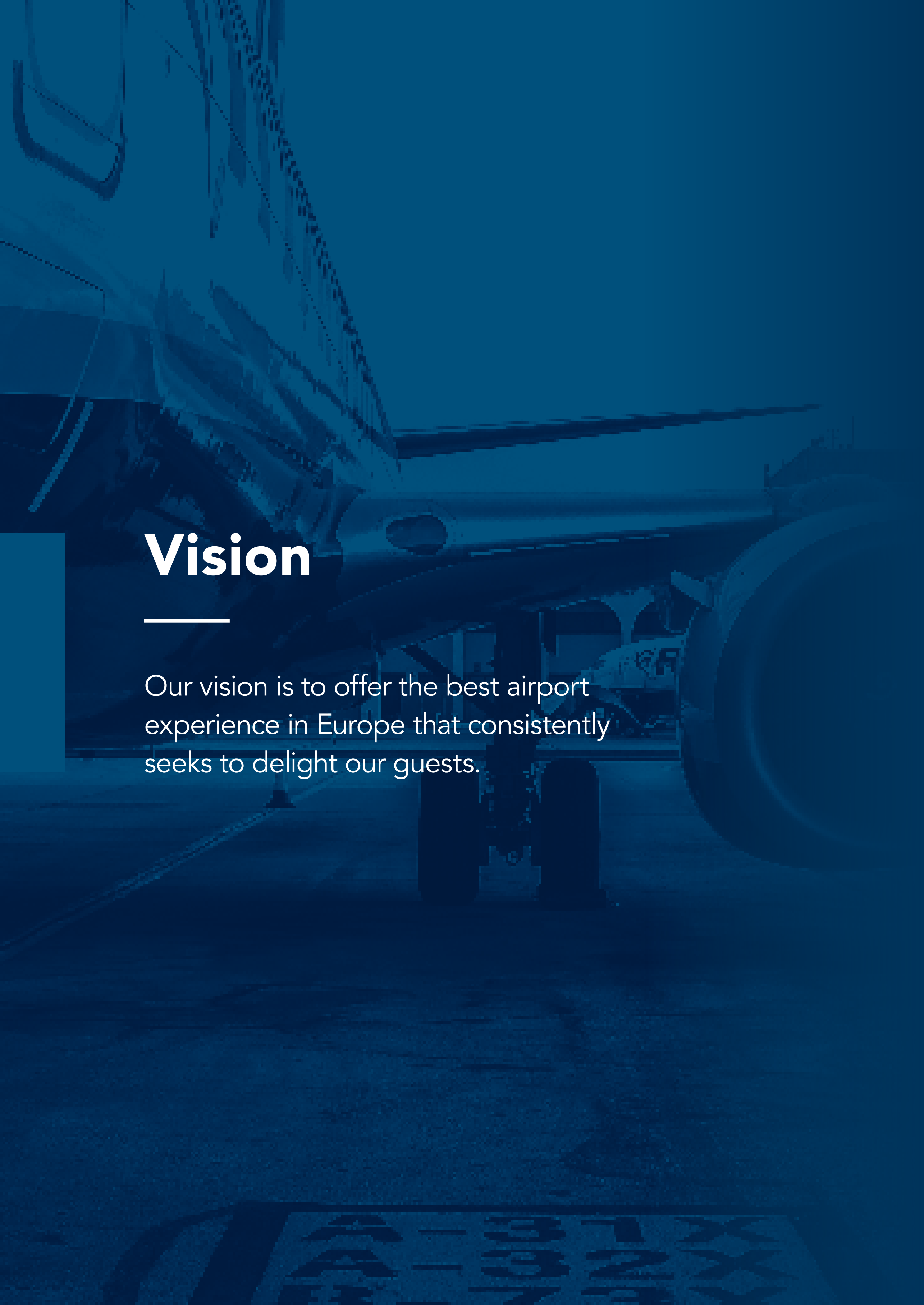
Report 2015

Malta International Airport plc



Vision

Our vision is to offer the best airport experience in Europe that consistently seeks to delight our guests.

Contents

Introduction & Airport Shares

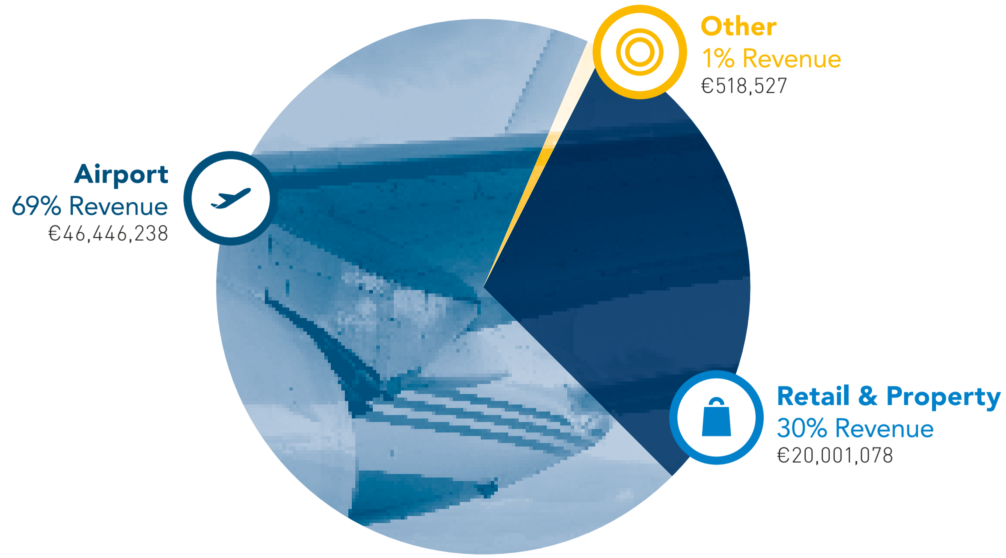
Key Data

A summary and three year comparison of key indicators that help gauge our performance, from a financial, industry & stock market position.

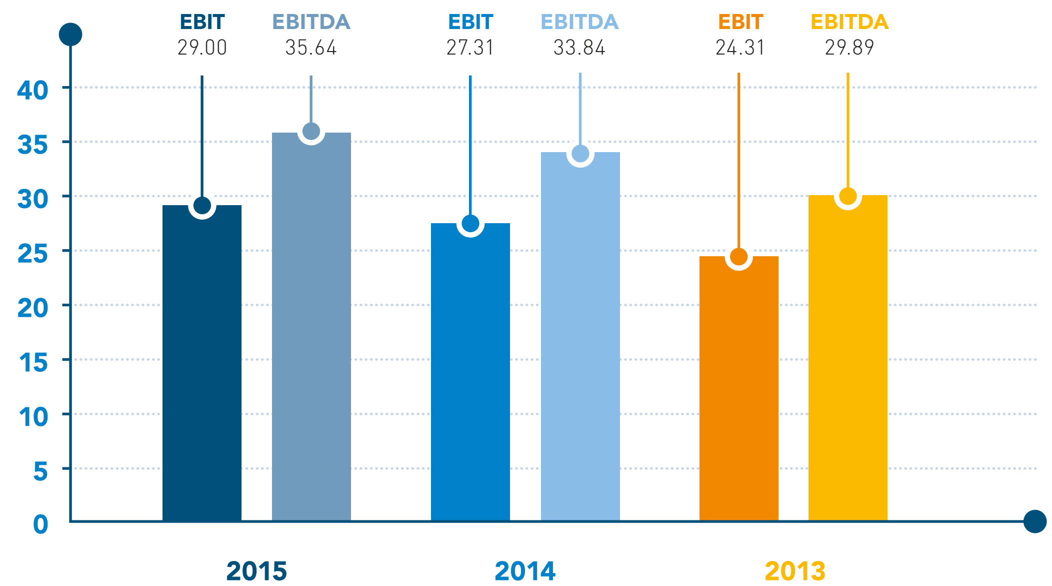
Financial Indicators (In € Million)	Financial Year 2015	Change in %	Financial Year 2014	Change in %	Financial Year 2013
Total turnover	66.97	4.2	64.29	9.4	58.79
Thereof Aviation	46.45	4.0	44.65	8.1	41.30
Thereof Non-Aviation	20.52	4.5	19.64	12.3	17.49
EBIT	29.00	6.2	27.31	12.3	24.31
EBIT margin in %	43.30	1.9	42.48	2.7	41.35
EBITDA	35.64	5.3	33.84	13.2	29.89
EBITDA margin in %	53.22	1.1	52.64	3.5	50.84
ROCE in %	16.94	4.5	16.21	14.7	14.13
Net Profit	19.27	14.5	16.83	15.4	14.59
Cash flow from operating activities	29.52	53.0	19.30	(33.6)	29.06
Equity	77.69	5.5	73.62	9.9	66.98
Balance sheet total	171.91	3.7	165.70	2.2	162.11
Capital expenditure	7.19	19.6	6.01	(2.8)	6.18
Taxes on income	10.52	14.0	9.23	14.1	8.09
Average employees for the year	306	(3.2)	316	-	316
Industry Indicators					
MTOW in million tonnes	2.86	5.9	2.70	5.1	2.57
Passengers in million	4.62	7.7	4.29	6.5	4.03
Thereof transfer passengers	8,635	(10.6)	9,664	(18.6)	11,866
Flight movements	34,283	6.3	32,247	4.8	30,759
Cargo in tonnes	14,964	5.6	14,176	(3.4)	14,668
Seat occupancy in %	81.10	1.8	79.70	1.5	78.50
Stock Market Indicators					
Shares outstanding in million	135.30	-	135.30	-	135.30
P/E ratio	28.38	49.8	18.95	(5.3)	20.00
Earnings per share in €	0.142	14.5	0.124	14.8	0.108
Net Dividend per share in € *	0.100	(9.1)	0.110	46.7	0.075
Net Dividend yield in %	2.481	(47.0)	4.681	34.8	3.472
Pay-out ratio as a % of net profit	70.21	(20.6)	88.44	27.1	69.56
Market capitalisation in € million	545.26	71.5	317.96	8.8	292.25
Stock price: high in €	4.05	68.8	2.40	11.1	2.16
Stock price: low in €	2.36	9.5	2.15	22.9	1.75
Stock price in €	4.03	71.5	2.35	8.8	2.16
Market weighting in %	12.60	25.5	10.04	16.2	8.64

** Reporting year: recommendation to the Annual General Meeting*

Revenue by Segment



EBITDA & EBIT in € Million



Chairman's Message

This is a good opportunity to look back at some of Malta International Airport's many achievements in 2015, to acknowledge the team's relentless efforts, and to focus our energies on reaching our strategic goals for 2016.

In today's day and age, airports should aim at offering an all-embracing airport experience. Fully attuned to this reality, Malta International Airport has been striving to be the best airport in Europe, precisely by offering a memorable experience to all of its guests.

One of 2015's milestones for our airport was the 7.7% growth in passenger movements registered. This is especially significant when compared with the 5.2% growth registered in Europe and the 5.6% growth at EU airports, according to Airport Council International's (ACI) annual traffic report. The same report notes that small regional airports across Europe underperformed the European average with a 3.8% growth in passenger numbers, while airports in Ireland, Portugal, and Greece – to name a few countries – did particularly well. Our projections indicate that in 2016 passenger traffic at Malta International Airport will continue on its upward trend, with a projected 2.4% growth.

We are also pleased that our efforts to provide an exceptional experience were duly noted in ACI's Airport Service Quality (ASQ) survey – a comprehensive benchmarking exercise that measures passengers' overall satisfaction while travelling through an airport. We are honoured that Malta International Airport placed second in the Best Airport by Region (Europe) Category. While we acknowledge this with pride, and thank all our employees for their sterling contribution towards this achievement, we commit ourselves to use the ASQ results as one of our measurement tools to identify areas of improvement to continuously better our service levels.

Firmly believing that our success partly lies in how well we respond to the changing needs around us, in 2015 we unveiled plans to invest in our infrastructure. These ambitious investment plans will, in fact, characterise the coming years and upon completion we will have a terminal that is designed to accommodate our increasing numbers by allowing for a smooth flow of passengers.
With regard to aviation, increasing traffic in the shoulder and winter months and enhancing Malta's connectivity with the rest of the world will remain a priority for us. Our sight will be set principally on enhancing the Scandinavian and Eastern European markets' potential and redeveloping our connectivity with Spain.

We will also remain committed to developing our non-aviation segment intelligently, in order to complement our core business and further diversify the Company's revenues. This, coupled with favourable projections for 2016, makes us confident that the coming year will be another positive one.

"Finally, I would like to thank all our shareholders for showing faith in us by investing in Malta International Airport. Your unceasing support drives us to remain focused on building on last year's successes, to ultimately give you a healthy return on your investments."

Nikolaus Gretzmacher
Chairman

Messaġġ taċ-Chairman

Din hija opportunità tajba biex inħarsu lura lejn xi wħud mill-kisbiet tal-Ajruport Internazzjonali ta' Malta fl-2015, biex nirrikonoxxu l-isforzi ma jaqtgħu xejn tat-tim tagħna u biex niffukaw l-enerġija tagħna fuq il-miri strateġiċi għall-2016.

Fid-dinja tal-lum, l-ajruporti għandhom jimmiraw li joffru esperjenza kompluta. Fid-dawl ta' dan, l-Ajruport Internazzjonali ta' Malta qed jirsisti sabiex ikun l-aqwa ajruport fl-Ewropa, preċiżament billi joffri esperjenza memorabbli lill-passiġġieri kollha.

Waħda mill-kisbiet sinifikanti għall-2015 kienet it-tkabbir ta' 7.7% fil-movimenti tal-passiġġieri. Dan il-persentaġġ huwa partikolarment sinifikanti meta wieħed iqis it-tkabbir ta' 5.2% irreġistrat fl-Ewropa u dak ta' 5.6% fl-ajruporti tal-UE, skont ir-rapport annwali tat-traffiku ta' ACI. L-istess rapport jinnota li ajruporti reġjonali żgħar fl-Ewropa rreġistraw tkabbir ta' 3.8% fl-ammont ta' passiġġieri, li huwa taħt il-medja Ewropea. Min-naħa l-oħra, pajjiżi bħall-Irlanda, il-Portugall u l-Greċja, biex insemmu biss ftit, kellhom sena tassew tajba fl-2015. Il-previżjonijiet tagħna juru li fl-2016 in-numru ta' passiġġieri li ser jgħaddu mill-Ajruport Internazzjonali ta' Malta se jkompli jiżdied, bi tkabbir previst ta' 2.4%.

Ninsabu kuntenti wkoll li l-isforzi tagħna biex nipprovdu esperjenza eċċezzjonali ġew innutati kif xieraq fl-istħarriġ dwar il-Kwalità tas-Servizz tal-Ajruporti ta' Airports Council International (ACI) – eżerċizzju komprensiv li jkejjel is-sodisfazzjon ġenerali tal-passiġġieri bl-esperjenza tagħhom fl-ajruport. Aħna tassew onorati li l-Ajruport Internazzjonali ta' Malta kiseb it-tieni post fil-kategorija tal-Aqwa Ajruport fl-Ewropa. Filwaqt li aħna kburin b'din il-kisba, u nirrigrazzjaw lit-tim kollu tax-xogħol imprezzabbli tiegħu biex stajna naslu sa hawn, nimpenjaw ruħna li nużaw ir-riżultati ta' dan l-istħarriġ bħala għodda biex nidentifikaw affarijiet li jistgħu jittejbu biex b'hekk is-servizz tagħna jkun dejjem aħjar.

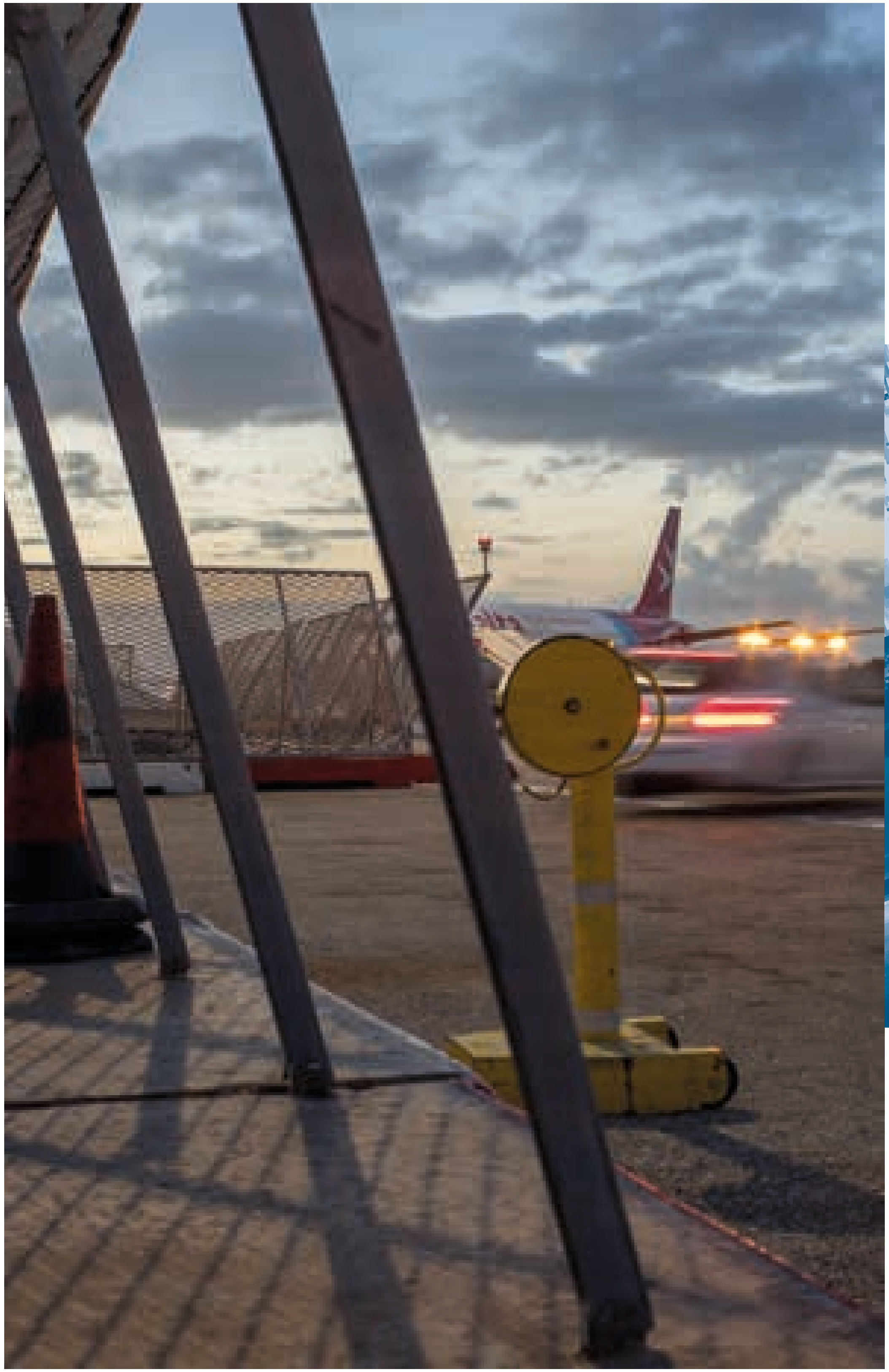
Nemmnu wkoll li s-suċċess tagħna jiddependi, sa ċertu punt, fuq kemm nirreaġixxu tajjeb għall-bżonnijiet li qed jinbidlu ta' madwarna u għalhekk fl-2015 żvelajna pjanijiet sabiex ninvestu fl-infrastruttura tagħna. Dawn il-pjanijiet ta' investiment ambizzjuż ser jikkaratterizzaw is-snin li ġejjin u meta jitlestew ser ikollna terminal ta' daqs tajjeb sabiex jakkomoda numru akbar ta' passiġġieri.

Fir-rigward tal-avjazzjoni, ser nibqgħu naħdmu biex inżidu t-traffiku fix-xhur tax-xitwa u biex intejbu l-konnettività ta' Malta mal-bqija tad-dinja. Ser niffukaw b'mod partikolari fuq il-potenzjal tas-swieq tal-Iskandinavja u l-Ewropa tal-Lvant u li nerġgħu nibnu rabta ma' Spanja.

Ser nibqgħu impenjati wkoll li niżviluppaw is-segment tal-Proprjetà u l-Bejgħ b'mod intelliġenti sabiex nikkumplementaw in-negozju prinċipali tagħna tal-avjazzjoni u nkomplu niddiversifikaw is-sorsi ta' dħul tal-Kumpanija. Dan kollu, flimkien ma' previżjonijiet favorevoli għall-2016, jagħmilna fiduċjużi li s-sena li ġejja ser tkun sena oħra pożittiva.

"Fl-aħħar nett, nixtieq nirringrazzja lill-azzjonisti kollha tagħna tal-fiduċja li juru fina billi jinvestu fl-Ajruport Internazzjonali ta' Malta. L-appoġġ dejjiemi tagħkom jgħinna nibqgħu ffukati fuq il-kisba ta' suċċessi mibnija fuq dawk tas-sena li għaddiet, biex fl-aħħar mill-aħħar inkunu nistgħu nagħtukom ukoll ritorn tajjeb fuq l-investiment tagħkom."

Nikolaus Gretzmacher
Chairman



CEO'S Review

2015 was a remarkable year, with every month registering growth and passenger numbers reaching an all-time high. This proves that our endeavours and unwavering commitment are unlocking Malta's potential to be a year-round destination and drives us to aim for an even stronger performance in 2016.

In 2015 we welcomed 328,338 more guests than the previous year. Translating into a 7.7% growth, this is all the more significant as it was spread over all months, congruent with our strategy to increase traffic in the shoulder months. This growth partially resulted from an increase in aircraft movements and seat capacity, as well as a seat load factor of 81.1%. November, which was our best performing month in terms of percentage growth, registered a notable 10.6% increase over the previous year.

The introduction of five new airlines contributed, in part, to the achievement of these figures. Two of them, namely Aegean and Finnair, did not only extend their presence into 2016 but have also increased the number of flights they operate to Athens and Helsinki. Securing traffic at our airport is no mean feat as it involves ongoing negotiations and constant interaction with potential airlines. Such efforts enabled us to attract new carriers Volotea, Czech Airlines and Iberia Express, enhancing our connectivity with Catania, Prague and Madrid, respectively.

In the coming year we will remain focused on increasing Malta's connectivity with the world and driving traffic in the shoulder months. Our coordinated efforts to make Malta a year-round destination are working, but we firmly believe that further investment and cooperation with all tourism stakeholders will lead to even better results. Our priorities are to keep developing our network in the Scandinavian and Eastern European markets, and attract more visitors and traffic from the Iberian Peninsula. These regions present opportunities for further connectivity, both in increasing our frequency to top cities like Stockholm and in developing routes to new destinations in Portugal.

We are pleased to have maintained our target of making 30% of our Group revenues from our non-aviation segment. Now rooted in our Company's strategy, our pledge to keep investing in Retail and Property drove us to unveil our mammoth investment plan. Most notably, following the success of SkyParks Business Centre, we have set our eyes on SkyParks 2 as a natural progression of our Landside Masterplan. SkyParks 2 is a €40 million project, occupying 4,000 square metres and is intended to have further office space and a business hotel.

Another welcome announcement is that Malta International Airport placed second in Airports Council International's survey in the Best Airport by Region category. This is the ultimate reward for our team, and the recognition of the commitment to service excellence, drives us to keep working to realise our ambition of being the best airport in Europe. On a local level, a separate survey revealed that a reassuring 96% of the Maltese public are proud of Malta International Airport. Votes of confidence in our airport, from airlines and guests alike, indicate that we are on the right path towards achieving our vision of being the best airport in Europe and impel us to work harder.

During the year under review, the Company sold its stake in the Valletta Cruise Port. This strategic move was made in order to allow us to focus our energies on the running of our airport.

In the coming year we want to recultivate an internal culture that is strategically aligned both vertically and horizontally, to ensure that there are no missed opportunities and that our resources are maximised. We have put the Company's core purpose and values under the spotlight, and simply redefined these to better communicate our Company's DNA to all our stakeholders. We have reinterpreted our mission, values, vision, and strategy in a way that is more accessible to all our employees and stakeholders.

We believe that in understanding the Company's vision better, each employee and partner will fully appreciate the importance of their role in reaching our goals. We are confident that this, coupled with serious investment in our team's talents and our infrastructure, will help us realise our vision in offering the best airport experience in Europe.

"To sum up, it has been a successful year for Malta International Airport and our financials reflect this. Our non-aviation business has performed exceptionally, traffic growth has surpassed our expectations and having divested our non-strategic assets, our revenues and profits have continued to increase."

Finally, I would like to thank all the team and management at Malta International Airport, who are already doing their share to ensure that our airport achieves resounding success. I am positive that if we keep up our levels of determination and commitment, 2016 will be an equally positive year.

Alan Borg
Chief Executive Officer

Rendikont tas-CEO

L-2015 kienet sena straordinarja, fejn ix-xhur kollha rreġistraw tkabbir u n-numru ta' passiġġieri laħaq livelli rekord. Dan juri li l-isforzi u l-impenn kostanti tagħna qed iwasslu biex il-pubbliku jagħraf li Malta hija destinazzjoni ideali għas-sena kollha u jinkuraġġina biex nimmiraw għal prestazzjoni aktar b'saħħitha fl-2016.

Fl-2015, ilqajna 328,338 aktar passiġġieri mis-sena ta' qabilha. Dan in-numru jsarraf fi tkabbir ta' 7.7% u huwa aktar sinifikanti minħabba li kien mifrux tul ix-xhur kollha tas-sena, f'konformità mal-istrateġija tagħna li nżidu t-traffiku fix-xhur tax-xitwa. Dan it-tkabbir irriżulta parzjalment minn żieda fil-movimenti tal-ajruplani u fis-seat capacity, kif ukoll seat load factor ta' 81.1%. Novembru, li kien l-aqwa xahar fir-rigward ta' persentaġġ ta' tkabbir, irreġistra żieda notevoli ta' 10.6% fuq is-sena ta' qabel.

L-introduzzjoni ta' ħames linji tal-ajru ġodda wkoll għenet biex setgħu ntlaħqu dawn iċ-ċifri. Tnejn minnhom, jiġifieri Aegean u Finnair, estendew il-preżenza tagħhom fl-2016 u żiedu wkoll n-numru ta' titjiriet li joffru lejn Ateni u Ħelsinki. Li tiggarantixxi t-traffiku fl-ajruport tul is-sena mhix xi ħaġa faċli għax tinvolvi negozjati u laqgħat kostanti ma' linji tal-ajru. Sforzi bħal dawn għenuna nattiraw linji tal-ajru ġodda bħal Volotea, Czech Airlines u Iberia Express, biex b'hekk tejjibna l-konnettività tagħna ma' Katanja, Praga u Madrid, rispettivament. Fis-sena li ġejja ser inkomplu niffukaw fuq it-titjib tal-konnettività ta' Malta mal-bqija tad-dinja u ż-żieda fit-traffiku fix-xhur tax-xitwa. L-isforzi konġunti tagħna biex nippromwovu lil Malta bħala destinazzjoni turistika s-sena kollha qed jaħdmu, iżda aħna nemmnu bi sħiħ li aktar investiment u kooperazzjoni mal-partijiet interessati fil-qasam tat-turiżmu jistgħu jwasslu għal riżultati aqwa. Il-prijoritajiet tagħna huma li nkomplu niżviluppaw in-netwerk tagħna fis-swieq tal-Iskandinavja u l-Ewropa tal-Lvant u li nattiraw aktar traffiku u turisti mill-Peniżola Iberika. Dawn ir-reġjuni jippreżentaw opportunitajiet għal konnettività aħjar, kemm permezz tal-introduzzjoni ta' aktar titjiriet lejn destinazzjonijiet prinċipali bħal Stokkolma u kemm permezz tal-iżvilupp ta' rotot lejn destinazzjonijiet ġodda fil-Portugall.

Ninsabu sodisfatti li għal darba oħra lħaqna l-mira li niġġeneraw 30% tad-dħul tal-Grupp tagħna mis-segment tal-Proprjetà u l-Bejgħ. L-impenn tagħna li nkomplu ninvestu fis-segment tal-Proprjetà u l-Bejgħ, li issa huwa mnaqqax fl-istrateġija tal-Kumpanija, wassalna biex inħabbru pjan ta' investiment kbir. B'mod partikolari, wara s-suċċess li kiseb SkyParks Business Centre, ser niffukaw fuq l-iżvilupp ta' SkyParks 2. SkyParks 2 huwa proġett li ser jiswa mal-€40 miljun u li se jkun mibni fuq 4,000 metru kwadru biex joffri aktar spazju għall-uffiċini u business hotel.

Aħbar oħra li tatna sodisfazzjon kbir kienet li l-Ajruport Internazzjonali ta' Malta kiseb it-tieni post fl-istħarriġ ta' Airports Council International fil-kategorija tal-Aqwa Ajruport fl-Ewropa. Din hija l-aqwa kisba għat-tim tagħna, u r-rikonoxximent tal-impenn tagħna lejn servizz eċċellenti jgħinna nkomplu naqdfu sabiex nirrealizzaw l-ambizzjoni li nkunu l-aqwa ajruport fl-Ewropa. Fuq livell lokali, stħarriġ separat żvela li 96% tal-Maltin huma kburin bl-Ajruport Internazzjonali ta' Malta. Din il-wirja ta' fiduċja mil-linji tal-ajru u mill-passiġġieri tindika li qbadna t-triq it-tajba lejn il-kisba tal-viżjoni tagħna li nkunu l-aqwa ajruport fl-Ewropa u timbuttana sabiex nistinkaw aktar.

Fl-2015, il-Kumpanija biegħet is-sehem tagħha fil-Valletta Cruise Port. Din il-mossa strateġika għamilnieha sabiex inkunu nistgħu niddedikaw l-enerġija tagħna għat-tmexxija tal-ajruport.

Tul is-sena li ġejja nixtiequ nrawmu kultura interna li tkun allinjata b'mod strateġiku kemm orizzontalment u kemm vertikalment, sabiex niżguraw li ma tintilef l-ebda opportunità u li nagħmlu l-aħjar użu mir-riżorsi tagħna. Aħna skrutinizzajna l-valuri u l-għan prinċipali tal-Kumpanija u ddefinixxejniehom mill-ġdid sabiex inkunu nistgħu nikkomunikaw id-DNA tagħna lill-partijiet interessati tagħna. Aħna interpretajna mill-ġdid il-missjoni, il-valuri u l-istrateġija tagħna b'tali mod li għamilniehom aktar aċċessibbli għall-impjegati u l-partijiet interessati kollha tagħna. Aħna nemmnu li meta xi ħadd jifhem il-viżjoni tal-Kumpanija aħjar ikun jista' japprezza tassew l-importanza tal-irwol tiegħu fil-kisba tal-miri tagħna. Ninsabu fiduċjużi li dan, flimkien ma' investiment fit-talenti tat-tim tagħna u fl-infrastruttura, ser jgħinna nilħqu l-viżjoni li noffru l-aqwa esperjenza fl-ajruport fl-Ewropa.

"Fi ftit kliem, is-sena li għaddiet kienet waħda kkaratterizzata minn ħafna suċċessi għall-Ajruport Internazzjonali ta' Malta u l-prestazzjoni finanzjarja tagħna tkompli tixhed dan. Il-prestazzjoni tas-segment tal-Proprjetà u l-Bejgħ kienet eċċezzjonali, it-tkabbir fit-traffiku qabeż kull aspettattiva u l-bejgħ tal-assi mhux strateġiċi wassal għal aktar dħul u profitti."

Fl-aħħar nett, nixtieq ngħid grazzi lit-tim u lill-maniġment tal-Ajruport Internazzjonali ta' Malta li dejjem jagħmlu ħilithom sabiex jinkisbu aktar suċċessi. Ninsab pożittiv li jekk nippersistu fid-determinazzjoni u l-impenn tagħna, l-2016 tkun sena daqstant ieħor tajba.

Alan Borg
Kap Eżekuttiv

Corporate Governance

Malta International Airport plc's corporate governance structures are designed to ensure suitable, appropriate checks and balances are in place.

The Board is composed of a maximum of five non-executive directors and three executive directors. This balance is entrenched in the Company's Memorandum and Articles, which requires that the Chief Executive Officer is an ex ufficio director, and allows for two other senior Company executives to sit on the Board.

The Board assigns specific responsibilities to a number of committees, notably the Executive Committee – headed by the Chief Executive Officer – and the Audit Committee, each of which operate under formal terms of reference. During the period under review the Board of Directors met six times.

The members of the Board of Directors for the year under review were:

Mr. Nikolaus Gretzmacher
Chairman
Appointed 28/11/2013

Mr. Alan Borg
CEO
Appointed 24/02/2015

Mr. Karl Dandler
CFO
Appointed 01/09/15
Ceased to be a non-executive director on 01/09/15

Dr. Youssef Sabeh
Non-Executive Director
Appointed 11/05/2010

Ms. Rita Heiss
Non-Executive Director
Appointed 16/09/2015

Dr. Cory Greenland
Non-Executive Director
Appointed 13/02/2015

Mr. Markus Klaushofer
CEO ceased to be a director on 20/01/2015

Mr. Austin Calleja
Ceased to be CFO and director on 31/08/2015

Mr. Alfred Quintano
Ceased to be a director on 13/02/15

The Audit Committee is composed of three non-executive Company directors. Its role is to monitor internal systems and related costs. During the period under review it met four times.

The Chief Executive Officer is accountable to the Company's Board of directors for all business operations.

From left to right: (Back Row) Mr. Nikolaus Gretzmacher, Mr. Alan Borg - (Middle Row) Mr. Karl Dandler, Ms. Rita Heiss, Dr. Louis de Gabriele (Company Secretary) - (Front Row) Dr. Cory Greenland, Dr. Youssef Sabeh

Executive Committee

The Executive Committee is made up of the Chief Executive Officer (who heads the committee), the Chief Financial Officer, and the heads of each department. On average, the Executive Committee meets three times a month.

The members of the Executive Committee for the year under review were:

Mr. Alan Borg
Chief Executive Officer

Mr. Karl Dandler
Chief Financial Officer

Ing. Martin Dalmas
Airport Operations

Mr. George Mallia
Retail and Property

Mr. Ian Maggi
Innovation, ICT and Procurement

Ms. Vicki Brown
Projects

Ing. Michael Lombardi
Technical Facilities

Mr. Patrick Murgo
Security

Ms. Tina Lombardi
Strategy and Business Development
Appointed on the 02/10/2015

Ms. Fleur Farrugia
HR Administration & Employee Relations
Appointed on the 09/11/2015

Mr. Markus Klaushofer
Ceased to be the CEO
of the Company on 20/01/2015

Mr. Austin Calleja
Chief Financial Officer
Ceased to be the CFO of
the Company on 31/08/2015

The Chief Executive Officer has the authority to appoint the people to fill each post on the Executive Committee.

From left to right: Ms. Tina Lombardi, Mr Ian Maggi, Mr George Mallia, Mr Alan Borg, Mr. Karl Dandler, Ms. Vicki Brown, Mr. Patrick Murgo, Ing. Martin Dalmas

Our Strategy

Our Strategy

The CEO's office together with the strategy team got down to brass tacks and revised the statements which explain the Company's mission, vision, and values. In essence these have remained the same, but they are now framed in a way that encourages employees to identify with them and understand better what their role is in the bigger picture. The vision, mission, and values form the backbone of our strategy, which has been summarised to ensure our leadership and their teams clearly understand our goals and priorities.

Mission
Our mission is to operate Malta's airport in a sustainable manner, provide an enjoyable visitor experience and deliver value to our stakeholders.

Values

Vision
Our vision is to offer the best airport experience in Europe that consistently seeks to delight our guests.

Integrity
We embrace the highest standards of integrity in all our actions particularly honesty and commitment.

Sustainability
We cherish sustainable strategies that balance the interests of the community on which we have an impact, the environment and our economic performance over the long term.

Teamwork
We seek to build the success of this Company on the teamwork of our people and collaboration with our airport and tourism partners in order to satisfy the needs of our guests.

Service Excellence
We want our people to provide excellent service to each and every guest. We aim to be caring and meticulous in everything we do and continually seek to exceed our visitors' expectations.

Strategy

To offer our guests a valuable and unique experience. We believe that by delighting our guests and making their visit to the airport a memorable experience, they are more likely to become loyal customers and promoters of our brand.

To continually invest in a well-designed and efficient airport which meets and exceeds the needs and expectations of our customers.

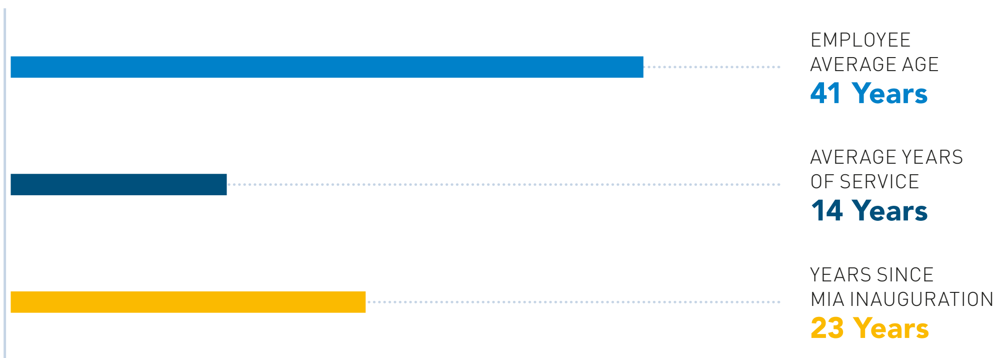
In addition, and by way of diversifying our business model from our core aviation business, the Company is to continue investing in its retail and property segment, capitalising on the SkyParks Business Centre brand, and making our landside investment one of Malta's top destinations.

Finally, we consider the investment in our people and their talents as fundamental to reaching our strategic objectives. This, together with our pursuit of constant innovation is the ultimate way in which we can compete successfully and achieve sustainable growth.

Our Employees

Our Employees

At the heart of the Company are its employees, whose passion and commitment ensure that the Company is well supported. With an average of 306 employees working at Malta International Airport this year, the Company constantly engages in activities that promote a healthy and thriving work environment which includes continuous investment in training and coaching, employee wellbeing programmes and occupational health and safety.



Training & Development

The Company's employees are its biggest asset and continuous development is critical to upskilling the workforce to match the needs of an ever-changing market. This helps the Company remain relevant and competitive in the industry it operates in.

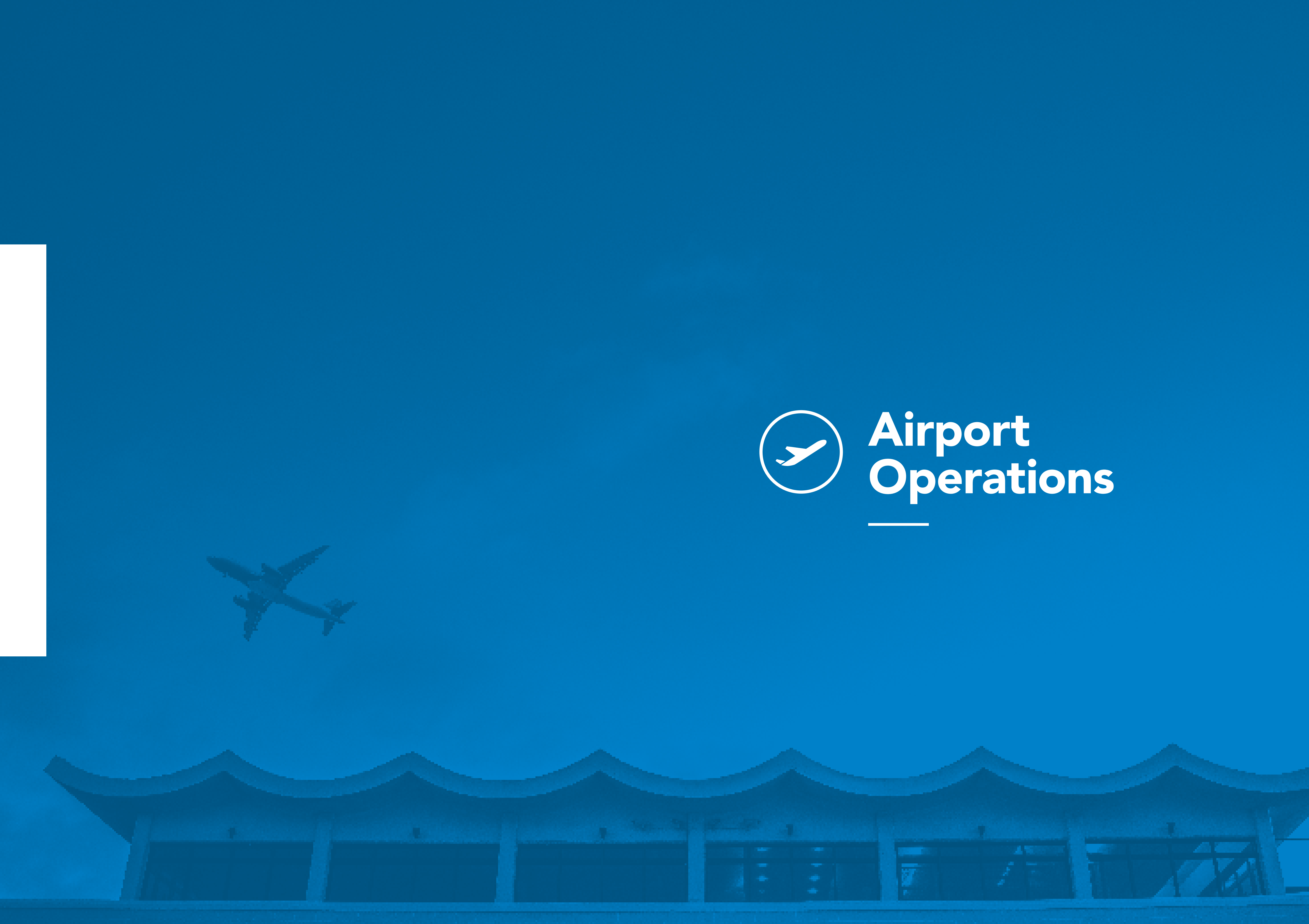
Employees across all levels of the organisation attended various seminars, courses, and conferences, both locally and abroad, amounting to over 4,000 hours.

Technical Training

Security Profiling Technique Training
Heating, Ventilation & ACs

Specialised Training

Airport Operations Training
Aeronautical Meteorological Forecasting
Airport Management Training Programme
Crisis Management Training & Simulator



Airport Operations

Operations

Customer Services

Our Customer Services team are the face of our Company, constantly interacting with our guests to provide them with an exceptional experience at every point throughout their journey. They are the ambassadors of our vision in offering an airport experience that consistently seeks to delight our guests.

The department is engaged in a range of services - from addressing the travel queries of our guests, to supporting our terminal operations, and resolving or managing complaints promptly and effectively. Our portfolio of La Valette Club services is also delivered by our front-liners, ensuring that discerning guests receive the more exclusive and personal airport experience they deserve.

The Customer Service team's sheer dedication and fervour for service excellence constituted the keystone of our success in managing the arrival and departure of over 2,500 Heads of State and their delegations, under conditions of exceptionally demanding protocol during the Valletta Summit and the CHOGM 2015.

Aerodrome Operations

2015 was yet another successful year, with the number of passenger movements through Malta International Airport surpassing the record numbers registered in 2014. These movements peaked in the summer period necessitating more meticulous planning to ensure the optimal use of all resources available to the airport to provide the best experience to all our guests.

Many coordinated efforts are made among airport operators and our key stakeholders to ensure the smooth day-to-day operations of Malta International Airport. Moreover, major national events such as the CHOGM 2015 create specific needs that require a stepped-up synergy among airport operators and stakeholders in order to be managed successfully.

As a result of our dynamic teams and our stakeholders, Malta International Airport's performance on a number of key performance indicators in ACI's Airport Service Quality (ASQ) survey was remarkable. The airport placed second in the Best Airport by Region (over 2 million passengers) category. While this is a good result, a drive to aim for the top spot in this prestigious award is being encouraged across the whole operation.

To enhance airport operations, a number of infrastructural projects were completed in 2015:

- Expansion of the Non-Schengen Arrivals & Departures areas and the construction of a new linking Schengen Arrivals corridor;
- Completion of upgrade works on Taxiway Charlie and Runway 23-05;
- Provision of an aircraft baggage ULD storage area (completed in Q1 2016);
- New modern signage facilitating way-finding;
- Upgrade of the Meteorological Services software platforms to provide more accurate meteorological forecasting and weather observations for aviation and domestic needs.

Fire-fighting services

The Malta International Airport Rescue and Fire-Fighting Services infrastructure and fire-fighting staff permit the Airport to ensure a rescue and fire protection capability equivalent to International Civil Aviation Organisation CAT 9.

Emergency operations

In order to enhance these services and consequently the ability to act in emergency situations, in 2015 the Company invested heavily in its infrastructure including:

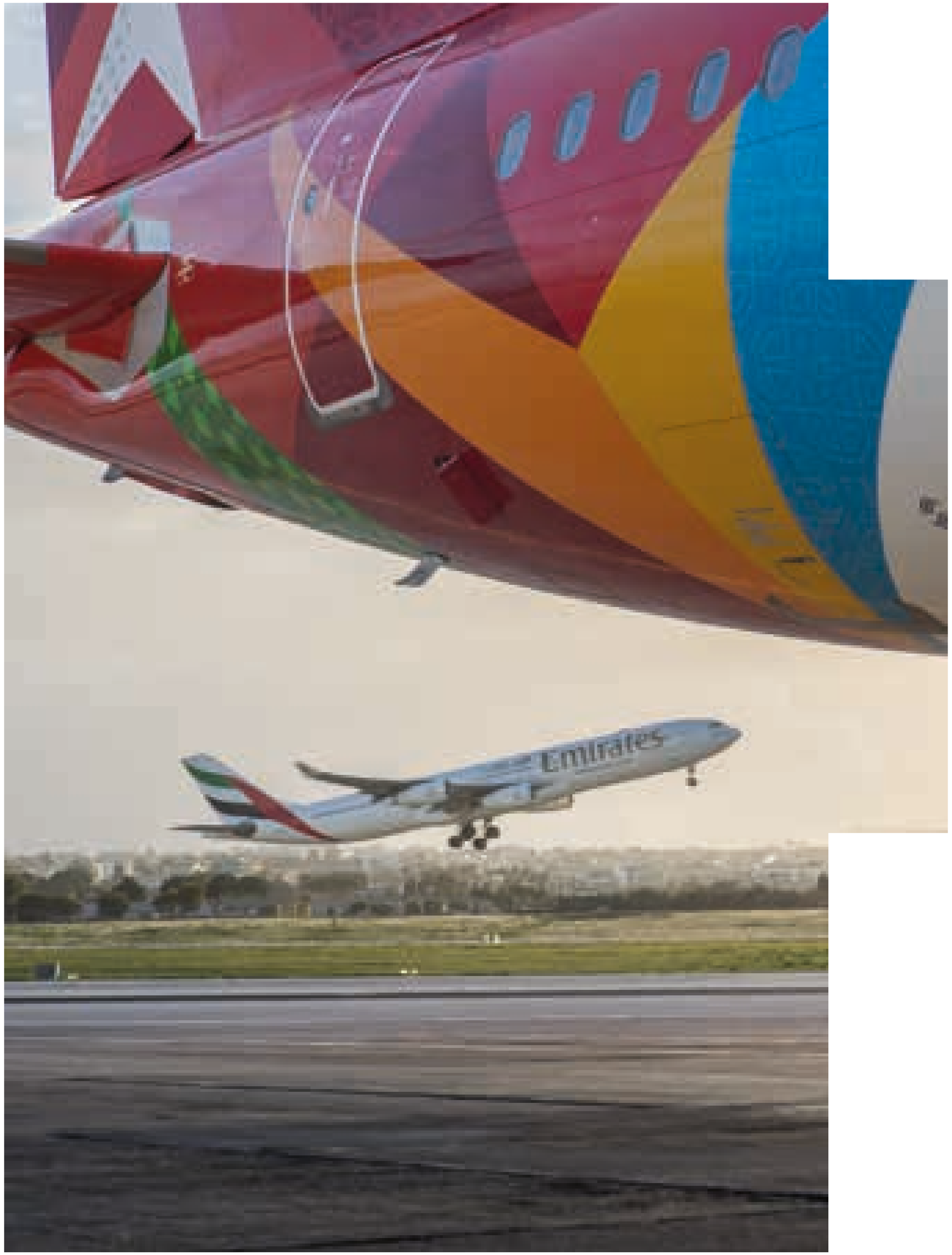
- Update of the aircraft recovery equipment inventory to improve the Company's ability to deal with disabled aircraft on its runway and taxiway infrastructure.
- Renovation of the Aircraft Accident Emergency Operations facility located off the Terminal, which now provides access to the latest technology and temporary facilities to emergency managers.
- Setting up of a communications and supervision hub within the Air Terminal, providing centralised means of situational control to Company managers in the event of a crisis.

Security

Security at the airport is our topmost priority, with the security services operating to ensure that a secure environment exists for all stakeholders who make use of our airport facilities. During the year under review, several investments were undertaken to augment these services in line with the most recent EU regulations related to aviation security.

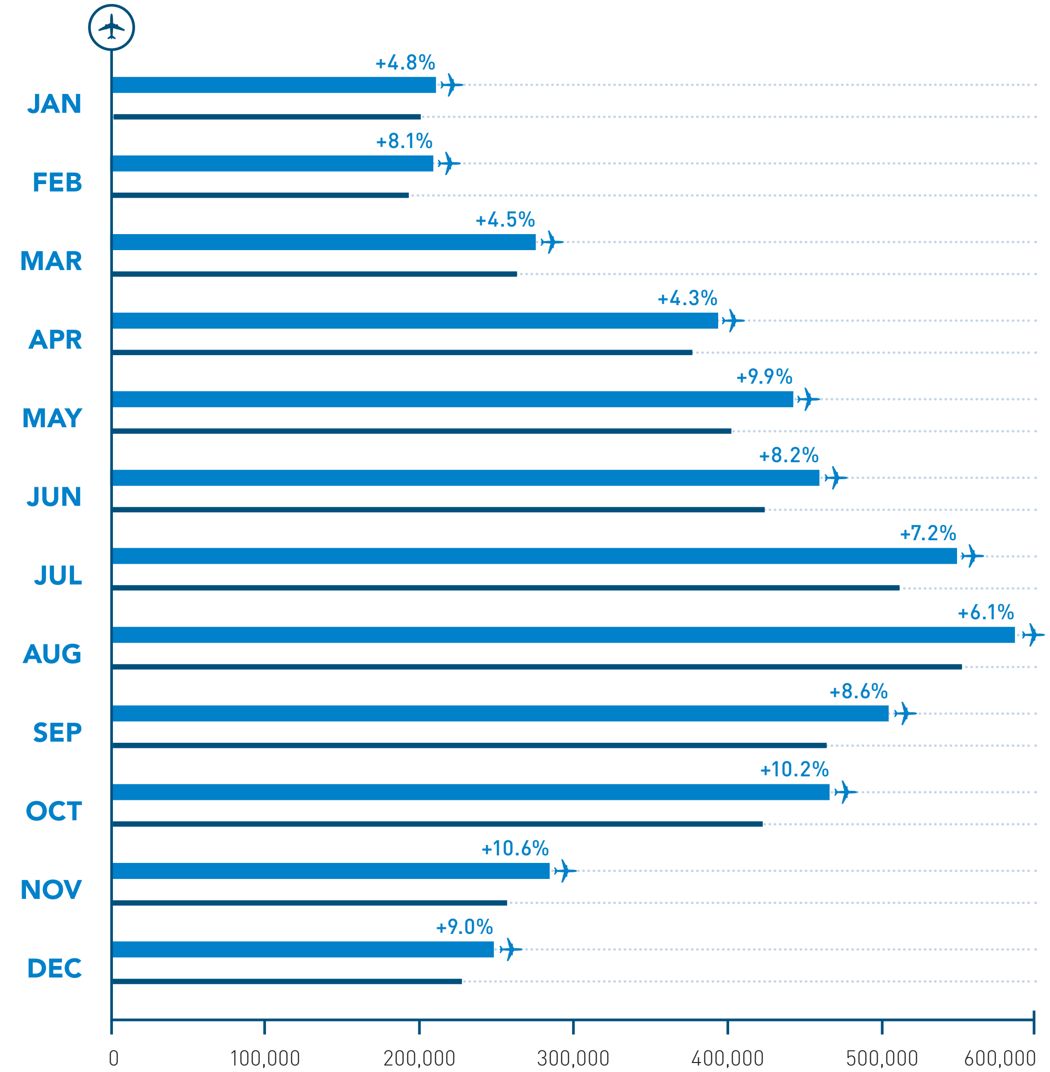
- Refurbishment of the central screening area and procurement of new Explosive Trace Detection (ETD) equipment, enabling the new screening of passengers and hand baggage, as per EU regulations, as of September 1st 2015.
- Installation of anti-return gates and anti-return alarms, enabling the proper segregation of the different areas within the airport and guaranteeing different levels of security at the airport.
- Procurement of anti-terrorist street furniture to enhance the protection for the terminal building.

Traffic Report



Traffic Results

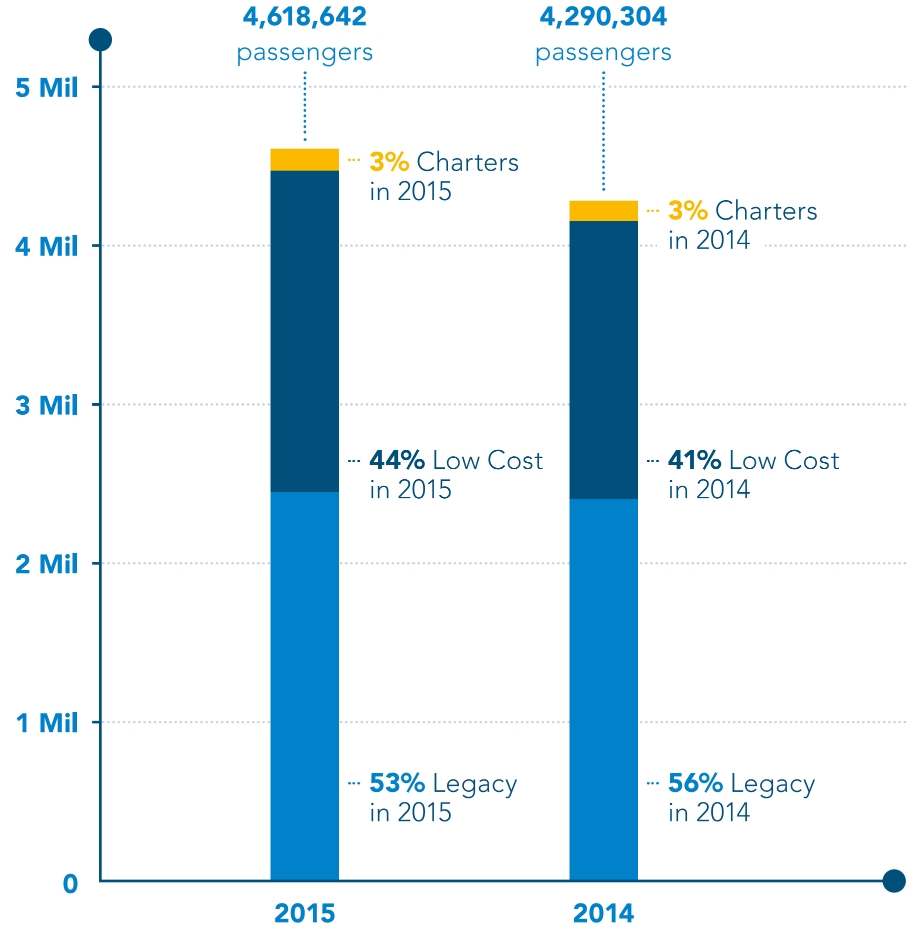
Total Passengers	2015	2014	Growth	% Growth
	4,618,642	4,290,304	328,338	7.7%



Traffic Results for **2015**

Traffic Results for **2014**

Business Mix



Top Airlines

Rank	Airlines	2015	2014	Growth	% Growth
1ST	Air Malta	1,729,625	1,740,093	-10,468	-0.6%
2ND	Ryanair	1,225,663	1,096,366	129,297	11.8%
3RD	Easyjet	331,484	328,190	3,294	1.0%
4TH	Lufthansa	215,435	224,978	-9,543	-4.2%
5TH	Wizz Air	151,218	86,579	64,639	74.7%

Top Destinations

Rank	Destination	2015	2014	Growth	% Growth
1ST	London - Gatwick	339,751	333,052	6,699	2.0%
2ND	Frankfurt	282,075	277,075	5,000	1.8%
3RD	Rome - Fiumicino	248,754	239,830	8,924	3.7%
4TH	London - Heathrow	187,843	185,718	2,125	1.1%
5TH	Manchester	166,470	160,577	5,893	3.7%
6TH	Catania - Fontanarossa	144,961	123,199	21,762	17.7%
7TH	Munich - Franz Josef Strauss	140,802	148,175	-7,373	-5.0%
8TH	Istanbul - Ataturk	118,343	62,550	55,793	89.2%
9TH	London - Luton	116,116	106,546	9,570	9.0%
10TH	Bergamo	109,115	92,437	16,678	18.0%

Top Markets

Rank	Destination	2015	2014	Growth	% Growth
1ST	United Kingdom	1,285,406	1,227,534	57,872	4.7%
2ND	Italy	926,498	818,099	108,399	13.3%
3RD	Germany	617,170	598,695	18,475	3.1%
4TH	France	278,629	277,666	963	0.3%
5TH	Spain	138,889	123,445	15,444	12.5%
6TH	Netherlands	129,714	111,729	17,985	16.1%
7TH	Turkey	118,343	64,758	53,585	82.7%
8TH	Switzerland	108,997	91,854	17,143	18.7%
9TH	Austria	108,845	95,483	13,362	14.0%
10TH	Poland	103,559	69,016	34,543	50.1%

Traffic Report

Traffic Development

In 2015, Malta International Airport welcomed more passengers than ever before, surpassing the 4.5 million mark and registering an increase of 7.7% over the previous year. With 4.62 million passengers coming through the terminal doors and growth registered every single month, it is clear that the Island's strategy to become a year-round destination is working.

Malta International Airport's connectivity extended to 95 destinations and 86 cities served by 37 commercial airlines during the year under review. The exceptional growth is in part attributed to the new capacity secured, having launched five new airlines, namely Aegean, Finnair, Jet2.com, Swiss and Transaero. Additionally, several existing airline partners continued to add seat capacity and frequencies to MLA's schedule.

Furthermore, the overall seat load factor for 2015 improved by 1.4 percentage points to reach a new all-time record of 81.1%, as airlines were more efficient in filling seats deployed to Malta International Airport.

Competitiveness

Malta International Airport is committed to maintain competitiveness for its airline partners. The airport's charges have remained unchanged since 2006, denoting a decrease of the airport cost to airlines in real terms. Over and above this, our 2007 incentive program was revised in 2012 to include an additional four schemes. Incentives include free landing in winter, reductions on parking, rebates on night surcharge and marketing support, provided that certain eligibility criteria are met. In 2015 airlines flying to and from Malta benefitted from over €6 million.

Route Development Strategy

The traffic development team at Malta International Airport actively works on developing a route network that enhances Malta's connectivity with the rest of the world. These efforts are strategically aligned to the marketing endeavours of Government and the Malta Tourism Authority in promoting Malta as a tourist destination.

The airport was represented in four international conferences, hosting over 60 meetings with more than 20 airlines in 2015. As a result of these initiatives, a number of airlines extended their schedule into winter for the first time, while securing 3 new airlines and 2 new routes in 2016.

"New airline Volotea will operate three weekly flights from Catania as of March, whilst Czech Airlines and Iberia Express will operate a limited summer schedule from Prague and Madrid respectively. Meanwhile, Ryanair will expand their presence in Malta to three aircrafts while adding 10 routes to their network in 2016. Wizz Air will also continue to develop further traffic to Malta by deploying further seat capacity to Eastern Europe this year."

In 2016, the Company will build on 2015's efforts to continue to grow sustainably during the shoulder months whilst improving connectivity to Russia and Scandinavia and concentrating on redeveloping the Spanish market.

New Airlines 2015

Finnair	2nd April
Transaero	26th April
Jet2.com	21st May
Aegean	2nd June
Swiss	1st July

New Routes 2015

Finnair	Helsinki	2nd April
Wizz Air	Warsaw	4th April

New Airlines 2016

Volotea	Catania	24th March
Czech Airlines	Prague	11th June
Iberia Express	Madrid	18th June

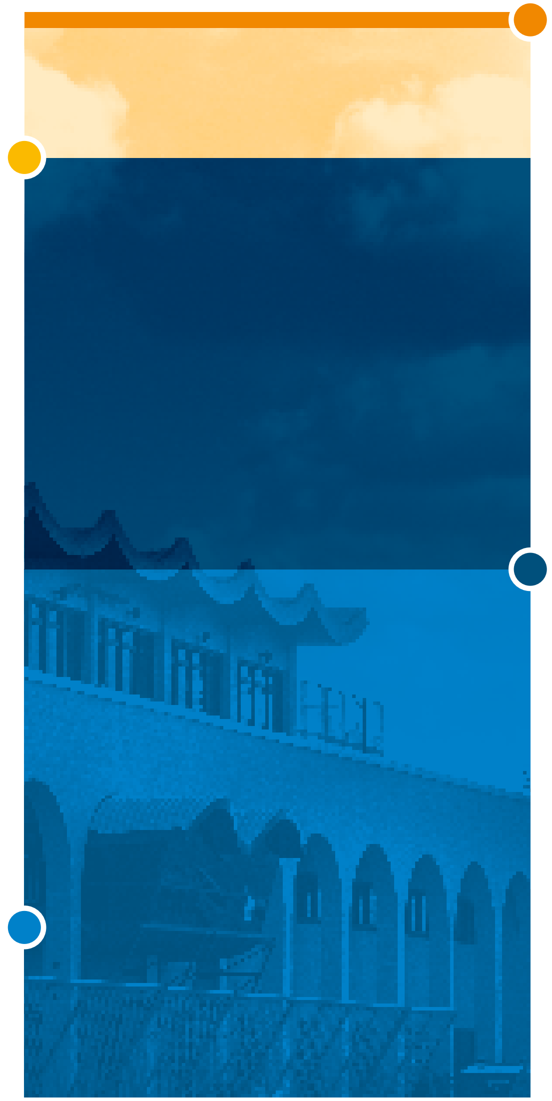
New Routes 2016

Ryanair	Poznan	18th March
Ryanair	Baden-Baden	19th March

Capital Expenditure

TOTAL EXPENDITURE

€7,200,000



ICT

€300K

- Upgrades to network infrastructure
- Passenger feedback system
- IT Hardware upgrade
- New IT systems

Airfield Improvements

€1.00 Mil

- Rehabilitation of Taxiway Charlie
- New Emergency Operations Facility
- Aircraft Recovery Equipment

Operations & Security

€4.06 Mil

- Network Re-organisation & new Generator Sets
- Car Park Extension
- Explosive Trace Detection Equipment Security Infrastructure

Terminal Expansion & Embellishment

€1.88 Mil

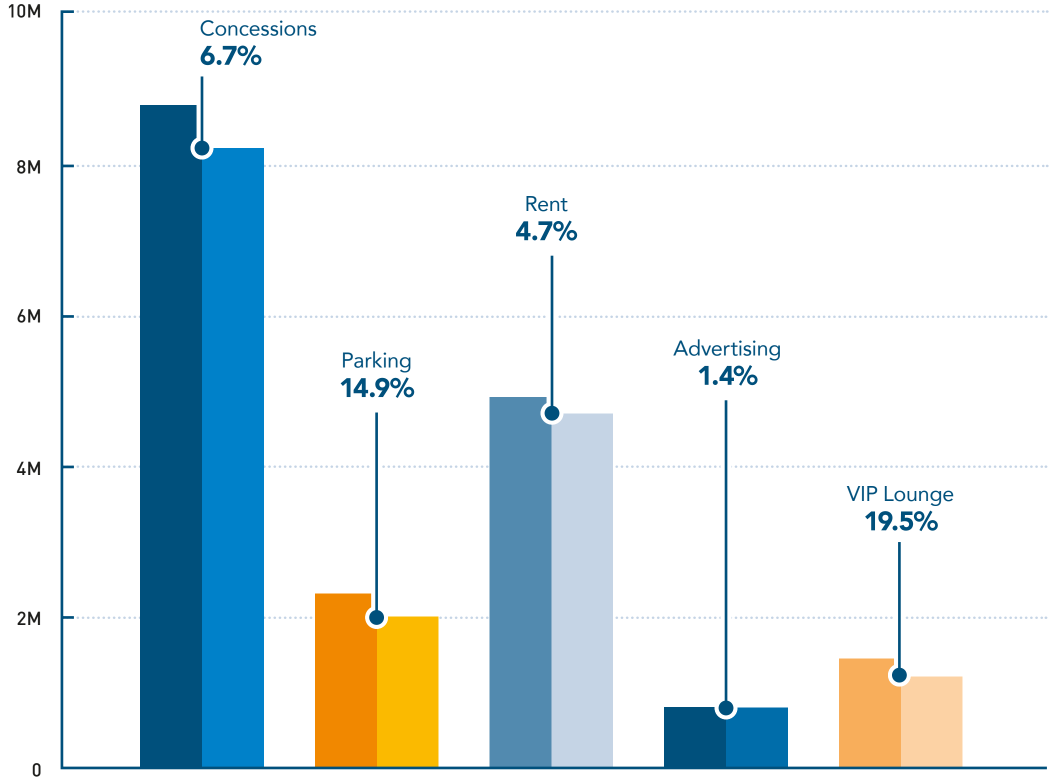
- Non-Schengen Expansion
- New Signage
- Retail Embellishments

Retail & Property Report

Retail & Property Report

Malta International Airport's focus on developing its retail and property segment is testament to the Company's commitment to diversifying its business and enhancing its guests' experience at the airport. The Company believes that an enhanced airport experience goes beyond comfortable and secure travel, to incorporate shopping, dining, and entertainment.

During the year under review, a number of airside and landside outlets underwent extensive refurbishment to provide guests with added value. Last year's most significant landside project was the modernisation of the food court to give it a more welcoming feel. Moreover, for the added convenience of guests and visitors, more parking spaces were added and the Mc Donald's carpark was extended by a further 75 spaces.



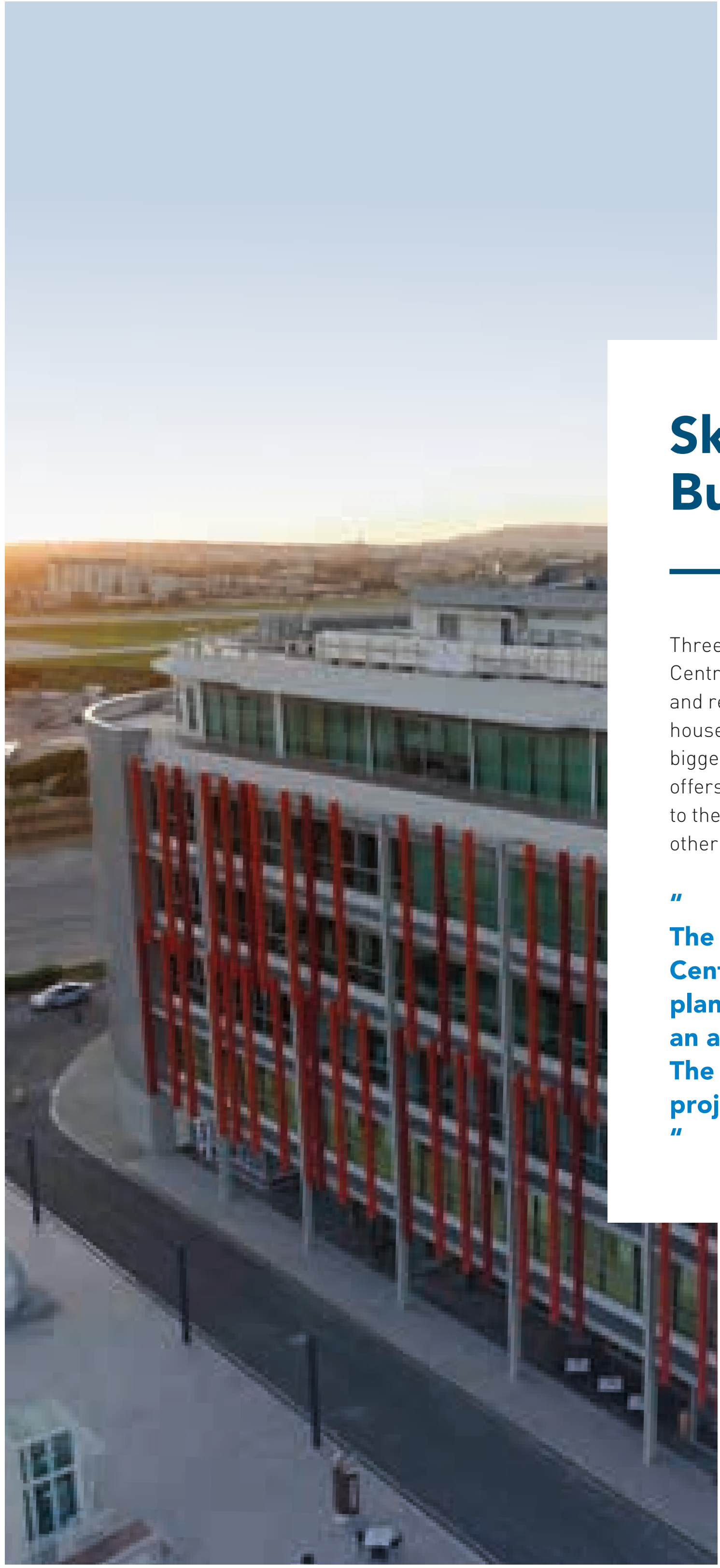
Concessions

Airside renovations
Hard Rock
Swarovski
Bling relocation
New HEBE concept store

Landside renovations
Dr Juice new concept store
Claire's refurbishment
New Hebe Concept store
New Food Court

Airport Parking Limited

Mc Donald's extended carpark – extended further by 75 spaces



SkyParks Business Centre

Three years into its inauguration, SkyParks Business Centre has reached its full potential with all office and retail space filled. SkyParks Business Centre houses over 1,000 employees and some of Malta's biggest brands. The fact that the business centre offers a number of facilities which are complimentary to the needs of our tenants, differentiates it from other business centres on the island.

"The success of SkyParks Business Centre has driven MIA to draw up plans for SkyParks 2, which will be an all-round commercial centre. The estimated costs of this project total €40 million."

Sustainability Report

Corporate Responsibilty (CR) Strategy

Malta International Airport approaches corporate responsibility through a dual pronged strategy which aims to achieve two complementary objectives – to measure, monitor and manage the Company's positive and negative impacts; as well as to channel external investments through our not-for-profit Malta Airport Foundation.

Our first objective concerns managing the Company's influence on its operating environment and falls under the remit of the CR Committee. This has been addressed partly through the implementation of annual sustainability reporting which adheres to the Global Reporting Initiative (GRI) standards.

The Malta Airport Foundation is independent of the airport and was set up to increase the transparency and focus of the airport's CR investments. It has already been instrumental in implementing and administering initiatives, which enhance the local environment and Malta's tourism product for the benefit of both tourists and locals alike.

Together, these initiatives enhance transparency and accountability in our corporate responsability efforts. The rationale for these measures includes, but is not limited to, the notion that reducing or removing our negative impacts and conversely enhancing or introducing positive ones contributes to the sustainability of the airport, and the tourism industry at large.

About the Global Reporting Initiative

GRI sustainability reporting is a means for monitoring, reporting and managing the sustainability of practices within an organisation, across Environmental, Economic and Social categories. Malta International Airport is the first organisation in Malta to adopt and publish GRI reporting standards and in doing so has voluntarily chosen to publicise its sustainability performance and practices to the general public and to have its sustainability report independently audited. Goals for the GRI report are set and monitored by the CR Committee, which is chaired by the CEO and comprised of a cross-section of the Company's management team.

To read the full sustainability report following GRI's standards and the independent auditor's report visit www.maltairport.com

Sustainability Performance Summary: GRI Environmental Category

Overview

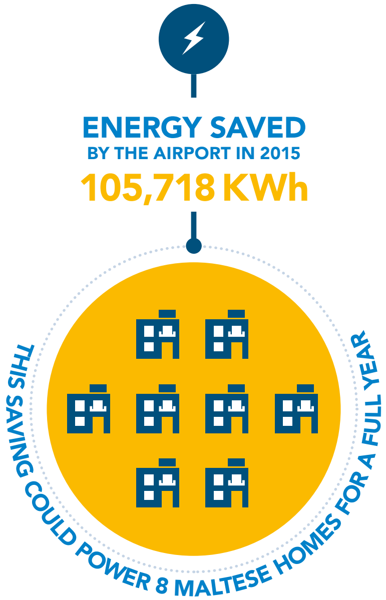
The overall environmental sustainability goal for 2015 was to reduce carbon emissions resulting from electricity and fuel consumption, while also aiming to generally reduce consumption of water, electricity and fuel across the board. These goals were benchmarked against figures reported in 2014.

Goal: Reduce CO_2 emissions resulting from electricity consumption.

Performance summary

Reductions of 1% were reported for consumption of electricity purchased from Enemalta Plc., while electrical production from the airport's PV system increased by 13%.

In 2015 there was a reduction of 105,718 KWh in total electricity consumed. With the energy saved by the airport in 2015, we could power 8 Maltese homes for a full year.



Goal: Reduce water consumption.

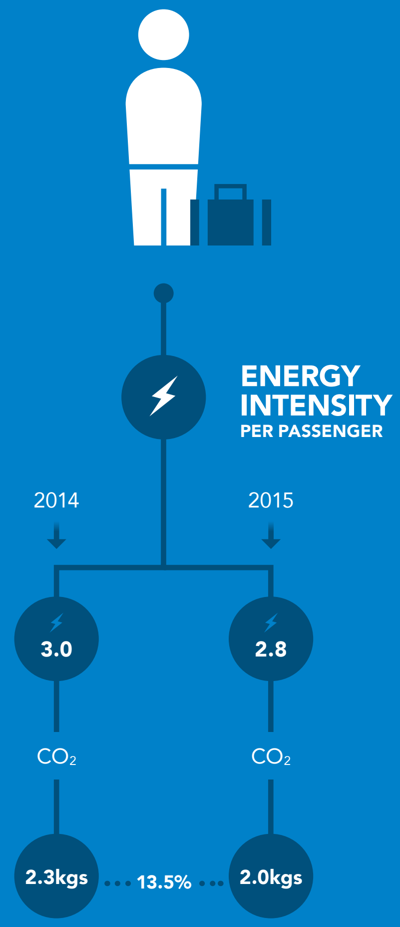
Performance summary

22% reduction in water consumption sourced from the Water Services Corporation. On account of extended hot weather experienced in 2015, consumption of non-potable ground water sourced from contractors for irrigation purposes increased by circa 5%.

Goal: Reduce CO_2 emissions resulting from fuel consumption.

Performance summary

Reductions of 10.9 tonnes of CO_2 resulted from reductions in fuel consumption of the airport's generators, vehicles and fuel for fire training exercises. The decrease is mainly attributable to a more efficient vehicle fleet for the Company's management, which was replaced in 2014, resulting in reductions in diesel consumption.



Concluding Observations

The drop in energy consumption is attributable to the installation of more energy efficient LED terminal signage, external lighting, and lighting in the Baggage Reclaim Area.

During the reporting period, passenger movements increased, while CO_2 emissions per passenger dropped from 2.29kgs to 1.98 kgs. Net water consumption also fell. These reductions combined with fuel consumtion trends led to a decrease in direct and indirect CO_2 emissions by 700 tonnes in 2015.

Moreover, energy intensity per passenger decreased from 2.978 in 2014 to 2.702 in 2015.

Sustainability Performance Summary: GRI Economic Category

Overview

In 2015 the airport generated a Direct Economic Value of €69,935,425 of which €58,848,603 were distributed in the form of operating costs, wages and benefits, payments to providers of capital, payments to government, and reinvestments into the local community. The Economic Value retained stood at €11,086,822 and Capital Expenditure for the year was of €7.2 million.

Goal: Increase the group's non-aviation income as a percentage of the group's total revenue to 30% or more.

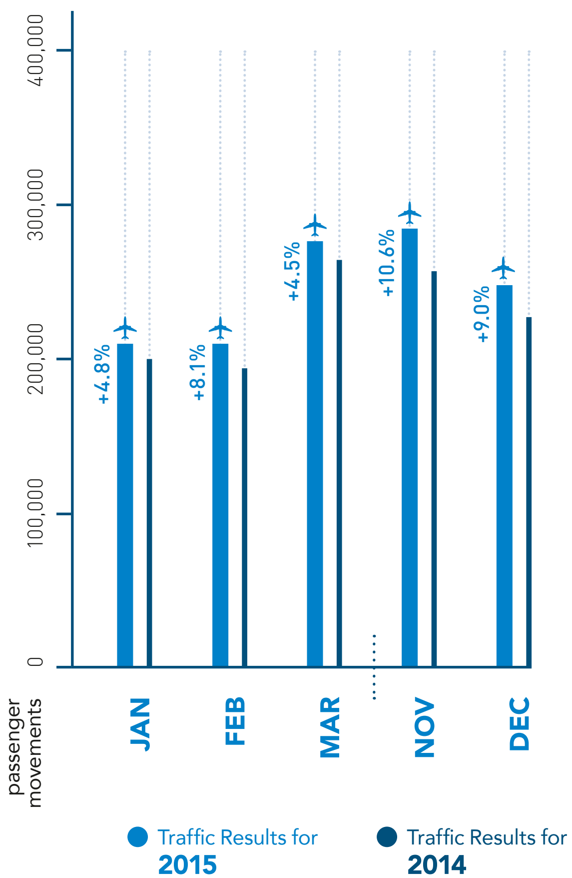
Performance summary

This was achieved through continual reinvestments in the airport's food and retail offering, as well as the development of SkyParks Business Centre which by 2014 was fully occupied in terms of office space, and fully occupied in 2015 in terms of the retail and services space. Growth in the airport's property, food and retail segments pushed the Company's non-aviation share of revenues to 30.6% in 2015.

Goal: Increase the amount of passenger traffic in the shoulder months year-on-year.

Performance summary

This goal was successfully achieved thanks to ongoing close collaboration with major stakeholders in the tourism industry such as the Malta Tourism Authority. Better destination marketing as well as successful incentives schemes have played a big role in meeting this aim.

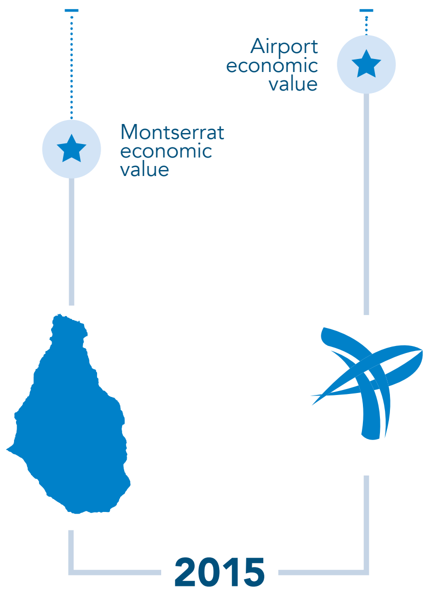


Goal: Improve the Group's positive contributions to the local economy year-on-year.

Performance summary

This was successfully achieved and has been measured in terms of 'Return on Equity' as a primary metric. The aim was to achieve an ROE of 21% or more and this was the case in 2015. 20% of the airport is owned by the Maltese government and a further 30% is owned by mostly-local private investors. By aiming to increase the value and returns of their equity, we have created wealth for the local economy and distributed it in a way that catalyses further local investment, circulation of currency, and confidence in the local economy.

Aside from its direct contributions to government, the airport also catalyses key industries and indirectly contributes €80m into the local economy, as well as indirectly supporting around 2,100 jobs. The majority of goods and services used in 2015 (86.5%) were procured locally, while 9.0% were obtained from the EU and the remaining 4.6% from non-EU sources.



Concluding Observation

In 2015 the airport generated more economic value than the GDP of the Caribbean nation of Montserrat, which is almost equal to Malta in size.

Sustainability Performance Summary: GRI Social Category

Overview

A total amount of 4,000 hours were spent on training this year which was offered in the form of degree sponsorships for management, internships and work exchange programmes, as well as the Graduate Management Programme. Four of the Company's eleven committees were introduced during 2015 namely: Corporate Responsibility Committee, Customer Value Propositions Committee, Finance Committee and Risk Management Committee.

Goal: Offer undergraduates the opportunity to gain valuable and unique work experience on a paid, full-time basis and the possibility to pursue a career at the airport at the end of the programme.

Performance summary

This was achieved with the launch of the Graduate Management Programme, an initiative to offer university under-graduates with valuable work experience. The Programme received 117 applications from university students and, after a rigorous interview process, resulted in 5 graduates being offered a place on the programme, which began in November 2015.

Goal: Improve employee wellbeing by providing free fresh fruit and vegetables at the office so as to start encouraging healthy 'snacking' at the office.

Performance summary

This initiative was highly successful and involved over 220Kgs of fruit and vegetables being delivered every week as part of a pilot Employee Wellbeing programme. Uptake rates were 98% and the scheme will be repeated and expanded upon this year.

Goal: Improve employee wellbeing by providing support for soon-to-retire employees.

Performance summary

The airport as a responsible employer and conscious of the psychological effects of retirement engaged in discussions with the Richmond Foundation in 2015, an NGO specialising on mental wellbeing, with a view of devising a programme for soon-to-retire MIA employees, encompassing the pre-retirement and post-retirement stages. The initiative will be launched in 2016 when it is expected that there will be three retiring employees benefiting from this pilot test programme.

Goal: Offer more opportunities for satisfying, meaningful work to persons with a disability.

Performance summary

In an effort to be a socially responsible employer, the airport has made efforts to increase its intake of persons with a disability and consulted the Lino Spiteri Foundation, an NGO specialising in helping vulnerable groups gain employment. The intention is to match employment opportunities at the airport with the talents of persons with a disability so as to add value to the business and offer them meaningful and satisfying employment. This matching exercise should result in employment opportunities in Q1 2016.

The staff turnover rate was lower than it was in 2014 partially due to the introduction of a Voluntary Early Retirement Scheme which was taken up by 14 employees in 2014.

Concluding Observation

4,000 hours of training were supported by MIA in 2015 – or about as long as it takes for one person to obtain a Bachelor's Degree.

The Malta Airport Foundation

The Malta Airport Foundation was entered into the register of Voluntary Organisations in 2015, working hand in hand with the airport to manage its investments in projects which protect and enhance Malta's tourism product. Projects are assessed and evaluated by the airport's CR Committee and then implemented and/or managed by the Foundation.

The Foundation Board in the year under review is comprised of the following members:

Frederick Mifsud Bonnici
Chairman

Frank Salt
Co-administrator

Simone Mizzi
Co-administrator

Kevin-James Fenech
Secretary to the Board of Administrators

In its first year of operation the Foundation convened four Board meetings and oversaw the following initiatives:

Treading uncharted waters with a unique Filfla Underwater Documentary

In 2015 the Malta Airport Foundation agreed to sponsor the production of a documentary about the little known underwater habitat surrounding the protected island of Filfla. The 20 minute documentary is the latest in a series being produced by an award winning team for 'The Panacea Project' and is intended to promote a message of conservation. The documentary will be released in mid-2016 and promises to take viewers closer than they have ever been to the enigmatic island. The Maltese Islands are visited by about 60,000 scuba divers each year who choose the destination for its year-round temperate weather, calm sea conditions and diverse marine life. The issue of preserving and protecting this marine habitat is of crucial importance both in terms of our collective heritage and our tourism product.

All along the watchtower: Restoration at Ta' Xutu

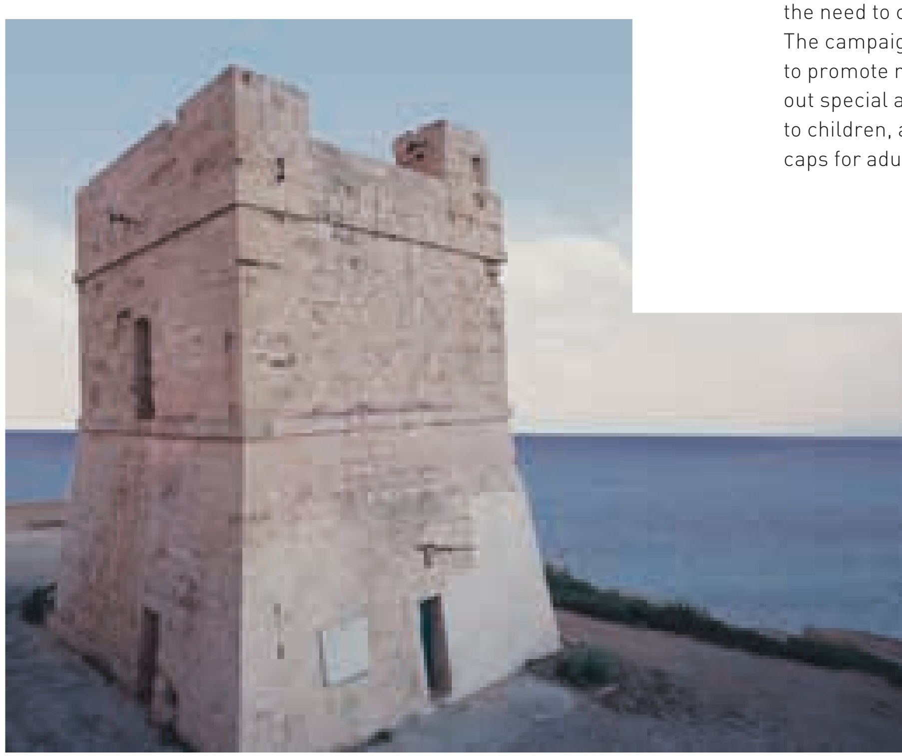
The complete restoration of Ta' Xutu Tower in nearby Wied iż-Żurrieq was the Foundation's first project and is set to be completed in 2017 following a total investment of €120,000. The 17th century watchtower which overlooks the island of Filfla had fallen into disuse and disrepair and was in need of an extensive renovation.

Initial works focused on the roof in order to prepare for bad weather and prevent rain from further damaging the tower. Cement which had been plastered around the exterior was removed, leading to the discovery of a limestone badge denoting the King's Own Malta Regiment (KOMR). A further discovery was made when the small room behind the tower was cleaned, revealing stone hobs used for cooking, called 'fuklar' in Maltese. Several other works including the repainting of the external walls and restoration of the roof cannon have also been conducted.

The ultimate goal of the initiative is to convert the tower into a visitor centre for locals and tourists, featuring informative exhibitions and allowing visitors access to the roof for an unparalleled viewpoint of Filfla. The project also underlines the airport's commitment to developing and enhancing Malta's southern region.

Launching on a high note with Nicola Said

Soprano Nicola Said is a promising young Maltese talent making waves in the international world of opera. In 2015 she was appointed as an ambassador for the Malta Airport Foundation and has been instrumental in helping to raise awareness and support for its activities, all the while singing Malta's praises as a spokesperson for our islands. The foundation is also investing in Ms. Said's education at one of the world's top conservatories, the Guildhall School of Music and Drama in London.



An idea that holds water - Catch the Drop

In 2015 the Malta Airport Foundation teamed up with the HSBC Water Programme to extend the bank's sustainable water-use campaign called 'Catch the Drop' to tourists and other passengers passing through the airport. On average, the millions of tourists who visit Malta each year consume more than double the amount of water that locals do. The awareness campaign was brought to the airport in order to raise sensitivity among both tourists and locals about the need to curb wasteful water-use habits. The campaign included a variety of initiatives to promote responsible water use, such as handing out special awareness-raising colouring books to children, as well as T-shirts and baseball caps for adults.

Small talk and Big culture with our Maltese Phrases Booklet & Paper Game

In a bid to promote greater awareness about the unique cultural legacy of the Maltese language among visiting tourists, the Malta Airport Foundation produced a simple paper booklet of common everyday Maltese phrases and their English, French and Italian translations. Malta's complex cultural heritage and traditions are a precious characteristic of life on the islands and form a major part of our tourism offering. This initiative is one of many being implemented by the airport in a bid to expose this fascinating cultural aspect of our Islands to the millions of tourists who visit each year.

The booklets were made freely available in the Baggage Reclaim Area for incoming tourists to pick up before leaving the terminal. Though this initiative was only rolled out in mid-December, the response was so positive that the majority of booklets had been collected by the end of 2015. A children's version in the form of a foldable paper game was also made available.

Risk Management

Risk Management

MIA acknowledges that risk is dynamic and inherent to all external and internal operating environments, particularly due to the existence of multiple operators on its premises. It further acknowledges that risk management is essential for good corporate governance and a fundamental component of a good management practice.

In view of this and as part of the Board of Directors' continuous drive to bolster the organisation's preparedness to operate in an ever-changing environment, in 2015 a more rigorous and comprehensive approach towards managing risks was taken. As part of this approach, a Risk Management Committee was set up and together with PricewaterhouseCoopers - the appointed business consultants on the project - it worked on renewing the Company's framework on Risk Management, which includes MIA's Risk Policy and Procedures. The Risk Management Committee serves as a primary champion of risk management at a strategic and operational level to ensure that a sound system which identifies, assesses, manages, and monitors risk on an ongoing basis is in place.

MIA has adopted a standard methodology which is based on the guiding principles of the International Risk Management Standard ISO 31000:2009 and the COSO (Committee of Sponsoring Organisations of the Treadway Commission) standard for Enterprise Risk Management.

Effective risk management within our Company focuses on achieving various objectives:

- The promotion of a Company-wide approach to risk management through the development of a common understanding of risk and an integration of risk management processes;
- The minimisation of the impact and likelihood of risk occurrences that may affect the achievement of MIA's strategy, through appropriate risk mitigation activities;
- The enabling of the design and implementation of controls that are structured to promote the effective realisation of objectives;
- The provision of appropriate assurance while still being cost-effective;
- Support for innovation and the identification of areas of opportunity to create value;
- The preservation and enhancement of the organisation's reputation;
- The protection of the interests of all MIA's stakeholders, especially through the adoption of the precautionary principle.

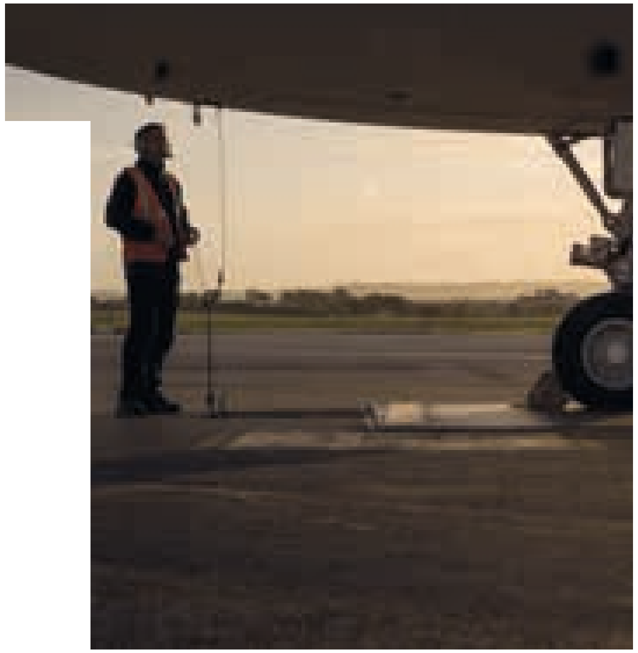
Outlook 2016

Outlook 2016

In the coming year, Malta International Airport is expecting a 2.4 per cent growth over 2015. This means that, at least 4.7 million passengers will pass through our airport.

Malta International Airport is fully aware of the importance of increasing traffic to the Maltese Islands without compromising on its ability to provide an excellent service to every guest, in an environment that affords maximum security. Only excellence ensures that guests leave with a positive, indelible impression of Malta, which can prompt them to revisit. In ensuring all of this, the airport will not lose sight of its social responsibilities and aims at maintaining sustainable passenger numbers.

Malta International Airport is conscious that the successes it achieves contribute significantly to the Maltese economic system and the nation's GDP. With this in mind, it will continue working in tandem with key stakeholders in the industry to further promote Malta as a year-round tourist destination.



Investments

In 2016, the airport has a number of investments planned totalling €9.8 million. The airfield alone will see a €6.3 million investment next year, through the rehabilitation of Apron 9, upgrades on Runway 23-05, and the replacement of the ILS (instrument landing system), which provides pilots with guidance during an approach to land. MIA will also be installing a new state-of the art AODB (Airport Operational Data Base) system, which is essentially the airport's information centre. Meanwhile, terminal embellishments will include the continuation of the refurbishment of all its washrooms and the replacement of lifts.

With traffic consistently reaching unprecendented levels, the Company has also drawn up extensive plans to improve its airport infrastructure. A €28 million terminal expansion project has been unveiled which will ensure that the airport's capacity adequately matches the increasing number of passengers that pass through it. In essence, this investment will mean more check-in desks and double the footprint for the airport's central screening area, improving our passenger flow and efficiency significantly.

The outlook is generally positive, but the way ahead will doubtlessly have its fair share of challenges. Armed with sensible investments, growth projections, and the staunch support of our employees, guests, shareholders, and stakeholders we journey on confidently and responsibly.

Looking to the Future

With SkyParks Business Centre having been a commercial success, the next phases of the Masterplan focus on capitalising the SkyParks brand further. These projects give Malta International Airport a competitive advantage as it prepares to seize opportunities within a range of business activities.

Financial Report

General Information

Directors:

Mr. Nikolaus Gretzmacher (Chairman)
Mr. Alan Borg (Chief Executive Officer)
Mr. Karl Dandler (Chief Financial Officer)
Dr. Cory Greenland
Dr. Youssef Sabeh
Ms. Rita Heiss

Company secretary:
Dr. Louis de Gabriele LL.D.

Registered office:
Malta International Airport,
Luqa,
Malta.
Tel. (+356) 21 249 600

Country of incorporation:
Malta

Company registration number:
C 12663

Auditor:
Deloitte Audit Limited,
Deloitte Place,
Mriehel Bypass,
Mriehel,
Malta.

Legal advisors:
Camilleri Preziosi Advocates,
Level 2 - Valletta Buildings,
South Street,
Valletta,
Malta.

Directors' Report

Year ended 31 December 2015

The directors present their report together with the audited financial statements for the year ended 31 December 2015

Principal activities

The Company provides and manages airport facilities at Malta International Airport and is also involved in airport-related property development. Malta International Airport plc has a 65 year concession to operate Malta's airport, a concession which commenced in July 2002. Malta International Airport plc has three subsidiaries; Airport Parking Limited, Sky Parks Development Limited and Sky Parks Business Centre Limited. Airport Parking Limited operates all the car parks situated on the land leased to Malta International Airport plc and Sky Parks Development Limited and Sky Parks Business Centre Limited run the Sky Parks Business Centre building.

Malta International Airport plc also set up five other subsidiaries; Kirkop PV Farm Limited, Luqa PV Farm Limited, Gudja PV Farm Limited, Gudja Two PV Farm Limited and Gudja Three PV Farm Limited with the intention to explore opportunities in the generation of electricity using photovoltaic technologies. However, none of the five subsidiaries set up for this purpose traded in 2015 and a decision has now been taken to start the procedures to liquidate these subsidiaries with the exception of Kirkop PV Farm Limited.

Up to 2nd November 2015, Malta International Airport plc also had 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. In November 2015, Malta International Airport plc sold its shareholding interest to the existing shareholders of Valletta Cruise Port plc.

Performance review

Traffic

Passenger traffic at Malta International Airport in 2015 reached a new milestone with traffic rising by 7.7% to reach a record 4.61 million passenger movements. This performance was partially a result of an increase of 5.8% in seat capacity as well as the introduction of new routes and the increase in frequency of existing routes, by existing carriers. Passenger growth was also a result of better utilisation of seat capacity. The overall seat load factor reached a record 81.1%, an increase of 1.4 percentage points over last year.

The aircraft movements for 2015 were 34,242 or 6.2% more than last year; whilst cargo and mail handled throughout the year increased to 16,414 tonnes or 5.6% more than the previous year.

Air Malta registered a marginal drop of 0.6% in passenger movements notwithstanding the heavy impact on the home carrier because of the lost traffic due to the suspended Libya routes and the unstable conditions in Russia which lead the airline to operate a reduced schedule to Moscow. The overall performance of the carrier improved during the summer period and Air Malta achieved marginal growth in the second half of 2015 due to the successful performance in the Italian and French markets. The second largest airline, Ryanair, achieved an 11.8% increase in passenger movements compared to the previous year due to the introduction of flights to Rome and East Midlands and the addition of flight frequencies to a number of existing routes.

Financial results

The revenue of the Group increased significantly in 2015 from €64.3 million in 2014 to €67.0 million, an increase of €2.7 million or 4.2%. The Airport Segment increased by €1.7 million from €44.7 million to €46.4 million. The Retail and Property Segment also increased by €0.9 million from €19.1 million to €20.0 million.

The increase in revenue was largely due to the increase in passenger traffic but also all other non-aviation revenue streams registered increases.

The Earnings before Interest, Taxation Depreciation and Amortization (EBITDA) of the Group increased by 5.3%; from €33.8 million to €35.6 million and the EBITDA margin increased from 52.6% to 53.2%. There was also an increase in profit before tax. Part of this increase; the company has divested its 10% shareholding in Valletta Cruise Port plc (VCP) in November 2015 to the existing shareholders of VCP giving rise to a pre-tax gain in the books of Malta International Airport plc of €1.86 million. Profit before tax increased from €26.1 million to €29.8 million, an increase of 14.3%. The total comprehensive income for the year attributable to shareholders net of tax for the Group also increased from €16.8 to €18.9 million, an increase of 12.9% over the previous year.

The good financial results of the Group for 2015 match those of the previous year and were driven by another substantial increase in volume of traffic. At the same time, the Group maintained a strict watch on its cost base, mindful of the constant challenges the aviation industry faces worldwide and especially in Europe.

Revenues

Revenues from the airport segment constitute 69.4% of the total revenues of the Group (2014 – 69.4%). Aviation-related revenues remain the single largest income stream of the Group.

The revenues from Retail and Property Segment constitute 29.9% of the total revenue of the Group compared with 29.7% in 2014.

Other income constitutes 0.7% of the total revenue of the Group (2014 – 0.9%).

Costs

The staff costs and other operating costs of the Group increased from €30.4 million in 2014 to €31.3 million in 2015. This is an increase of 3%.

Staff costs decreased significantly from €9.1 to €8.3 million because of some staff reductions at the end of 2014 following an early retirement scheme, the benefits of which are felt in the following year. Moreover, the €9.1 million staff costs of 2014 included the one-time early retirement scheme payments which payments were not made in 2015.

The other operating costs of €23.0 million were 8% above 2014. There were increases in maintenance costs, legal and professional costs as well as a substantial increase of €0.2 million in cleaning costs of the terminal and operational areas due to improvements in cleaning standards during 2015. There was also an increase of €0.7million in marketing costs to sustain the efforts of the Company to attract more traffic to Malta. On the other hand, we made some cost savings compared to 2014 due to the reduction of the utility rates in April 2015 - a reduction of €0.4million.

As regards non-operating costs, the depreciation charge for the year increased marginally from €6.5 million to €6.6 million, finance costs decreased by €0.1million and investment income increased because of the sale of VCP.

Outlook

In respect to the core business of Malta International Airport plc, passenger and cargo traffic, the Company is expecting not only to maintain the record volume of traffic of 2015 but also to register a further increase in 2016. We anticipate that three new carriers will start operating to Malta in 2016; Volotea will start operating three weekly flights from Catania whilst Czech Airlines and Iberia Express will operate a limited summer schedule from Prague and Madrid respectively. In addition, a number of existing airlines will be adding frequency to their current schedules. The home carrier, Air Malta on the other hand, is expected to reduce its fleet size but at the same time the airline plans to maintain its passenger traffic figures at the same level as in 2015 by improving its aircraft utilisation. Ryanair will be adding a third aircraft to their Malta base to introduce 9 routes to their network as from April 2016. Finnair will add a third weekly flight to Helsinki and Swiss which started operating from Zurich late in July 2015 will now operate as from February 2016. Our connectivity to Eastern Europe will continue to improve as Wizz Air and Turkish Airlines will be deploying more seat capacity to this region.

We are however, expecting EasyJet to review its Malta schedule in 2016 and will probably operate less seat capacity than in 2015. This is mainly because of their closure of their Rome base and the withdrawal of the Belfast route to Malta. The airline will however be introducing two weekly flights from Geneva as from summer 2016. Brussels Airlines have decided not to retain the twice weekly summer schedule to Malta, whilst Air Berlin will be closing its base in Basel and consequently not operating to Malta from Switzerland. The Cruise & Fly programme in 2016 will be starting a few weeks later than last year and we anticipate to have less cruise and fly traffic passenger traffic than last year because the home-porting vessel is smaller than that operated in 2015.

The International Air Transport Association (IATA) recently announced an improved industry profitability in its outlook report released in December 2015. IATA has identified a number of factors contributing towards the strengthening industry performance which include lower oil prices and strong demand for passenger travel. IATA also noted that seat capacity is increasing and is expected to move ahead of demand growth in 2016. Yields, however, continue to deteriorate amid stiff competition between airlines. IATA's Director General and CEO Tony Tyler highlighted that the airlines' profitability is better described as 'fragile' than 'sustainable'.

Nevertheless our outlook for 2016 is still optimistic albeit mindful of the inherent risks involved. We are therefore forecasting an increase in seat capacity to and from Malta which will translate in an overall 2.4% increase in passenger traffic over 2015.

With regards to planned investments in the airport infrastructure, Malta International Airport plc has plans to invest Euro 9.8 million during 2016 of which Euro 6.3 million will be spent on the rehabilitation of the main aircraft parking area, Apron 9, as well as upgrades on runway RWY 23-05 and the replacement of the Instrument Landing System (ILS) on the main runway RWY 31-13.

Malta International Airport plc will also be installing a new state-of-the-art Airport Operational Database system (AODB) which is essentially the airport's information centre. In addition, we expect to continue with the air terminal embellishment programme which will include the refurbishment of all its washrooms and the replacement of all the lifts.

Malta International Airport plc has further plans to expand the air terminal in a separate project that still forms part of the ambitious plans of the Company in 2016. Phase 1 of the project is a further investment of Euro 8 million which will include an increase in the number of check-in desks and the relocation of the central security screening area. Overall, the Company expects to invest Euro 28 million on the air terminal expansion programme which will take place over a number of years.

Share capital

The share capital of the Company is €33,825,000 divided into three classes of shares as follows:

- 81,179,990 Ordinary 'A' Shares representing approximately 60% of the total issued share capital;
- 54,120,000 Ordinary 'B' Shares representing 40% of the total issued share capital; and
- 10 Ordinary 'C' Shares.

All shares issued have a nominal value of €0.25, are fully paid up and allotted.

The ordinary "A" Shares are admitted to the official list of the Malta Stock Exchange, whilst the ordinary "B" and ordinary "C" Shares are not admitted or traded on an exchange.

The Ordinary 'A' Shares and Ordinary 'B' Shares shall entitle their holders to the same rights, benefits and powers in the Company save for the transferability thereof. The Ordinary 'A' Shares shall be freely transferable whilst the Ordinary 'B' Shares are non-transferable for a period of fifteen (15) years from the 26 July, 2002, upon which date they shall automatically become fully and freely transferable without the need of any formality.

The Class 'C' Share is held by and in terms of the memorandum of Association may only be held by the Government of Malta. It does not carry any right to receive dividends or assets on a winding up or other return of capital, but entitles the Government of Malta to appoint members on the National Interest Matters Committee pursuant to article 58.10 of the Articles of Association of the Company.

Save for the above there are no other restrictions attaching to the shares of the Company.

No changes in the share capital of the Company were made nor did the Company acquire ownership of, or any rights over, any portion of its own share capital.

The following shareholders have an interest in more than 5% of the issued share capital of the Company:

- Malta Mediterranean Link Consortium Ltd
- Government of Malta – Consolidated Fund
- VIE (Malta) Ltd
- MMLC Holding Malta Limited (formerly SNC Lavalin (Malta) Ltd)

On the 2nd February 2016, Malta International Airport plc was informed that Flughafen Wien AG, the main shareholder of Malta Mediterranean Link Consortium Ltd (MMLC) and the ultimate shareholder of VIE (Malta) Ltd, announced the signing of a share purchase agreement to acquire 38.75% of the shares of MMLC from SNC-Lavalin Group Inc., subject to the fulfilling of certain closing conditions by both parties.

By acquiring SNC-Lavalin Group Inc.'s indirect stake in MMLC, Flughafen Wien AG will increase its holding in MMLC from 57.10% to 95.85% and the total consolidated holding in Malta International Airport plc (including the 10.10% direct interest of VIE (Malta) Ltd) to more than 48%.

Appointment and replacement of directors

The Board of Directors of the Company is made up of a maximum of eight (8) directors. Five (5) directors are Non-Executive Directors and a maximum of three (3) directors, amongst whom the CEO and CFO are Executive Directors.

Any shareholder holding not less than 20% of the issued share capital of the Company having voting rights is entitled to appoint one director for each 20% shareholding by a letter addressed to the Company. In this respect Malta Mediterranean Link Consortium Limited is entitled to appoint two (2) Non-Executive Directors and the Government of Malta is entitled to appoint one (1) Non-Executive Director. The remaining Non-Executive Directors are appointed by the shareholders in general meeting pursuant to the Articles of Association.

Unless appointed for a longer term, a director holds office from one Annual General Meeting to the next and is eligible for re-appointment. The maximum period for which a director may be appointed is a term of three (3) years, following the lapse of which such director shall be eligible for re-appointment.

In terms of the Articles of Association, the CEO of the Company shall occupy one of the Executive Director positions. The other Executive Directors to be co-opted to the Board are the Chief Finance Officer and the Chief Commercial Officer.

Powers of directors

The directors of the Company have all the powers necessary to manage and direct the Company.

The Company is empowered to buy-back any of its shares, subject to the limitations and restrictions at law and the listing rules.

Subject to the authority of shareholders, to be given at five (5) year intervals, the directors are also empowered to issue further shares in the Company.

Financial result and dividends

The financial result of the Group and the Company for year ended 31 December 2015 are shown in the Statement of Comprehensive Income on page 91. The total comprehensive income of the Group for the year after taxation amounted to €18.9 million (2014: €16.8 million).

Further to the net interim dividends paid of €4,059,000 (gross €6,244,615), the Board of Directors is recommending the payment of a final net dividend of €0.07 per share (gross €0.107692) (2014 - €0.08 per share (gross €0.123077) on all shares settled as at close of business on 4 April 2016 which dividend shall be paid not later than the 19 May 2016.

Directors

The directors who served during the year were:

Mr. Nikolaus Gretzmacher
(Chairman & Non-Executive Director)

Dr. Youssef Sabeh (Non-Executive Director)

Ms. Rita Heiss (Non-Executive Director)
(Appointed director on 16 September 2015)

Mr. Alfred Quintano (Non-Executive Director)
(Ceased to be a director on 13 February 2015)

Dr. Cory Greenland (Non-Executive Director)
(Appointed director on 13 February 2015)

Mr. Alan Borg (CEO and Executive Director)
(Appointed CEO on 21 January 2015)

Mr. Karl Dandler (CFO and Executive Director)
(Ceased to be an Non-Executive Director on 1 September 2015 then appointed CFO and Executive Director from that date)

Mr. Markus Klaushofer (CEO and Executive Director)
(Ceased to be the CEO and an executive director of the company with effect from the 21 January 2015)

Mr. Austin Calleja (CFO and Executive Director)
(Ceased to be CFO and Executive Director on 1 September 2015)

Mr. Markus Klaushofer ceased to be the CEO of the Company on 21 January 2015 and consequently also ceased to be an Executive Director of the Company as from that date. Alan Borg was appointed CEO with effect from the same date, that is, 21 January 2015. Mr. Alfred Quintano, a director appointed by the Government of Malta in accordance with the provisions of the memorandum and articles of association, ceased to be a Non-Executive Director of the Company with effect from 13 February 2015. The Government of Malta appointed Dr. Cory Greenland, in his stead with effect from the same date.

Mr. Karl Dandler ceased to be a Non-Executive Director on 1 September 2015 and was appointed CFO and Executive Director from that date. Mr. Austin Calleja ceased to be CFO and Executive Director with effect from 1 September 2015. Mr. Dandler was appointed in his stead with effect from the same date.

In accordance with paragraph 56.1 of the Company's Articles of Association all the present directors are to retire at the forthcoming Annual General Meeting. The appointment of the new directors will take place in accordance with paragraphs 55 and 56 of the same Articles of Association at the Annual General Meeting.

Directors' interests in material contracts

None of the current directors had a direct or indirect interest in any material contract to which the Company or the Group was a party during the financial year.

Auditor

A resolution to reappoint Deloitte Audit Limited as auditor of the Company will be proposed at the forthcoming Annual General Meeting.

Going concern

After reviewing the Company's budget for the next financial year, and other longer term plans, the directors are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements.

Approved by the Board of Directors on 24 February 2016 and signed on its behalf by:

Nikolaus Gretzmacher
Chairman

Alan Borg
Chief Executive Officer

Karl Dandler
Chief Financial Officer

Statement of directors' responsibilities

The directors are required by the Companies Act (Cap. 386) to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the EU which give a true and fair view of the state of affairs of the Company and the Group at the end of each financial year and of the profit or loss of the Company and the Group for the year then ended. In preparing the financial statements, the directors should:

- Select suitable accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable; and
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company and the Group will continue in business as a going concern.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and the Group and which enable the directors to ensure that the financial statements comply with the Companies Act (Cap. 386). This responsibility includes designing, implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the Company and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of responsibility pursuant to the Listing Rules issued by the Listing Authority

We confirm that to the best of our knowledge:

a. In accordance with the Listing Rules the financial statements give a true and fair view of the financial position of the Company and its Group as at 31 December 2015 and of their financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU; and

b. In accordance with Listing Rules the directors' report includes a fair review of the performance of the business and the financial position of the Issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Karl Dandler
Chief Financial Officer

Corporate Governance – Statement of Compliance

1. Introduction

Pursuant to the Listing Rules issued by the Listing Authority, Malta International Airport p.l.c. (the "Company") should endeavour to adopt the Code of Principles of Good Corporate Governance contained in Appendix 5.1 to Chapter 5 of the Listing Rules (the "**Code**"). In terms of Listing Rule 5.94, the Company hereby reports on the extent of its adoption of the principles of the Code for the financial year being reported upon.

The Company acknowledges that the Code does not dictate or prescribe mandatory rules, but recommends principles of good practice. However, the directors strongly believe that such practices are generally in the best interests of the Company and its shareholders and that compliance with the principles of good corporate governance is not only expected by investors but also evidences the directors' and the Company's commitment to a high standard of governance.

The Board of Directors (the "**Board**") has carried out a review of the Company's compliance with the Code for the financial year being reported upon, namely the year ended 31 December 2015.

2. General

The directors believe that good corporate governance is a function of a mix of checks and balances that best suit the Company and its business. Accordingly, whilst there are best practices that can be of general application the structures that may be required within the context of larger companies are not necessarily and objectively the best structures for companies whose size and/or business dictate otherwise. It is in this context that the directors have adopted a corporate governance framework within the Company that is designed to better suit the Company, its business and its size whilst still ensuring proper checks and balances.

The Company has a corporate decision-making and supervisory structure that is tailored to suit the Company's requirements and designed to ensure the existence of adequate checks and balances within the Company, whilst retaining an element of flexibility.

In general the directors believe that the Company has adopted appropriate structures to achieve an adequate level of good corporate governance, together with an adequate system of checks and balances in line with the Company's requirements.

This corporate governance statement (the "**Statement**") will now set out the structures and processes in place within the Company and how these effectively achieve the goals set out in the Code. For this purpose, this Statement will make reference to the pertinent principles of the Code and then set out the manners in which the directors believe that these have been adhered to. Where the Company has not complied with any of the principles of the Code, this Statement will give an explanation for non-compliance.

For the avoidance of doubt, reference in this Statement to compliance with the principles of the Code means compliance with the Code's main principles, and the Code Provisions.

3. Compliance with the code

Principles One to Five

These principles deal fundamentally with the role of the Board and of the directors.

Principle One

The directors believe that for the period under review the Company has generally complied with the requirements of this principle and the relative code provisions.

The Board has throughout the period under review provided the necessary leadership in the overall direction of the Company and has adopted systems whereby it obtains timely information from the Chief

Executive Officer (the "CEO") as the head of the Executive Committee to ensure an open dialogue between the CEO and directors at regular intervals and not only at meetings of the Board. The Company has a structure that ensures a mix of executive and Non-Executive Directors that enables the Board, and particularly the Non-Executive Directors to have direct information about the Company's performance from the head of executive management that is also a director on the Board.

Principle Two

In line with the requirements of Principle Two, the Company has segregated the functions of the CEO and the Chairman. Whilst the CEO heads the Executive Committee, the Chairman's main function is to lead the Board, a function which the Board believes has been conducted in compliance with the dictates of Code Provision 2.2.

The CEO is accountable to the Board of the Company for all business operations. He has the power and authority to appoint the persons to fill in the post of each member of the Executive Committee. He also has the discretion to ask any one or more of such members, from time to time, to address the Board on matters relating to the operations of the Company and its Subsidiaries. The Board, of course, is entitled to call in, at its discretion, any one or more of the executives of the Company.

Principle Three

The full complement of the Board, in line with Principle Three is of five (5) Non-Executive Directors and three (3) Executive Directors, a balance that is entrenched in the Company's Memorandum and Articles, which requires that the CEO is an ex ufficio director together with a maximum of two other senior executives of the Company. The presence of top executives on the Board is designed to ensure that all the members of the Board, including Non-Executive Directors, have direct access at meetings of directors to the individuals having the prime responsibility for day to day operations and executive management of the Company and to the implementation of policies that allow effective discussion and the availability of all the information necessary to carry out their functions in the best possible manner.

The members of the Board for the year under review were:

Director	Title	Since
Mr. Nikolaus Gretzmacher	Chairman & Non-Executive Director	2012
Dr. Youssef Sabeh	Non-Executive Director	2010
Ms. Rita Heiss [1]	Non-Executive Director	2015
Mr. Alfred Quintano [2]	Non-Executive Director	2013
Dr. Cory Greenland [3]	Non-Executive Director	2015
Mr. Alan Borg [4]	CEO & Executive Director	2012
Mr. Markus Klaushofer [5]	CEO & Executive Director	2012
Mr. Karl Dandler [6]	CFO & Executive Director	2014
Mr. Austin Calleja [7]	CFO & Executive Director	2002

[1] Ms. Heiss was appointed a Non-Executive Director of the company on the 16 September 2015.

[2] Mr. Quintano ceased to be a Director on the 13 February 2015.

[3] Dr. Greenland was appointed as a Non-Executive Director on 13 February 2015.

[4] Mr. Borg served as CCO and Executive Director until the 21 January 2015, following which he was appointed as CEO and retained his seat as Executive Director.

[5] Mr. Klaushofer ceased to be the CEO and an Executive Director of the company with effect from the 21 January 2015.

[6] Mr. Dandler retained his office as Non-Executive Director until the 1 September 2015, on which date he replaced Mr. Austin Calleja as CFO and took the status of an Executive Director as of that date.

[7] Mr. Calleja ceased to be CFO and an Executive Director of the company with effect from the 1 September 2015.

Pursuant to generally accepted practices, as well as the Company's Articles of Association, the appointment of directors to the Board is reserved exclusively to the Company's shareholders, except in so far as an appointment is made to fill a vacancy on the Board.

The Board normally meets every eight (8) weeks and as a matter of Board policy, a guideline was established whereby at its first meeting, meetings are scheduled for the full year. Board meetings concentrate mainly on strategy, operational performance and financial performance. The Board also delegates specific responsibilities to the CEO and the Committees, notably the Executive Committee and the Audit Committee which operate under their respective formal terms of reference. Directors may, in the furtherance of their duties, take independent professional advice on any matter at the Company's expense.

For the purposes of Code Provision 3.2, requiring the Board to report on whether it considers each Non-Executive Director as independent in line with the requirements of that Code Provision, the Board considers each of the Non-Executive Directors as independent within the meaning of the Code.

Save for what is stated hereunder, none of the Non-Executive Directors:

(a) are or have been employed in any capacity by the Company;
(b) have or have had a significant direct or indirect relationship with the Company
(c) receive significant additional remuneration from the Company;
(d) have close family ties with any of the executive members of the Board;
(e) have served on the Board for more than twelve consecutive years;
(f) have been within the last three years an engagement partner or a member of the audit team of the present or past external auditor of the Company or any Company forming part of the same group; and
(g) have a significant business relationship with the Company.

Mr. Nikolaus Gretzmacher, Ms. Rita Heiss [8] and Dr. Youssef Sabeh (Non-Executive Directors) are currently members of the Board of Directors of Malta Mediterranean Link Consortium Limited [9], a Company holding more than 40 per cent of the issued and voting capital of the Company. Notwithstanding the above relationship the Board still considers Mr. Gretzmacher, Ms. Heiss and Dr. Sabeh, as having the required skills, experience and integrity to retain their independence and impartiality in acting as directors of the Company.

Principle Four

In terms of Principle Four it is the Board's responsibility to ensure a system of accountability, monitoring, strategy formulation and policy development.

Whilst these are matters which are reserved for the Board to determine within the Group, the Board believes that this responsibility includes the appropriate delegation of powers to management and the organization of the executive team in a manner that is designed to provide high levels of comfort to the directors that there is proper monitoring and accountability apart from appropriate implementation of policy. The Board's link to the Executive Committee is principally the CEO, together with the other two Executive Directors on the Board, both of whom are member of the Executive Committee.

The Executive Committee comprises the Executive Directors and the heads of each business unit of the Group. The role of the Executive Committee is that of policy execution, business development, finance, security, administrative and personnel matters. It also makes recommendations to the Board on matters which are beyond its remit. The Chief Executive Officer chairs the Executive Committee.

[8] Ms. Heiss was appointed director of this company with effect from 1 September 2015.

[9] Mr. Karl Dandler also served on the Board of this company until his appointment as an executive director of Malta International Airport plc on the 1 September 2015. He resigned his directorship in Malta Mediterranean Link Consortium Limited on the 31 August 2015.

The members of the Committee for the period under review were:

- Mr. Alan Borg – Chief Executive Officer [10]
- Mr. Markus Klaushofer – Chief Executive Officer [11]
- Mr. Karl Dandler – Chief Finance Officer [12]
- Mr. Austin Calleja – Chief Financial Officer [13]
- Mr. Patrick Cuschieri – Security [14]
- Mr. Patrick Murgo – Security [15]
- Major Martin Dalmas – Airport Operations
- Mr. George Mallia – Retail and Property
- Mr. Ian Maggi – Innovation, ICT and Procurement
- Ms. Vicki Brown - Projects
- Ms. Christine Camilleri – Human Resources [16]
- Mr. Michael Lombardi – Technical Facilities
- Ms. Tiziana Ellul – Human Resources [17]
- Ms. Tina Lombardi – Strategy and Business Development [18]
- Ms. Fleur Farrugia – Human Resources [19]

Company Executives participate in periodic strategic reviews, which include consideration of long-term projections and the evaluation of business alternatives. Regular budgets and strategic plans are prepared, which are incorporated into a Company strategic plan. Performance against these plans is actively monitored and reported to the Board.

In view of the number of members of the Board, the directors believe that its size is manageable to be able to address most issues as a Board rather than create sub-committees of the Board that may be more suitable in the case of companies having larger Boards. Indeed the Board feels that its size and membership allows directors the opportunity to discuss matters directly and that this is a more effective and efficient manner to conduct its business.

The directors however are aware that there may be situations that require the delegation to certain committees of certain tasks or assignments and the Board has on occasion composed ad hoc committees for this purpose.

In ensuring compliance with other statutory requirements and with continuing listing obligations, the Board is advised directly, as appropriate, by its appointed broker, legal advisor and external auditors.

Directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities, at the Company's expense.

During the financial year under review, the Board held six meetings:

Director	Attendance Board meetings 2015
Mr. Nikolaus Gretzmacher	6 / 6
Dr. Youssef Sabeh	5 / 6
Ms. Rita Heiss	1 / 1
Mr. Alfred Quintano	1 / 1
Dr. Cory Greenland	4 / 5
Mr. Alan Borg	6 / 6
Mr. Markus Klaushofer	1 / 1
Mr. Karl Dandler	6 / 6

[10] Mr. Borg continued to serve on this committee as CEO as from 21 January 2015
[11] Mr. Klaushofer ceased to be a member of this committee on 21 January 2015
[12] Mr. Dandler was appointed as a member upon his appointment as CFO replacing Mr Calleja with effect from 1 September 2015
[13] Mr. Calleja ceased to be a member of this committee on 1 September 2015
[14] Mr. Cuschieri ceased to be a member of this committee on 4 January 2015
[15] Mr. Murgo was appointed as a member on 4 January 2015 replacing Mr Cuschieri with effect from that date
[16] Ms. Camilleri ceased to be a member of this committee on 21 July 2015
[17] Ms. Ellul was appointed as a member on this committee on 2 February 2015 and ceased to be a member on 9 November 2015
[18] Ms. Lombardi was appointed a member on this committee on 1 September 2015
[19] Ms. Farrugia was appointed a member on this committee on 9 November 2015

Principle Five

The Board believes that it complies fully with the requirements of this principle and the relative Code Provisions, in that it has systems in place to ensure the reasonable notice of meetings of the Board and the circulation of discussion papers in advance of meetings so as to provide adequate time for directors to prepare themselves for such meetings.

Principle Six

Principle Six of the Code deals with information and professional development

The CEO is appointed by the directors and enjoys the full confidence of the Board. The CEO, although responsible for the selection of the Executive Committee and the recruitment of senior executives, consults with the directors on the appointment of senior executives. The Board is satisfied that the current schemes for executive compensation are designed to render the Company an attractive proposition for the retention of top executives within the Company and to motivate the Executive Committee.

The Board intends to organise professional development sessions for directors and executives designed specifically to enable them to discharge their functions more efficiently and in line with the high standards expected of them. Directors have access to the advice and services of the Company Secretary who is also the legal counsel to the Board and the Company.

Principle Seven

Principle Seven of the Code deals with an evaluation of the Board's performance

The Board has not appointed a committee for the purpose of undertaking an evaluation of the Board's performance in accordance with the requirements of Code Provision 7.1.

Principle Eight

Principle Eight A of the Code deals with the establishment of a remuneration committee for the Company aimed at developing policies on executive remuneration

The Company has no performance related remuneration payable to its Non-Executive Directors and accordingly, as allowed by Code Provision 8A.2, it has not appointed a Remuneration Committee, but rather establishes itself the remuneration policies of the Company. The Non-Executive members of the Board establish the policies and decides on the performance related remuneration of its Executive Directors.

The Board notes that the organizational set-up of the Company and the size of the Board itself, together with the fact that Non-Executive Directors are not entitled to performance related remuneration, does not, in the opinion of the directors, warrant the establishment of a Remuneration Committee. Remuneration policies have therefore been retained within the remit of the Board itself, and as already stated in the case of the Executive Directors, it is the Non-Executive members of the Board that decide on their performance related remuneration.

The directors believe that certain committees that are suggested in the Code are either not required by the Company or the functions of a number of committees may efficiently be merged or undertaken by the Board itself. In addition, the Board believes that its size and composition is sufficient for the proper direction and management of the Company and its business and that there would be no value added to the Company and its shareholders to increase the number of Board members simply to be able to have separate committees of the Board – when the same functions can properly be undertaken by the Board itself. The directors will retain the need of such committees under review and as in the past, may appoint ad hoc committees of directors to deal with specific issues as and when these arise.

The aggregate amount of remuneration paid to all directors, including salaries paid to the CEO, CFO and CCO amount to €621,166. For the purposes of the provisions of article 63 of the Company's articles of association, the aggregate emoluments paid to the directors is €415,482 which is within the amount approved by the shareholders of €465,875 for the purpose of that article.

Principle Eight B – This principle deals with the requirement of a formal and transparent procedure for the appointment of directors.

The Board believes that the main principle has been duly complied with, in that it is the Articles of Association themselves that establish a formal and transparent procedure for the appointment of directors. The Articles however do not contemplate the existence of a Nominations Committee as suggested by the Code.

Principles Nine and Ten

Principles Nine and Ten of the Code deal with relations with shareholders and with the market, and institutional shareholders

The Board is of the view that over the period under review the Company has communicated effectively with the market through a number of Company announcements that it published informing the market of significant events happening within the Company.

The Company also communicates with its shareholders through the Annual General Meeting where the Board communicates directly with shareholders on the performance of the Company over the last financial year and to inform shareholders of the challenges that lie ahead.

Business at the Company's Annual General Meeting (AGM) will cover the approval of the annual report and the audited financial statements, the declaration of a dividend, if any, the election of directors, the determination of the maximum aggregate emoluments that may be paid to directors, the appointment of auditors and the authorisation of the directors to set the auditors' remuneration. Any other matter that may be placed by the directors before the Annual General Meeting will be dealt with as 'special business'.

Apart from the AGM, the Company has continued to communicate with its shareholders and the market by way of the Annual Report and Financial Statements, by publishing its results on a six-monthly basis during the year and through the directors' statements which are also published on a six-monthly basis, and by Company announcements to the market in general. The Company recognises the importance of maintaining a dialogue with the market to ensure that its strategies and performance are well understood. The Company's website (www.maltairport.com) also contains information about the Company and its business which is a source of further information to the market.

Principle Eleven

Principle Eleven deals with conflicts of interest and the principle that directors should always act in the best interests of the Company.

The Board has established procedures on how conflicts are to be handled, if and when they arise. A director having a personal conflict on any matter is bound to inform the other members of the Board of such a conflict whether it is an actual, potential or a perceived conflict. It is then the other members of the Board that would decide on whether there exists such a conflict, actual or potential. By virtue of the Memorandum and Articles, in the event that, in the opinion of the Board such a conflict exists then the conflicted director is invited to leave the meeting when it proceeds to the vote, if any, on the matter concerned. As a matter of practice discussions of such matters are normally conducted in the absence of the conflicted director. The Board feels that this is a procedure that achieves compliance with both the letter and the rationale of principle eleven.

Commercial relationships between the Company and other companies may be related by way of common directors and shareholders ("Related Party Transactions"). Contracts are entered into in the ordinary course of business with shareholders and other parties in which the directors have a beneficial interest. Terms and conditions of contracts negotiated with related parties are reviewed by the Company's Audit Committee. Full disclosure of Related Party Transactions entered into during the financial year under review is made in note 33 to the financial statements.

The following directors have declared their interests in the share capital of the Company:

Director	
Mr. Nikolaus Gretzmacher	a non-beneficial interest [20]
Mr. Karl Dandler	a non-beneficial interest [21]
Dr. Youssef Sabeh	a non-beneficial interest [22]
Ms. Rita Heiss	a non-beneficial interest [23]
Dr. Cory Greenland	a beneficial interest
Mr. Austin Calleja	a beneficial interest

No other director has a beneficial or non-beneficial interest in the Company's share capital.

Principle Twelve

Principle Twelve encourages directors of listed companies to adhere to accepted principles of corporate social responsibility.

The directors are committed to high standards of ethical conduct and to contribute to the development of the well-being of employees and their families as well as the local community and society at large.

[20] These shares are held by MMLC, a company of which Mr. Gretzmacher is a director
[21] These shares are held by MMLC, a company of which Mr. Dandler was a director until 31 August 2015
[22] These shares are held by MMLC, a company of which Dr. Sabeh is a director
[23] These shares are held by MMLC, a company of which Ms. Heiss is a director

4. Non-Compliance with Code provisions

The directors set out below the code provisions with which they do not comply and a careful explanation as to the reasons for such non-compliance:

Code Provision	Explanation
2.1	Whilst the Company has segregated the functions of the Chairman and the CEO, in that the two posts are occupied by different persons, the division of responsibilities between them has not been established in writing, although there is significant experience and practice that determines the two roles.
4.3	For the purposes of Code Provision 4.3, whilst the Board reports that for the year under review it has not organised any information sessions as set out in that provision, during its meetings the Board regularly discusses the Company's operations and prospects, the skills and competence of senior management, the general business environment and the Board's expectations.
7.1	The Board believes that the size of the Company and the Board itself does not warrant the proliferation of several committees. Whilst the requirement under Code Provision 7.1 might be useful in the context of larger companies having a more complex set-up and a larger Board, the size of the Board is such that it should enable it to evaluate its own performance without the requirement of setting up an ad hoc committee for this purpose. The Board shall retain this matter under review over the coming year. Having conducted an informal review of its own performance over the period under review it is the Board's view that all members of the Board, individually and collectively, have contributed in line with the required levels of diligence and skill. In addition the Board believes that its current composition endows the Board with a cross-section of skills and experience, not only with respect to the specific business of the Company, but also in a wider range of business areas and skills.
8B	The Board has not appointed a Nominations Committee in line with Code Provision 8B, particularly in the light of the specific manner in which the Articles of Association require that Non-Executive Directors be appointed by a shareholding qualification to the Board. The Executive Directors are, in accordance with the Articles, appointed by the Non-Executive Directors after their appointment as aforesaid. The Board believes that the current Articles of Association do not allow the Board itself to make any recommendations to the shareholders for appointments of directors and that if this function were to be undertaken by the Board itself or a Nominations Committee, they would only be able to make a non-binding recommendation to the shareholders having the necessary qualification to appoint directors pursuant to the Articles of Association. The Board intends to keep under review the utility and possible advantages of having a Nominations Committee and following an evaluation may, if the need arises, make recommendations to the shareholders for a change to the Articles of Association.
9.3	The memorandum and Articles of Association does not provide any mechanism for the resolution of conflicts between shareholders or any process that would trigger arbitration in these instances.

The Audit Committee

As part of its corporate governance structures the Company has an Audit Committee in line with the requirements of the Listing Rules. Unlike the provisions of the Code which are not mandatory in nature, the directors acknowledge that the requirement of having an Audit Committee in place is an obligation under the Listing Rules. The principal role of the Audit Committee is the monitoring of internal systems and controls. During the course of the period under review the Board established the Audit Committee under formal terms of reference designed both to strengthen this function within the Company and to establish the scope of the duties and responsibilities of this Committee. The Committee currently consists of the three (3) Non-Executive Directors, namely Ms. Rita Heiss [24], Dr. Youssef Sabeh , and Dr. Cory Greenland[25]. The Committee has the power and authority under its terms of reference to summon any person to assist it in the performance of its duties. The directors believe that each of Mr. Nikolaus Gretzmacher until he served on the committee and following him Ms. Rita Heiss, is independent and competent in accounting and/or auditing in terms of Listing Rule 5.117. The directors believe that each of Mr. Nikolaus Gretzmacher (until he served on the committee) and subsequently Ms Rita Heiss, satisfy the independence criteria as they are both independent within the meaning of the Code as explained above in this Statement.

When the Audit Committee's monitoring and review activities reveal cause for concern or scope for improvement, it shall make recommendations to the Board on the action needed to address the issue or make improvements.

In the period under review the Audit Committee has held four meetings.

5. Internal Control

The Board is ultimately responsible for the Company's system of internal controls and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate risk to achieve business objectives, and can provide only reasonable, and not absolute, assurance against normal business risks or loss.

Through the Audit Committee, the Board reviews wthe effectiveness of the Company's system of internal controls, which are monitored by the Internal Auditors on a regular basis.

The key features of the Company's system of internal control are as follows:

Organisation

The Company operates through the CEO and Executive Committee with clear reporting lines and delegation of powers.

Control Environment

The Company is committed to the highest standards of business conduct and seeks to maintain these standards across all of its operations. Company policies and employee procedures are in place for the reporting and resolution of improper activities.

The Company has an appropriate organisational structure for planning, executing, controlling and monitoring business operations in order to achieve Company objectives.

Risk Identification

Company management is responsible for the identification and evaluation of key risks applicable to their respective areas of business. In addition, through regular checks the internal auditors test the Company's internal control systems and processes and make recommendations to management and the audit committee on any deficiency in such systems.

[24] Ms. Heiss was appointed to the committee on 16 September 2015 and replaced Mr. Gretzmacher on the committee

[25] Dr. Greenland was appointed to the committee on 13 February 2015 and replaced Mr. Alfred Quintano who had served on that committee until that date.

6. General Meetings

The general meeting is the highest decision making body of the Company and is regulated by the Company's Articles of Association. All shareholders registered on the register of members of the Company on a particular record date are entitled to attend and vote at general meetings. A general meeting is called by twenty-one (21) days' notice.

At an Annual General Meeting what is termed as "ordinary business" is transacted, namely, the declaration of a dividend, the consideration of the accounts, balance sheets and the reports of the directors and the auditors, the election of directors, the appointment of auditors and the fixing of remuneration of directors and auditors. Other business which may be transacted at a general meeting (including at the Annual General Meeting) will be dealt with as "Special Business".

Voting at any general meeting takes place by a show of hands or a poll where this is demanded.

Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands each shareholder is entitled to one vote and on a poll each shareholder is entitled to one vote for each share carrying voting rights of which he is a holder. Shareholders who cannot participate in the general meeting may appoint a proxy by written or electronic notification to the Company. Appointed proxy holders enjoy the same rights to participate in the general meeting as those to which the shareholder they represent is entitled. Every shareholder represented in person or by proxy is entitled to ask questions which are pertinent and related to the items on the agenda of the general meeting and to have such questions answered by the directors or such persons as the directors may delegate for such purpose.

The directors' statement of responsibilities for preparing the financial statements is set out on page 79.

Approved by the Board of Directors on 24 February 2016 and signed on its behalf by:

Nikolaus Gretzmacher Chairman	Alan Borg Chief Executive Officer	Karl Dandler Chief Financial Officer

Independent auditor's report on Corporate Governance Statement of Compliance

to the members of

Malta International Airport p.l.c.

Pursuant to Listing Authority Listing Rules 5.94 and 5.97 issued by the Malta Financial Services Authority, the directors are required to include in their annual financial report a Corporate Governance Statement of Compliance to the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance with these principles.

Our responsibility is laid down by Listing Rule 5.98, which requires us to include a report on the Corporate Governance Statement of Compliance.

We read the Corporate Governance Statement of Compliance and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

We are not required to perform additional work necessary to, and we do not, express an opinion on the effectiveness of either the Company's or the Group's system of internal control or its corporate governance procedures.

In our opinion, the Corporate Governance Statement of Compliance set out on pages 80 to 89 has been properly prepared in accordance with the requirements of Listing Rules 5.94 and 5.97.

Bernard Scicluna as Director
In the name and on behalf of,
Deloitte Audit Limited
Registered Auditor
Mriehel, Malta

24 February 2016

STATEMENTS OF COMPREHENSIVE INCOME

	Notes	The Group 2015 EUR	The Group 2014 EUR	The Company 2015 EUR	The Company 2014 EUR
Revenue	5	**66,965,843**	64,290,433	**63,689,590**	61,137,746
Staff costs	11	**(8,281,368)**	(9,128,861)	**(8,058,219)**	(8,904,413)
Depreciation	14,15	**(6,638,972)**	(6,533,218)	**(5,745,812)**	(5,615,740)
Other operating expenses	9	**(23,041,520)**	(21,316,984)	**(22,582,182)**	(20,600,399)
Release of deferred income arising on the sale of terminal buildings and fixtures	24	**208,765**	208,765	**208,765**	208,765
Investment income	7	**2,760,817**	849,993	**4,645,737**	962,465
Finance costs	8	**(2,183,944)**	(2,306,805)	**(1,304,746)**	(1,396,790)
Profit before tax		**29,789,621**	26,063,323	**30,853,133**	25,791,634
Income tax expense	12	**(10,518,553)**	(9,234,546)	**(10,866,667)**	(9,099,687)
Profit for the year attributable to the ordinary equity holders of the Company		**19,271,068**	16,828,777	**19,986,466**	16,691,947
Other comprehensive income / (expense)					
Items that may be reclassified subsequently to profit or loss:					
Net gain on available-for-sale financial assets	17	**6,567**	8,913	**6,567**	8,913
Items that will not be reclassified subsequently to profit or loss:					
Actuarial losses on defined benefit pension plans	25,26	**(546,002)**	(118,339)	**(546,002)**	(118,339)
Deferred tax credit	12	**191,101**	41,419	**191,101**	41,419
		(354,901)	(76,920)	**(354,901)**	(76,920)
Other comprehensive expense for the year attributable to the ordinary equity holders of the Company, net of tax		**(348,334)**	(68,007)	**(348,334)**	(68,007)
Total comprehensive income for the year attributable to the ordinary equity holders of the Company, net of tax		**18,922,734**	16,760,770	**19,638,132**	16,623,940
Earnings per share attributable to the ordinary equity holders of the Company	30	**14.24cents**	12.44cents	**14.77cents**	12.34cents

STATEMENTS OF FINANCIAL POSITION

31 December 2015

	Notes	The Group 2015 EUR	The Group 2014 EUR	The Company 2015 EUR	The Company 2014 EUR
ASSETS					
Non-current assets					
Property, plant and equipment	14	**97,484,385**	96,441,938	**97,044,642**	95,936,648
Investment property	15	**18,118,585**	18,642,271	**-**	-
Investment in subsidiaries	16	**-**	-	**9,600**	9,600
Available-for-sale financial assets	17	**100,330**	1,184,154	**100,330**	1,184,154
Loans and receivables	18	**-**	-	**6,600,000**	6,600,000
Deferred tax assets	19	**3,952,722**	3,593,385	**3,823,718**	3,548,712
		119,656,022	119,861,748	**107,578,290**	107,279,114
Non-current assets					
Inventories	20	**816,582**	827,659	**816,582**	827,659
Trade and other receivables	21	**11,797,884**	14,283,514	**10,677,196**	12,534,563
Cash and short term deposits	29	**39,644,210**	30,726,466	**38,577,611**	28,890,583
		52,258,676	45,837,639	**50,071,389**	42,252,805
TOTAL ASSETS		**171,914,698**	165,699,387	**157,649,679**	149,531,919
EQUITY AND LIABILITIES					
Equity attributable to ordinary shareholders of the Company					
Share capital	27	**33,825,000**	33,825,000	**33,825,000**	33,825,000
Other reserve	28	**1,276,752**	1,325,397	**1,276,752**	1,325,397
Fair value reserve	28	**23,725**	17,158	**23,725**	17,158
Retained earnings		**42,563,671**	38,455,666	**44,228,434**	39,405,031
Total equity		**77,689,148**	73,623,221	**79,353,911**	74,572,586
Non-current liabilities					
Bank loans	23	**31,347,984**	57,098,140	**18,072,948**	43,148,104
Deferred income	24	**5,978,600**	6,227,489	**5,894,094**	6,204,866
Provision for retirement benefit plan	25	**4,192,969**	3,828,974	**4,192,969**	3,828,974
Provision for MIA benefit plan	26	**210,890**	163,645	**210,890**	163,645
		41,730,443	67,318,248	**28,370,901**	53,345,589
Current liabilities					
Trade and other payables	22	**25,558,802**	21,255,758	**23,907,657**	18,860,859
Bank loan	23	**25,750,157**	2,456,423	**25,075,157**	1,781,423
Current tax liabilities		**1,186,148**	1,045,737	**942,053**	971,462
		52,495,107	24,757,918	**49,924,867**	21,613,744
Total liabilities		**94,225,550**	92,076,166	**78,295,768**	74,959,333
TOTAL EQUITY AND LIABILITIES		**171,914,698**	165,699,387	**157,649,679**	149,531,919

These financial statements were approved and authorised for issue by the Board of Directors on 24 February 2016 and signed on its behalf by:

Nikolaus Gretzmacher
Chairman

Alan Borg
Chief Executive Officer

Karl Dandler
Chief Financial Officer

STATEMENTS OF CHANGES IN EQUITY

Equity attributable to ordinary shareholders of the company

The 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 year	-	-	-	16,828,777	16,828,777
Other comprehensive income/ (expense)	-	-	8,913	(76,920)	(68,007)
Total comprehensive income for the year	-	-	8,913	16,751,857	16,760,770
Difference between historical cost depreciation charge and actual depreciation for the year calculated on the revalued amount	-	(74,838)	-	74,838	-
Deferred tax (note 19)	-	26,193	-	-	26,193
Dividends (note 13)	-	-	-	(10,147,500)	(10,147,500)
Balance at 31 December 2014	**33,825,000**	**1,325,397**	**17,158**	**38,455,666**	**73,623,221**

	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 year	-	-	-	19,271,068	19,271,068
Other comprehensive income/ (expense)	-	-	6,567	(354,901)	(348,334)
Total comprehensive income for the year	-	-	6,567	18,916,167	18,922,734
Difference between historical cost depreciation charge and actual depreciation for the year calculated on the revalued amount	-	(74,838)	-	74,838	-
Deferred tax (note 19)	-	26,193	-	-	26,193
Dividends (note 13)	-	-	-	(14,883,000)	(14,883,000)
Balance at 31 December 2015	**33,825,000**	**1,276,752**	**23,725**	**42,563,671**	**77,689,148**

STATEMENTS OF CHANGES IN EQUITY

Equity attributable to ordinary shareholders of the company

The Company	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**	**32,862,666**	**68,069,953**
Profit for the year	-	-	-	16,691,947	16,691,947
Other comprehensive income/ (expense)	-	-	8,913	(76,920)	(68,007)
Total comprehensive income for the year	-	-	8,913	16,615,027	16,623,940
Difference between historical cost depreciation charge and actual depreciation for the year calculated on the revalued amount	-	(74,838)	-	74,838	-
Deferred tax (note 19)	-	26,193	-		26,193
Dividends (note 13)	-	-	-	(10,147,500)	(10,147,500)
Balance at 31 December 2014	**33,825,000**	**1,325,397**	**17,158**	**39,405,031**	**74,572,586**

	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**	**39,405,031**	**74,572,586**
Profit for the year	-	-	-	19,986,466	19,986,466
Other comprehensive income/ (expense)	-	-	6,567	(354,901)	(348,334)
Total comprehensive income for the year	-	-	6,567	19,631,565	19,638,132
Difference between historical cost depreciation charge and actual depreciation for the year calculated on the revalued amount	-	(74,838)	-	74,838	-
Deferred tax (note 19)	-	26,193	-	-	26,193
Dividends (note 13)	-	-	-	(14,883,000)	(14,883,000)
Balance at 31 December 2015	**33,825,000**	**1,276,752**	**23,725**	**44,228,434**	**79,353,911**

STATEMENTS OF CASH FLOWS

	Notes	The Group 2015 EUR	The Group 2014 EUR	The Company 2015 EUR	The Company 2014 EUR
Cash flows from operating activities					
Profit before tax		**29,789,621**	26,063,323	**30,853,133**	25,791,634
Adjustments for:					
Depreciation of property, plant and equipment	14,15	**6,638,972**	6,533,218	**5,745,812**	5,615,740
Release of deferred income arising on the sale of the terminal building and fixtures	24	**(208,765)**	(208,765)	**(208,765)**	(208,765)
Amortisation of European Commission grant	24	**(40,255)**	(40,255)	**(40,255)**	(40,255)
Amortisation of Norwegian grant	24	**(51,761)**	(51,761)	**(51,761)**	(51,761)
Amortisation of Government grant	24	**(9,991)**	(9,991)	**(9,991)**	(9,991)
Interest expense	8	**2,183,944**	2,306,805	**1,304,746**	1,396,790
Loss/(gain) on sale of property, plant and equipment		**21,702**	(78,000)	**21,702**	(78,000)
Investment income	7	**(2,760,817)**	(849,993)	**(4,645,737)**	(962,465)
Provision for retirement benefit plan		**85,397**	185,681	**85,397**	185,681
Provision for MIA benefit plan	26	**37,946**	46,069	**37,946**	46,069
Movement in provision for impairment of trade receivables	21	**(103,746)**	131,119	**(103,593)**	74,406
		35,582,247	34,027,450	**32,988,634**	31,759,083
Working capital movements:					
Movement in inventories		**11,077**	33,814	**11,077**	33,814
Movement in trade and other receivables		**2,589,377**	(2,465,726)	**2,153,573**	(1,961,333)
Movement in trade and other payables and other financial liabilities		**4,303,044**	354,838	**5,046,798**	958,796
Cash flows from operations		**42,485,745**	31,950,376	**40,200,082**	30,790,360
Interest paid		**(2,183,944)**	(2,306,805)	**(1,304,746)**	(1,396,790)
Income taxes paid		**(10,520,185)**	(9,801,037)	**(10,953,788)**	(9,711,635)
Retirement benefit paid		**(258,105)**	(544,276)	**(258,105)**	(544,276)
Net cash flows from operating activities		**29,523,511**	19,298,258	**27,683,443**	19,137,659
Cash flows from investing activities					
Receipt of deposit from tenant	24	**61,883**	-	**-**	-
Payments for property, plant and equipment	14,15	**(6,903,472)**	(4,746,750)	**(6,884,009)**	(4,700,875)
Purchase of financial assets		**(88,000)**	(105,695)	**(88,000)**	(105,695)
Payments for investment property		**(284,464)**	(1,267,006)	**-**	-
Proceeds from sale of property, plant and equipment		**8,500**	78,000	**8,500**	78,000
Proceeds from sale of financial assets not classified as at fair value through profit or loss	7	**3,042,994**	-	**3,042,994**	-
Dividends received	13	**-**	-	**1,692,308**	-
Interest received		**896,214**	849,993	**896,214**	849,993
Net cash flows used in investing activities		**(3,266,345)**	(5,191,458)	**(1,331,993)**	(3,878,577)
Cash flows from financing activities					
Granting of loan to subsidiary		**-**	-	**-**	(2,350,000)
Repayment of bank loans		**(2,456,422)**	(2,411,423)	**(1,781,422)**	(1,846,423)
Dividends paid	13	**(14,883,000)**	(10,147,500)	**(14,883,000)**	(10,147,500)
Net cash flows used in financing activities		**(17,339,422)**	(12,558,923)	**(16,664,422)**	(14,343,923)
Net movement in cash and cash equivalents		**8,917,744**	1,547,877	**9,687,028**	915,159
Cash and cash equivalents at the beginning of the year		**30,726,466**	29,178,589	**28,890,583**	27,975,424
Cash and cash equivalents at the end of the year	29	**39,644,210**	30,726,466	**38,577,611**	28,890,583

Notes to the financial statements

1. Corporate Information

The Company is a public company incorporated and domiciled in Malta whose shares are publicly listed and traded on the Malta Stock Exchange. The principal activities of the Company are the development, operation and management of Malta's airport. On 11 February 2008, the Company set up a wholly-owned subsidiary, Sky Parks Limited, to take over the operations of the car park business. The name of this subsidiary was changed to Airport Parking Limited on the 27 October 2009. Another subsidiary, Sky Parks Development Limited, was set up by the Company on 29 October 2009. The main activity of Sky Parks Development Limited is to manage real estate projects within the land which is currently under the management of the Group. Another subsidiary Sky Parks Business Centre Limited was set up by the Company on 26 April 2012. The principal activity of the subsidiary is to operate the Business Centre within the limits of the airport. On 20 June 2013, the Company set up three wholly-owned subsidiaries, Kirkop PV Farm Limited, Luqa PV Farm Limited and Gudja PV Farm Limited. On 20 September 2013, the Company set up two other wholly-owned subsidiaries, Gudja Two PV Farm Limited and Gudja Three PV Farm Limited. The main activity of these companies is to explore opportunities in the generation of electricity using photovoltaic technologies. The Company and the subsidiaries constitute 'the Group'.

2.1. Basis Of Preparation

Under the Companies Act, Cap. 386 of the Laws of Malta, the Company is required to present individual and consolidated financial statements. The financial statements of the Group and the Company have been prepared on a historical cost basis, except for the fair valuation of the available-for-sale financial assets, and are in accordance with International Financial Reporting Standards as adopted by the EU, and comply with the Companies Act, Cap. 386 of the Laws of Malta. The functional currency of the Company is the Euro which is also the presentation currency of the Group. The significant accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Malta International Airport p.l.c. and its Subsidiaries, as mentioned in note 1 above.

The financial statements of the Subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control or from the date of set-up under the control of the Company, and continue to be consolidated until the date such control ceases.

2.2. Significant Accounting Policies

Property, plant and equipment

The Group's and the Company's property, plant and equipment are classified into the following classes – land held as temporary emphyteusis, buildings and furniture, fixtures, plant and equipment.

Property, plant and equipment are initially measured at cost. Such cost includes borrowing costs for long-term construction projects, if the recognition criteria are met. Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Group or the Company and the cost of the item can be measured reliably. Expenditure on repairs and maintenance of property, plant and equipment is recognised as an expense when incurred.

Subsequent to initial recognition, buildings are stated at revalued amounts as at the date of the privatisation of the Company in 2002 less any accumulated depreciation and any accumulated impairment losses. Other tangible assets are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Every year, the difference between depreciation of buildings based on their fair value on the date of the privatisation of the Company in 2002 and depreciation based on the asset's original cost prior to the original revaluation is transferred from the revaluation reserve to retained earnings. When the asset is derecognised, the attributable revaluation surplus remaining in the revaluation reserve is transferred to retained earnings. Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount. Any gains or losses arising on derecognition are included in profit or loss in the year the asset is derecognised.

Land held on temporary emphyteusis relates to the land assigned to the Group and the Company by title of temporary emphyteusis. The value of the land held on temporary emphyteusis is amortised over the remaining term of the lease.

Depreciation

Depreciation commences when the depreciable assets are available for use and is charged to profit or loss, so as to write off the cost less any estimated residual value, over their estimated useful lives, using the straight-line method, on the following bases:

Land held on temporary emphyteusis	by equal annual instalments over the remaining term of the emphyteusis
Buildings	2% - 4-5% per annum
Furniture, fixtures, plant and equipment	10% - 33 1/3% per annum
Investment property	5% - 15% per annum

The depreciation method applied, the residual value and the useful life are reviewed at each financial year end and adjusted prospectively, if appropriate.

Properties in the course of construction

Properties in the course of construction for production, supply or administrative purposes are classified as property, plant and equipment and are carried at cost, less any identified impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy on borrowing costs. Depreciation of these assets, on the same basis as other property assets, commences when the assets are available for use.

Properties in the course of construction for future use as investment property are classified as investment property. Existing investment property that is being redeveloped for continued future use as investment property continues to be classified as investment property.

Investment property

Investment property is property held to earn rentals or for capital appreciation or both. Investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. Investment property is initially measured at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at cost less any accumulated depreciation and any accumulated impairment losses.

Investment property is derecognised on disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses on derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount and are recognised in profit or loss in the period of derecognition.

Borrowing costs

Borrowing costs include the costs incurred in obtaining external financing and mainly consist of interest on bank loans. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, which is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed as incurred.

Investments in subsidiaries

A subsidiary is an entity that is controlled by the Company. The Company controls an investee when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Investment in subsidiaries in the separate financial statements of the Company are accounted for on the basis of the direct equity interest and are stated at cost less any provisions for impairment, where in the opinion of the directors, any impairment in value has taken place. Dividends from the investment are recognised in profit or loss.

Other financial instruments

Financial assets and financial liabilities are recognised when the Group entities become a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus directly attributable transaction costs for all financial assets or financial liabilities not classified at fair value through profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when the Group entities have a legally enforceable right to set off the recognised amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or when the entity transfers the financial asset and the transfer qualifies for derecognition. Financial liabilities are derecognised when they are extinguished. This occurs when the obligation specified in the contract is discharged, cancelled or expires.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

(i) Trade and other receivables
Trade and other receivables are classified with current assets and are stated at their nominal value unless the effect of discounting is material. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

(ii) Available-for-sale financial assets
Available-for-sale financial assets are those non-derivative financial assets that are either designated in this category by the Group and the Company or not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. After initial recognition, available-for-sale financial assets are measured at their fair value except for investments in equity instruments that do not have a quoted price in an active market for an identical instrument (that is, a Level 1 input) and whose fair value cannot be reliably measured, which are measured at cost. Where applicable gains and losses arising from a change in fair value are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary assets, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in other comprehensive income is recognised in profit or loss.

(iii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that are held for trading or are designated upon initial recognition as at fair value through profit or loss or as available-for-sale financial assets or those for which the company may not recover substantially all of its initial investment other than because of credit deterioration. After initial recognition, loans and receivables are measured at amortised cost using the effective interest method.

(iv) Bank and other borrowings
Subsequent to initial recognition, interest-bearing bank loans are measured at amortised cost using the effective interest rate method. Bank loans are carried at face value due to their market rate of interest. Other borrowings are measured at amortised cost using the effective interest rate method, unless the effect of discounting is immaterial.

(v) Trade payables
Trade payables are classified with current liabilities and are stated at their nominal value unless the effect of discounting is material.

(vi) Cash and short term deposits
Cash and short term deposits comprise cash on hand, demand deposit and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and short term deposits are stated at nominal amounts, being the amount recognised at inception.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
2.2. Significant Accounting Policies (CONTINUED)
31 December 2015

(vii) Shares issued by the Company
Ordinary shares issued by the Company are classified as equity instruments.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method and comprises expenditure incurred in acquiring the inventories and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion.

Impairment

At each reporting date, the carrying amount of assets is reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated.

In the case of receivables, evidence of impairment may include indications that the receivables or a group of receivables is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in economic conditions that correlate with defaults. An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.

In addition to the above loss events, objective evidence of impairment for an investment in an equity instrument includes information about significant changes which indicate that the cost of the investment in the equity instrument may not be recovered.

For receivables, if there is objective evidence that an impairment loss has been incurred, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. The carrying amount is reduced directly.

The impairment loss on investments in equity instruments that do not have a quoted price in an active market for an identical instrument (that is, a Level 1 input) and whose fair value cannot be reliably measured is measured as the difference between the carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

When a decline in the fair value of an available for sale asset has been recognised directly in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative impairment loss that had been directly recognised through other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment and is measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

In the case of other assets tested for impairment, the recoverable amount is the higher of fair value (which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date) less costs of disposal and value-in-use (which is the present value of the future cash flows expected to be derived, discounted using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset). Where the recoverable amount is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount, as calculated.

Impairment losses are recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which case, the impairment loss is recognised directly against the asset's revaluation surplus to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that asset.

An impairment loss recognised in a prior year on assets other than equity instruments carried at cost because fair value cannot be reliably measured is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Impairment reversals are recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which case, the impairment reversal is recognised directly in other comprehensive income, unless an impairment loss on the same asset was previously recognised in profit or loss.

Impairment losses recognised in profit or loss for an available for sale investment in an equity instrument are not reversed through profit or loss. Impairment losses recognised in profit or loss for an available-for-sale investment in a debt instrument are reversed through profit or loss if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss

The impairment loss on investments in equity instruments that do not have a quoted price in an active market for an identical instrument (that is, a Level 1 input) and whose fair value cannot be reliably measured is not reversed in a subsequent year.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for services provided in the normal course of business, net of value-added tax and discounts, where applicable. Revenue is recognised to the extent that it is probable that future economic benefits will flow to the Group and the Company and these can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

(i) Rendering of services

Revenue from the provision of services is recognised in the year in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. For practical purposes, when services are performed by an indeterminate number of acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period unless there is evidence that some other method better represents the stage of completion.

Interest income

Interest income is recognised on an accruals basis using the effective interest rate. Interest income is included in finance income in the profit or loss.

Grants

Grants are recognised in profit or loss when there is reasonable assurance that all the conditions attached to them are complied with and the grants will be received. Grants related to income are recognised in the profit or loss over the periods necessary to match them with the related costs which they are intended to compensate on a systematic basis. Such grants are presented as part of profit or loss. Grants related to assets are presented in the Statement of Financial Position as deferred income, which is recognised as income on a systematic basis over the useful life of the asset.

Deferred income

Deferred income arising from the gain on disposal of the buildings and fixtures that took place on the date of the privatisation of the Company in 2002 is transferred separately to the income statement in equal annual instalments over the remaining life of the underlying assets.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases. Lease classification is made at the inception of the lease, which is the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease.

Where the Company is a lessee, rentals payable under operating leases less the aggregate benefit of incentives received from the lessor, are recognised as an expense in profit or loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the users benefit.

Where the Company is a lessor, rentals receivable under operating leases are recognised as income in profit or loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

Taxation

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly in other comprehensive income or directly in equity, in which case the current and deferred tax is also dealt with in other comprehensive income or equity as appropriate.

The charge for current tax is based on the taxable result for the year. The taxable result for the year differs from the result as reported in profit or loss because it excludes items which are non-taxable or disallowed for tax purposes and it further excludes items that are taxable or deductible in other periods. The tax charge is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets (including deferred tax assets for the carry forward of unused tax losses and unused tax credits) are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences (or the unused tax losses and unused tax credits) can be utilised. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to taxation authorities. Deferred tax assets and liabilities are offset when the Group and the Company have a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes are levied by the same taxation authority on either (i) the same taxable entity; or (ii) different taxable entities which satisfy certain criteria.

Employee benefits

Employee benefits include short term benefits and post-employment benefits.

Short-term employee benefits

The Group and the Company contribute towards the state pension fund in accordance with local legislation. The only obligation of the Group and the Company is to make the required contribution. Costs are expensed in the year in which they are incurred.

Retirement plans

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with estimations being carried out at each reporting date. Past service cost is recognised as an expense at the earlier of the following dates (a) when the plan amendment or curtailment occurs and (b) when the entity recognises related restructuring costs or termination benefits. The amount recognised in the Statement of Financial Position represents the present value of the expected future payments required to settle the obligation resulting from employee service in the current and prior periods. The service cost and the net interest on the net defined benefit liability are recognised in profit or loss.

Remeasurements of the net defined benefit liability, comprising actuarial gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss in a subsequent period. Such remeasurements are reflected immediately in retained earnings.

Actuarial gains and losses are changes in the present value of the defined benefit obligation resulting from experience adjustments and the effects of changes in actuarial assumptions. Actuarial assumptions are an entity's best estimates of the variables that will determine the ultimate cost of providing post-employment benefits. Due to the nature of the actuarial assumptions, in accordance with the provisions of IAS 19, the Company did not involve a qualified actuary in the measurement of its post-employment benefit obligations.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions are not recognised for future operating losses.

Currency translation

Transactions denominated in currencies other than the functional currency are translated at the exchange rates ruling on the date of the transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are retranslated to the functional currency at the spot rate of exchange ruling at the date of the Statement of Financial Position. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a currency other than the functional currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a currency other than the functional currency are translated using the exchange rates at the date when the fair value is determined.

Dividends

Dividends to holders of equity instruments are recognised as liabilities in the year in which they are declared.

2.3. Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 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.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines when transfers are deemed to have occurred between Levels in the hierarchy at the end of each reporting period.

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

Except as discussed below and in the remaining notes to the financial statements, the directors did not make any significant judgments in the process of applying the Company's and the Group's accounting policies which can significantly affect the amounts recognised in the consolidated and the separate 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:

(i) 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

(ii) 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

(iii) 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 Company and 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 Company and its Group. Based on the Company's and 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.

4. International financial reporting standards in issue but not yet effective

At the date of the approval of these financial statements, a number of International Financial Reporting Standards were either not yet endorsed by the EU or were not yet applicable to the Group and the Company.

IFRS 16 - Leases

IFRS 16 Leases, which was issued on 13 January 2016, brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains substantially unchanged (except for a requirement to provide enhanced disclosures) and the distinction between operating and finance leases is retained. IFRS 16 supersedes IAS 17 Leases and related interpretations. IFRS 16 is effective for periods beginning on or after 1 January 2019. Early application is permitted for companies that also apply IFRS 15. The Standard has not been endorsed by the EU at the date of authorisation of these financial statements. Given the significance of the Group's and the Company's leasing transactions, this Standard will be given due attention by the Board prior to its effective date.

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.

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.

IAS 27 Amendment – Equity Method in Separate Financial Statements

The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Amendment is applicable for annual periods beginning on or after 1 January 2016. The Amendment has 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. By virtue of an amendment issued on 11 September 2015, the effective date of the Standard was deferred by one year to annual periods beginning on or after 1 January 2018, with earlier application being permitted. 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 been endorsed by the European Union.

IAS 1 and IAS 7 Amendments – Disclosure Initiative

The Amendments to IAS 1, Presentation of Financial Statements, address perceived impediments to preparers exercising their judgement 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. 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 been endorsed by the European Union.

The Amendments to IAS 7, Statement of Cash Flows, are intended to clarify IAS 7 to improve information provided to users of financial statements about an entity's financing activities. They are effective for annual periods beginning on or after 1 January 2017, with earlier application being permitted. The Amendments have not as yet been endorsed by the European Union at the date of authorisation of these financial statements.

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

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 and the Company in the period of initial application.

5. Revenue

The contribution of the various activities of the Group and the Company to turnover which are in respect of continuing activities are set out below:

The Group

	2015 EUR	2014 EUR
By activity:		
Regulated fees	**41,428,540**	39,895,213
Commercial fees	**16,505,590**	15,619,678
Recharges and other income	**9,031,713**	8,775,542
	66,965,843	64,290,433

The Company

	2015 EUR	2014 EUR
By activity:		
Regulated fees	**41,428,540**	39,895,213
Commercial fees	**14,186,771**	13,590,790
Recharges and other income	**8,074,279**	7,651,743
	63,689,590	61,137,746

Regulated fees comprise income from aviation services which arise from income from passenger services charge, security fee and landing and parking fee.

Commercial fees comprise income from retail activities, rent, advertising and aviation concessionaires.

Recharges and other income comprise of the other income which is not included in the regulated and commercial fees such as PRM charge, VIP services, amenities and parking fees.

6. 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 the 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). Revenues and certain costs are allocated in full to particular segments. The remaining costs are allocated across the different segments on the basis of square metres or revenues, as applicable. The Group and the Company 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 and Company basis and are not allocated to operating segments.

The results of the segments are reported below:

Segment results — **The Group**

	2015 EUR	2014 EUR
Airport		
Segment revenue (external)	**46,446,238**	44,653,621
Segment staff costs	**6,768,270**	7,498,977
Segment other operating costs	**18,613,606**	16,846,637
Segment depreciation	**4,379,566**	4,321,618
Segment EBIT	**16,684,796**	15,986,389
Retail and Property		
Segment revenue (external)	**20,001,078**	19,100,130
Segment staff costs	**1,513,098**	1,629,884
Segment other operating costs	**4,427,914**	4,470,347
Segment depreciation	**2,259,406**	2,211,600
Segment EBIT	**11,800,660**	10,788,299
Other		
Revenue (external)	**518,527**	536,682
EBIT	**518,527**	536,682
Total		
Segment revenue (external)	**66,965,843**	64,290,433
Segment staff costs	**8,281,368**	9,128,861
Segment other operating costs	**23,041,520**	21,316,984
Segment depreciation	**6,638,972**	6,533,218
Segment EBIT	**29,003,983**	27,311,370

Operating Segment Information (CONTINUED)

Airport Segment

The Airport Segment 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.

Retail and Property Segment

The Retail and 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 and Sky Parks Business Centre Limited are also allocated within the Retail & Property Segment.

Other

This comprises 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.

The Group 31 December 2015	Airport EUR	Retail and Property EUR	Other EUR	Group EUR
Segment revenue (external)	46,446,238	20,001,078	518,527	66,965,843
Segment staff costs	(6,768,270)	(1,513,098)	-	(8,281,368)
Segment other operating costs	(18,613,606)	(4,427,914)	-	(23,041,520)
Segment depreciation	(4,379,566)	(2,259,406)	-	(6,638,972)
Segment EBIT	16,684,796	11,800,660	518,527	29,003,983
Finance income				2,760,817
Finance cost				(2,183,944)
Release of deferred income arising on the sale of terminal buildings and fixtures				208,765
Profit before tax				**29,789,621**

31 December 2014	Airport EUR	Retail and Property EUR	Other EUR	Group EUR
Segment revenue (external)	44,653,621	19,100,130	536,682	64,290,433
Segment staff costs	(7,498,977)	(1,629,884)	-	(9,128,861)
Segment other operating costs	(16,846,637)	(4,470,347)	-	(21,316,984)
Segment depreciation	(4,321,618)	(2,211,600)	-	(6,533,218)
Segment EBIT	15,986,389	10,788,299	536,682	27,311,370
Finance income				849,993
Finance cost				(2,306,805)
Release of deferred income arising on the sale of terminal buildings and fixtures				208,765
Profit before tax				26,063,323

Revenue from two different customers amounted to EUR19,359,506 (2014: EUR19,403,866) and EUR11,298,827 (2014: EUR11,271,377) respectively. These revenues arise from the airport segment.

7. Investment Income

	The Group 2015 EUR	The Group 2014 EUR	The Company 2015 EUR	The Company 2014 EUR
Interest income on financial assets	**-**	-	**192,612**	112,472
Interest income on bank deposits	**896,214**	849,993	**896,214**	849,993
Total interest income on financial assets not classified as at fair value through profit or loss	**896,214**	849,993	**1,088,826**	962,465
Gain on disposal of available-for-sale investment measured at cost	**1,864,603**	-	**1,864,603**	-
Dividends from equity investments	**-**	-	**1,692,308**	-
	2,760,817	849,993	**4,645,737**	962,465

8. Finance Costs

	The Group 2015 EUR	The Group 2014 EUR	The Company 2015 EUR	The Company 2014 EUR
Interest on bank loans	**2,183,944**	2,306,805	**1,304,746**	1,396,790

9. Other Operating Expenses

	The Group 2015	The Group 2014	The Company 2015	The Company 2014
Repairs and maintenance	**1,868,171**	1,642,553	**1,759,203**	1,485,284
Marketing and communication costs	**4,036,991**	3,337,951	**4,003,283**	3,273,534
Insurance	**367,404**	392,527	**353,607**	373,724
Telecommunications	**103,982**	105,733	**101,483**	101,337
Utilities	**2,901,156**	3,305,719	**2,885,761**	3,224,838
Air traffic services (note 35)	**921,466**	902,898	**921,466**	902,898
Ground handling services	**1,679,732**	1,541,945	**1,679,732**	1,541,945
Provision of technical services (note 35)	**1,945,277**	1,782,253	**1,945,277**	1,782,253
Restricted areas security service (note 35)	**1,860,000**	1,860,000	**1,860,000**	1,860,000
Passenger security service	**966,618**	932,915	**966,618**	932,915
Other security services	**125,544**	106,445	**71,776**	52,757
Cleaning	**896,553**	661,330	**854,122**	608,205
Legal and professional fees	**907,072**	634,708	**889,132**	575,221
Losses/(gains) of disposal of fixed assets	**21,702**	(78,000)	**21,702**	(78,000)
Net exchange differences	**34,731**	14,064	**32,730**	13,762
Operating lease charge (note 34)	**1,739,778**	1,794,864	**1,739,778**	1,794,864
Movements in provision for bad debts (note 21)	**(103,746)**	131,119	**(103,593)**	74,406
Bad debts (note 21)	**107,095**	-	**107,095**	-
Miscellaneous operating expenses	**2,661,994**	2,247,960	**2,493,010**	2,080,456
	23,041,520	21,316,984	**22,582,182**	20,600,399

Included in the legal and professional fees are amounts that are payable to the parent Company's auditor:

	The Group		The Company	
	2015 EUR	2014 EUR	2015 EUR	2014 EUR
Audit of the financial statements	**38,000**	38,000	**27,500**	27,500
Tax advisory services	**19,470**	17,741	**15,458**	13,847
Non-audit services other than tax advisory services and assurance services	**14,455**	7,929	**14,455**	8,829

10. Key Management Personnel Compensation

	The Group		The Company	
	2015 EUR	2014 EUR	2015 EUR	2014 EUR
Directors' compensation: *Short-term benefits:*				
Fees	**57,323**	62,802	**57,323**	62,802
Management remuneration	**563,843**	602,330	**563,843**	602,330
Social security costs	**2,663**	3,924	**2,663**	3,924
	623,829	669,056	**623,829**	669,056

In addition during the year under review the Company granted other benefits to its directors. The aggregate amount of benefits, which include monetary and non-monetary benefits, amounted to EUR99,548 (2014 – EUR139,066). These amounts are included with other operating expenses.

Also, during the year under review, the Company maintained professional indemnity insurance for its directors. The aggregate amount of premiums paid in respect thereof amounted to EUR14,190 (2014 – EUR14,190). These amounts are included with other operating expenses.

11. Staff Costs and Employee Information

	The Group		The Company	
	2015 EUR	2014 EUR	2015 EUR	2014 EUR
Staff costs:				
Wages and salaries	**7,280,630**	7,625,833	**7,065,985**	7,410,744
Social security costs	**515,295**	547,125	**506,791**	537,766
Retirement benefit costs (notes 25 & 26)	**123,343**	231,751	**123,343**	231,751
Other retirement benefit and termination costs	**362,100**	724,152	**362,100**	724,152
	8,281,368	9,128,861	**8,058,219**	8,904,413

The above amounts include the directors' compensation disclosed in note 10.

The average number of persons employed during the year, including Executive Directors, was made up as follows:

	The Group		The Company	
	2015 NUMBER	2014 NUMBER	2015 NUMBER	2014 NUMBER
Business development, operations and marketing	**121**	114	**117**	110
Finance, IT and information management	**20**	21	**20**	21
Firemen	**35**	38	**35**	38
Meteorological office	**13**	15	**13**	15
Safety, security and administration	**49**	56	**42**	49
Technical and engineering	**68**	72	**68**	72
	306	316	**295**	305

12. Income Tax Expense

Income tax recognised in profit or loss is as follows:

	The Group		The Company	
	2015 EUR	2014 EUR	2015 EUR	2014 EUR
Current tax expense	**10,660,596**	9,286,513	**10,924,379**	9,150,161
Deferred tax	**(142,043)**	(51,967)	**(57,712)**	(50,474)
	10,518,553	9,234,546	**10,866,667**	9,099,687

Tax applying the statutory domestic income tax rate and the income tax expense for the year are reconciled as follows:

	The Group		The Company	
	2015 EUR	2014 EUR	2015 EUR	2014 EUR
Profit before tax	**29,789,621**	26,063,323	**30,853,133**	25,791,634
Tax at the applicable rate of 35%	**10,426,368**	9,122,163	**10,798,597**	9,027,072
Tax effect of:				
Depreciation charges not deductible by way of capital allowances in determining taxable income	**336,850**	340,765	**284,139**	280,852
Other net difference between accounting and tax deductible items of expenditure	**(3,676)**	(31,986)	**(3,676)**	(3,500)
Finance income subject to lower tax rates	**(179,243)**	(138,762)	**(179,243)**	(169,999)
Other differences	**(61,746)**	(57,634)	**(33,150)**	(34,738)
Income tax expense for the year	**10,518,553**	9,234,546	**10,866,667**	9,099,687

Deferred tax recognised in other comprehensive income is as follows:

	The Group		The Company	
	2015 EUR	2014 EUR	2015 EUR	2014 EUR
Deferred tax credit on defined benefit pensions plans	**191,101**	41,419	**191,101**	41,419

13. Dividends

The net final dividend of EUR10,824,000 (EUR 8.0 cents per ordinary share) proposed by the directors of the Company in the previous financial year was approved by the shareholders at the Annual General Meeting on 20 May 2015 and was paid on 8 June 2015. The net final dividend for 2013 of EUR6,088,500 (EUR 4.5 cents per ordinary share) proposed by the directors during 2014 was paid on 9 June 2014. On the 4 September 2015, a net interim dividend of EUR4,059,000 (EUR 3.0 cents per share) (2014 – EUR4,059,000 (EUR 3.0 cents per share)) was paid to ordinary shareholders of the Company.

The directors propose that a net final dividend of EUR 7.0 cents per ordinary share will be paid to ordinary shareholders in respect of the year ended 31 December 2015. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in the financial statements. The total proposed dividend to be paid is EUR9,471,000.

On the 16 November 2015, the directors of Airport Parking Ltd., a fully-owned subsidiary of Malta International Airport plc, have declared and paid a net interim dividend of EUR1,100,000.

14. Property, Plant and Equipment

The Group	Land held on temporary emphyteusis EUR	Buildings EUR	Furniture, fixtures, plant and equipment EUR	Total EUR
Cost				
At 1 January 2014	42,033,473	63,751,206	81,042,239	186,826,918
Additions	-	384,762	4,361,988	4,746,750
Disposals	-	-	(374,321)	(374,321)
At 1 January 2015	42,033,473	64,135,968	85,029,906	191,199,347
Additions	-	1,544,639	5,358,833	6,903,472
Disposals	-	-	(55,759)	(55,759)
Write-offs	-	-	(33,410,897)	(33,410,897)
At 31 December 2015	42,033,473	65,680,607	56,922,083	164,636,163
Accumulated depreciation				
At 1 January 2014	7,382,805	21,998,696	60,045,187	89,426,688
Provision for the year	646,669	1,276,280	3,782,093	5,705,042
Eliminated on disposal	-	-	(374,321)	(374,321)
At 1 January 2015	8,029,474	23,274,976	63,452,959	94,757,409
Provision for the year	646,669	1,296,163	3,887,990	5,830,822
Eliminated on disposal	-	-	(25,556)	(25,556)
Write-offs	-	-	(33,410,897)	(33,410,897)
At 31 December 2015	8,676,143	24,571,139	33,904,496	67,151,778
Carrying amount				
At 31 December 2015	**33,357,330**	**41,109,468**	**23,017,587**	**97,484,385**
At 31 December 2014	34,003,999	40,860,992	21,576,947	96,441,938

No depreciation is being charged on assets not yet available for use amounting to EUR2,300,822 (2014 – EUR1,403,558). In addition, the cost of fully depreciated plant and equipment amounts to EUR15,974,053 (2014 – EUR44,351,294) for both the Group and the Company.

Property, Plant and Equipment (CONTINUED)

The Company	Land held on temporary emphyteusis EUR	Buildings EUR	Furniture, fixtures, plant and equipment EUR	Total EUR
Cost				
At 1 January 2014	42,033,473	63,751,206	80,220,385	186,005,064
Additions	-	384,762	4,316,113	4,700,875
Disposals	-	-	(374,321)	(374,321)
At 1 January 2015	42,033,473	64,135,968	84,162,177	190,331,618
Additions	-	1,544,639	5,339,370	6,884,009
Disposals	-	-	(55,759)	(55,759)
Write-offs	-	-	(33,410,897)	(33,410,897)
At 31 December 2015	42,033,473	65,680,607	56,034,891	163,748,971
Accumulated depreciation				
At 1 January 2014	7,382,805	21,998,696	59,772,050	89,153,551
Provision for the year	646,669	1,276,280	3,692,791	5,615,740
Eliminated on disposal	-	-	(374,321)	(374,321)
At 1 January 2015	8,029,474	23,274,976	63,090,520	94,394,970
Provision for the year	646,669	1,296,163	3,802,980	5,745,812
Eliminated on disposal	-	-	(25,556)	(25,556)
Write-offs	-	-	(33,410,897)	(33,410,897)
At 31 December 2015	8,676,143	24,571,139	33,457,047	66,704,329
Carrying amount				
At 31 December 2015	**33,357,330**	**41,109,468**	**22,577,844**	**97,044,642**
At 31 December 2014	34,003,999	40,860,992	21,071,657	95,936,648

No depreciation is being charged on assets not yet available for use amounting to EUR2,300,822 (2014 – EUR1,403,558).

15. Investment Property

The Group	EUR
Cost	
At 1 January 2014	19,199,618
Additions from subsequent expenditure	1,267,006
At 1 January 2015	20,466,624
Additions for subsequent expenditure	284,464
At 31 December 2015	20,751,088
Accumulated depreciation	
At 1 January 2014	996,177
Additions from subsequent expenditure	828,176
At 1 January 2015	1,824,353
Additions for subsequent expenditure	808,150
At 31 December 2015	2,632,503
Carrying amount	
At 31 December 2015	**18,118,585**
At 31 December 2014	18,642,271

The above investment property relates to the business centre which was completed during prior years and which is located on the land held on temporary emphyteusis. The carrying amount incorporates the cost of construction and the cost of items that are an integral part of the building.

The directors consider the fair value of the above investment property not to be significantly different from its carrying amount which comprises the items stated above.

During the year there has been no change in the valuation technique used and the Group has continued to account for the investment property at cost.

In estimating the fair value of the investment property, the highest and best use of the property is its current use. The Business Centre is classified as Level 3.

During the year direct operating expenses of EUR626,022 (2014 – EUR796,781), which arose from the Investment Property, were incurred. Such expenses were incurred in generating rental income during the year.

16. Investment in Subsidiaries

The Company

The Company's investment in subsidiaries is stated at cost and comprises:

	2015 EUR	2014 EUR
Shares in Airport Parking Limited	**1,200**	1,200
Shares in Sky Parks Development Limited	**1,200**	1,200
Shares in Sky Parks Business Centre Limited	**1,200**	1,200
Shares in Kirkop PV Farm Limited	**1,200**	1,200
Shares in Luqa PV Farm Limited	**1,200**	1,200
Shares in Gudja PV Farm Limited	**1,200**	1,200
Shares in Gudja Two PV Farm Limited	**1,200**	1,200
Shares in Gudja Three PV Farm Limited	**1,200**	1,200
	9,600	9,600

The Company holds a 100% (2014 – 100%) ownership in the ordinary share capital of Airport Parking Limited, a limited liability company incorporated in Malta, whose principal activity is the operation of car parks.

The Company holds a 100% (2014 – 100%) ownership in the ordinary share capital of Sky Parks Development Limited, a limited company incorporated in Malta, whose principal activity is to manage real estate projects within the land which is currently under the management of the Group,

The Company holds a 100% (2014 – 100%) ownership in the ordinary share capital of Sky Parks Business Centre Limited, a limited liability company incorporated in Malta, whose principal activity is to operate the Business Centre within the limits of the airport.

The Company holds a 100% (2014 – 100%) ownership in the ordinary share capital of:

- Kirkop PV Farm Limited, a limited liability company incorporated in Malta;
- Luqa PV Farm Limited, a limited liability company incorporated in Malta;
- Gudja PV Farm Limited, a limited liability company incorporated in Malta;
- Gudja Two PV Farm Limited, a limited liability company incorporated in Malta;
- Gudja Three PV Farm Limited, a limited liability company incorporated in Malta.

The principal activity of these five companies is to explore opportunities in the generation of electricity using photovoltaic technologies.

Luqa PV Farm Limited, Gudja PV Farm Limited, Gudja Two PV Farm Limited and Gudja Three PV Farm Limited are in the process of being liquidated.

The principal place of business of the company's subsidiaries is Malta.

17. Available-for-sale financial assets

The Group and the Company	Local unlisted Equity Shares	Local Listed Fund	Total EUR
	EUR	EUR	EUR
At 1 January 2014	984,696	84,850	1,069,546
Additions	105,695	-	105,695
	1,090,391	84,850	1,175,241
Movements in fair value	-	8,913	8,913
At 31 December 2014	1,090,391	93,763	1,184,154
At 1 January 2015	1,090,391	93,763	1,184,154
Additions	88,000	-	88,000
Disposals	(1,178,391)	-	(1,178,391)
	-	93,763	93,763
Movements in fair value	-	6,567	6,567
At 31 December 2015	-	**100,330**	**100,330**

Available-for-sale financial asset - Local unlisted equity shares
As per the Group's and the Company's accounting policy, investments in equity instruments that do not have a quoted price in an active market and whose fair value cannot be reliably measured are measured at cost. At 31 December 2014, the Company had 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. This instrument, which was measured at cost, was disposed of during the period under review. At the date of derecognition, its carrying amount amounted to EUR1,178,391 and the gain on disposal amounted to EUR1,864,603 (note 7).

Available-for-sale financial asset - Fund
The Company holds an investment in a fund whose fair value is determined by prices quoted on the Malta Stock Exchange.

As at 31 December 2015, the Group and the Company held the following financial instruments measured at fair value:

	31.12.2015	Level 1	Level 2	Level 3
Assets measured at fair value	EUR	EUR	EUR	EUR
Fund	**100,330**	**100,330**	-	-

As at 31 December 2014 the Group and the Company held the following financial instruments measured at fair value:

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

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

18. Loans and Receivables

The Company	EUR
Amortised cost	
At 31 December 2015	**6,600,000**
Less: Amount expected to be settled within 12 months (shown under current assets)	-
Amount expected to be settled after 12 months	**6,600,000**
At 31 December 2014	6,600,000
Less: Amount expected to be settled within 12 months (shown under current assets)	-
Amount expected to be settled after 12 months	6,600,000

The company has granted an unsecured loan to one of its subsidiaries. This subsidiary will commence repaying the loan in 2030. At the reporting date, the loan incurred interest at a floating rate of 2.95% (2014 - 2.95%) per annum. The interest rate comprises a margin which is over and above the bank base rate.

19. Deferred Taxation

The Group	31.12.2013 EUR	Movement for the year EUR	31.12.2014 EUR	Movement for the year EUR	**31.12.2015 EUR**
Arising on:		*recognised in total comprehensive income:*		*recognised in total comprehensive income:*	
Accelerated tax depreciation	(162,903)	(243,742)	(406,645)	(268,878)	**(675,523)**
Provision for pension costs	1,218,602	(84,089)	1,134,513	130,653	**1,265,166**
Deferred income	2,076,926	(73,067)	2,003,859	(73,068)	**1,930,791**
Unabsorbed capital allowances	641,378	246,787	888,165	287,131	**1,175,296**
Ground rent payable	209,327	222,316	431,643	229,775	**661,418**
Other temporary differences	24,128	25,181	49,309	27,531	**76,840**
	4,007,458	93,386	4,100,844	333,144	**4,433,988**
		recognised in equity:		*recognised in equity:*	
Revaluation of properties on privatisation	(739,856)	26,193	(713,663)	26,193	**(687,470)**
Provision for pension costs	206,204	-	206,204	-	**206,204**
Total	3,473,806	119,579	3,593,385	359,337	**3,952,722**

The Company	31.12.2013 EUR	Movement for the year EUR	31.12.2014 EUR	Movement for the year EUR	**31.12.2015 EUR**
Arising on:		*recognised in total comprehensive income:*		*recognised in total comprehensive income:*	
Accelerated tax depreciation	414,041	(12,120)	401,921	(88,989)	**312,932**
Provision for pension costs	1,218,602	(84,089)	1,134,513	130,653	**1,265,166**
Deferred income	2,076,926	(73,067)	2,003,859	(73,068)	**1,930,791**
Ground rent payable	209,327	222,316	431,643	229,775	**661,418**
Other temporary differences	45,382	38,853	84,235	50,442	**134,677**
	3,964,278	91,893	4,056,171	248,813	**4,304,984**
		recognised in equity:		*recognised in equity:*	
Revaluation of properties on privatisation	(739,856)	26,193	(713,663)	26,193	**(687,470)**
Provision for pension costs	206,204	-	206,204	-	**206,204**
Total	3,430,626	118,086	3,548,712	275,006	**3,823,718**

The movement recognised in total comprehensive income during the current year for both the Group and the Company includes a deferred tax credit of EUR191,101 (2014 – EUR41,419) in connection with defined benefit plans, which deferred tax was recognised in other comprehensive income.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The amount of deferred tax assets that can be recognised is based upon the likely timing and level of future taxable profits together with future tax planning strategies.

20. Inventories

	The Group		The Company	
	2015 EUR	2014 EUR	**2015 EUR**	2014 EUR
Consumables	**816,582**	827,659	**816,582**	827,659

21. Trade and other receivables

	The Group		The Company	
	2015 EUR	2014 EUR	**2015 EUR**	2014 EUR
Trade receivables	**7,448,326**	8,829,545	**6,998,257**	8,270,167
Other receivables	**732,504**	1,265,402	**324,513**	351,048
Receivables from other related parties	**2,398,921**	2,926,746	**2,398,921**	2,926,746
Prepayments and accrued income	**1,218,133**	1,261,821	**955,505**	986,602
	11,797,884	14,283,514	**10,677,196**	12,534,563

The terms and conditions of the receivables from subsidiaries and related parties are disclosed in note 33. Trade receivables are non-interest bearing and are generally on 30 day terms.

The Group

As at 31 December 2015, trade receivables at nominal value of EUR128,451 (2014: EUR232,197) were impaired and fully provided for. Movements in the provision for impairment of trade receivables were as follows:

	Individually Impaired EUR
At 1 January 2014	101,078
Impairment loss	131,119
At 31 December 2014	232,197
Impairment loss	61,580
Reversal of impairment loss	(165,326)
At 31 December 2015	**128,451**

The Company

As at 31 December 2015, trade receivables at nominal value of EUR71,891 (2014: EUR175,484) were impaired and fully provided for. Movements in the provision for impairment of trade receivables were as follows:

	Individually Impaired EUR
At 1 January 2014	101,078
Impairment loss	74,406
At 31 December 2014	175,484
Impairment loss	55,735
Reversal of impairment loss	(159,328)
At 31 December 2015	**71,891**

Further to the above movements in the provision for impairment, during the year under review the Group and Company recognised an impairment loss of EUR107,095.

Trade and other receivables (CONTINUED)

The Group

As at 31 December, the ageing analysis of trade receivables is as follows:

	Total EUR	Neither past due nor impaired EUR	Past due but not impaired: 30-60 days EUR	60 days EUR	90 days EUR	>120 days EUR
2015	**9,847,247**	**4,951,078**	**3,814,964**	**696,234**	**384,971**	**-**
2014	11,756,291	4,981,688	3,020,440	607,279	1,035,562	2,111,322

The Company

As at 31 December, the ageing analysis of trade receivables is as follows:

	Total EUR	Neither past due nor impaired EUR	Past due but not impaired: 30-60 days EUR	60 days EUR	90 days EUR	>120 days EUR
2015	**9,397,178**	**4,812,969**	**3,743,307**	**560,059**	**280,843**	**-**
2014	11,196,913	4,784,912	3,004,240	577,978	797,686	2,032,097

The Group does not hold any collateral over the past due but not impaired balances and has not provided for any allowance as these trade receivables are substantially companies with good track records with the Group and thus the amount is still considered recoverable.

22. Trade and other payables

	The Group 2015 EUR	The Group 2014 EUR	The Company 2015 EUR	The Company 2014 EUR
Trade payables	**3,421,118**	3,232,179	**3,166,491**	3,012,086
Other payables	**2,943,477**	2,799,931	**2,834,400**	2,659,551
Payables due to subsidiaries	**-**	-	**237,259**	277,111
Accruals and deferred income	**19,194,207**	15,223,648	**17,669,507**	12,912,111
	25,558,802	21,255,758	**23,907,657**	18,860,859

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30 day terms.
- Other payables are non-interest bearing and have an average term of three months.

23. Bank Loans

	The Group 2015 EUR	The Group 2014 EUR	The Company 2015 EUR	The Company 2014 EUR
Current bank loans	**25,750,157**	2,456,423	**25,075,157**	1,781,423
Non-current bank loans	**31,347,984**	57,098,140	**18,072,948**	43,148,104

The Company has a bank loan which will expire in 2026, and is secured by a general hypothec over all the Company's present and future assets, with the exception of terminal buildings and other sites. The loan is repayable in annual instalments. At the reporting date, the loan incurred interest at 2.95% (2014 – 2.95%) per annum.

In 2010 Sky Parks Development Limited was granted a bank loan amounting to Eur16 million which is repayable by 2030, and is secured by guarantees and a general hypothec over the commercial block, consisting of car parking spaces, retail outlets and other floor space held for rental purposes. At the reporting date, the weighted average interest rate is equal to 6.00% (2014 – 6.03%) per annum.

The Company has a bullet payment, amounting to EUR23,293,734, which is due for repayment on 19 April 2016. This bullet payment is currently under negotiations.

The maturity of the bank borrowings are disclosed in note 37.

24. Deferred Income

The Group	2014 EUR	Movement for the year: Additions EUR	Movement for the year: Amortisation EUR	2015 EUR
Deferred income arising from the gain on disposal of the buildings and fixtures	5,725,313	-	(208,765)	**5,516,548**
European Commission grant	523,336	-	(40,255)	**483,081**
Norwegian grant	207,045	-	(51,761)	**155,284**
Government grant	59,944	-	(9,991)	**49,953**
Deposit received from tenant	22,623	61,883	-	**84,506**
Total deferred income as at 31 December	6,538,261	61,883	(310,772)	**6,289,372**
Less: amounts included in trade and other payables (note 22)	(310,772)			**(310,772)**
Amounts included in non-current liabilities	6,227,489			**5,978,600**

	2013 EUR	Movement for the year: Amortisation EUR	2014 EUR
Deferred income arising from the gain on disposal of the buildings and fixtures	5,934,078	(208,765)	5,725,313
European Commission grant	563,591	(40,255)	523,336
Norwegian grant	258,806	(51,761)	207,045
Government grant	69,935	(9,991)	59,944
Deposit received from tenant	22,623	-	22,623
Total deferred income as at 31 December	6,849,033	(310,772)	6,538,261
Less: amounts included in trade and other payables (note 22)	(310,772)		(310,772)
Amounts included in non-current liabilities	6,538,261		6,227,489

Deferred Income (CONTINUED)

The Company	2014 EUR	Movement for the year Amortisation EUR	2015 EUR
Deferred income arising from the gain on disposal of the buildings and fixtures	5,725,313	(208,765)	**5,516,548**
European Commission grant	523,336	(40,255)	**483,081**
Norwegian grant	207,045	(51,761)	**155,284**
Government grant	59,944	(9,991)	**49,953**
Total deferred income as at 31 December	6,515,638	(310,772)	**6,204,866**
Less: amounts included in trade and other payables (note 22)	(310,772)		**(310,772)**
Amounts included in non-current liabilities	6,204,866		**5,894,094**

	2013 EUR	Movement for the year Amortisation EUR	2014 EUR
Deferred income arising from the gain on disposal of the buildings and fixtures	5,934,078	(208,765)	5,725,313
European Commission grant	563,591	(40,255)	523,336
Norwegian grant	258,806	(51,761)	207,045
Government grant	69,935	(9,991)	59,944
Total deferred income as at 31 December	6,826,410	(310,772)	6,515,638
Less: amounts included in trade and other payables (note 22)	(310,772)		(310,772)
Amounts included in non-current liabilities	6,515,638		6,204,866

The deferred income arising from the gain on disposal of the buildings and fixtures that took place on the date of the privatisation of the Company in 2002 is being taken to income in accordance with the accounting policy stated in note 2.2.

The European Commission grant is composed of grants related to assets and which were received in 2006 and 2011 in respect of the upgrading of the taxiways project.

The Norwegian grant is related to the implementation of the Schengen project and was received in 2009.

The Government grant is related to the installation of the photovoltaic system and was received in 2011.

25. Provision for retirement benefit plan

	The Group 2015 EUR	The Group 2014 EUR	The Company 2015 EUR	The Company 2014 EUR
Non-current provision for retirement benefit plan	**4,192,969**	3,828,974	**4,192,969**	3,828,974

The provision for retirement benefits is unfunded and represents the Company's and the Group's share of the year-end provision in accordance with the Pensions Ordinance (Cap 93) for possible future liabilities relating to pensions of employees who joined the public service before 15 January 1979 and were transferred to the Company. The provision has been computed in accordance with the accounting policy stated in note 2 and represents the Company's and the Group's obligation (i) discounted to the net present value at the rate which has been determined by reference to market yields at the end of the reporting period on Maltese government bonds (ii) after considering the average life expectancy of such employees based on the latest publicly available mortality tables and (iii) where applicable, expected rates of salary increases based on the inflation and previous increases given to employees and (iv) the Company's expectations, based on historic data, of the payment options that will be selected by the plan members, being either an annual benefit per employee or a lump sum payment plus a reduced annual benefit per employee until death, capped in accordance with statutory requirements.

The movement in the provision for retirement benefit plan may be analysed as follows:

	31.12.2015 EUR	31.12.2014 EUR
Present value of the provision for retirement benefits at 1 January	**3,828,974**	4,070,876
Payments effected	**(258,105)**	(544,276)
Charge for the year *(recognised in staff costs)*	**85,397**	185,681
Actuarial gains and losses resulting from changes in financial assumptions, gross of deferred tax *(recognised in other comprehensive income)*	**536,703**	116,693
Present value of the provision for retirement benefits at 31 December	**4,192,969**	3,828,974

The year-end obligation includes EUR3,410,532 (2014 – EUR3,176,682) in relation to retired employees.

The plan exposes the Group and the Company to such risks as (i) interest risk, since a decrease in market yields will increase the plan liability; (ii) longevity risk, since an increase in the life expectancy of the plan participants will increase the plan liability; and (iii) salary risk, since an increase in the salary of the plan participants will increase the plan liability.

The significant actuarial assumptions used to determine the present value of the retirement benefit plan were as follows:

	Group and Company	
	2015	2014
Discount rate(s)	**2%**	4.1%
Mortality rate(s)		
Males	**79**	79
Females	**83**	83

The sensitivity analyses below are in connection with each significant actuarial assumption and are prepared as of the end of the reporting period, showing how the defined benefit obligation would have been affected by hypothetical changes in the relevant actuarial assumption that were reasonably possible at that date, while holding all other assumptions constant. The sensitivity analyses presented below are for illustrative purposes only and may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. In presenting the sensitivity analyses, the present value of the obligation has been calculated using the projected unit credit method at the end of the reporting period. The amounts generated from the sensitivity analyses represent forward-looking estimates and hence, actual results in the future may differ materially from those projected results.

If the discount rate is 100 basis points higher (lower) with all other assumptions held constant, the defined benefit obligation decreases by EUR273,016 (increases by EUR310,373) (2014 – decreases by EUR226,522 (increases by EUR256,256)).

If the life expectancy increases (decreases) by two years for both men and women with all other assumptions held constant, the defined benefit obligation increases by EUR381,423 (decreases by EUR396,659) (2014 – increases by EUR265,376 (decreases by EUR285,620)).

The weighted average duration of the defined benefit obligation at 31 December 2015 is 22 years (2014 – 22 years) in relation to employees that are still employed by the company and 14 years (2014 – 14 years) in relation to retired employees.

26. Provision for MIA benefit plan

	The Group		The Company	
	2015 EUR	2014 EUR	**2015 EUR**	2014 EUR
Provision for MIA benefit plan	**210,890**	163,645	**210,890**	163,645

The provision for MIA benefit plan is funded and represents the year-end provision for possible future liabilities relating to payments to employees after their retirement as per the Company's Collective Agreement. The provision has been computed in accordance with the accounting policy stated in note 2 and represents the Company's possible obligation discounted to the net present value at the rate which has been determined by reference to market yields at the end of the reporting period on Maltese government bonds after considering the probability that employees reach the applicable retirement age when they are still in employment with the Company.

The movement in the provision for retirement pension plan may be analysed as follows:

	The Group & the Company	
	2015 EUR	2014 EUR
Present value of the provision for MIA benefit plan at 1 January	**163,645**	115,930
Charge for the year *(recognised in staff costs)*	**37,946**	46,069
Actuarial gains and losses resulting from changes in financial assumptions, gross of deferred tax *(recognised in other comprehensive income)*	**9,299**	1,646
Present value of the provision for MIA benefit plan at 31 December	**210,890**	163,645

27. Share Capital

	As at 31.12.2015 & 31.12.2014	
The Company	**Authorised EUR**	**Issued and called up EUR**
111,809,746 "A" ordinary shares of EUR0.25 each (81,179,990 of which have been issued, called up and fully paid)	**27,952,436**	**20,294,997**
74,539,840 "B" ordinary shares of EUR0.25 each (54,120,000 of which have been issued, called up and fully paid)	**18,634,960**	**13,530,000**
14 "C" ordinary shares of EUR0.25 each (10 of which have been issued, called up and fully paid)	**4**	**3**
	46,587,400	**33,825,000**

The Ordinary 'A' and 'B' shares have the same rights, benefits and powers in the Company save for the transferability thereof. Ordinary 'A' shares are freely transferred while the 'B' shares shall be non-transferable for a period of 15 years from 26 July 2002. Ordinary 'C' shares carry no voting rights and do not receive dividends.

Shareholders

The shareholders owning 5% or more of the Company's equity share capital at 31 December 2015 were the following:

Malta Mediterranean Link Consortium Limited (of which VIE (Malta) Limited constitutes 57.1% and MMLC Holdings Malta Limited (*formerly* SNC Lavalin (Malta) Ltd) constitutes 38.75%)	40.0%	'B' shares
Government of Malta	20.0%	'A' and 'C' shares
VIE (Malta) Limited	10.1%	'A' shares

Shareholder range	**Number of holders at 23.02.2016**	**Number of holders at 08.06.2015**	**Movement in holders increase /(decrease)**
1 – 500 shares	304	244	60
501 – 1,000 shares	692	657	35
1,001 – 5,000 shares	3,747	3,755	(8)
5,001 and over	1,656	1,688	(32)
	6,399	6,344	55

28. Reserves

Other Reserve
The other reserve emanates from the revaluation of the Company's buildings on the date of the privatisation of the Company in 2002.

Fair Value Reserve
The fair value reserve originates from movements in fair values of available-for-sale financial assets and represents unrealised amounts.

29. Cash and short term deposits

Cash and short term deposits shown in the statements of cash flow comprise the following amounts presented in the Statements of Financial Position:

	The Group		The Company	
	2015 EUR	2014 EUR	2015 EUR	2014 EUR
Cash at bank and in hand	**39,644,210**	30,726,466	**38,577,611**	28,890,583

Cash at bank earns interest based on daily bank deposit rates.

30. Earnings per share

Earnings per ordinary share for the Group and the Company have been calculated by dividing the net profit for the year after taxation attributable to the ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	The Group		The Company	
	2015 EUR	2014 EUR	2015 EUR	2014 EUR
Profit for the year attributable to the ordinary equity holders of the Company	**19,271,068**	16,828,777	**19,986,466**	16,691,947
Weighted average number of shares	**135,299,990**	135,299,990	**135,299,990**	135,299,990
Earnings per share (cents) attributable to the ordinary equity holders of the Company	**14.24**	12.44	**14.77**	12.34

There is no difference between the basic and diluted earnings per share as the Company has no potential dilutive ordinary shares.

31. Capital commitments

	The Group		The Company	
	2015 EUR	2014 EUR	2015 EUR	2014 EUR
Property, plant and equipment				
Contracted but not provided for	**2,323,983**	2,735,413	**2,323,983**	2,735,413
Authorised but not contracted for	**7,510,417**	5,735,930	**7,442,917**	5,360,930

32. Contingent liabilities

At reporting date, there existed:

(i) claims filed by four former employees of the Company for unfair dismissal and wrong application of disciplinary procedures, the amount of which has not been determined;

(ii) a claim filed by former CEO for unfair dismissal, the amount of which has not been determined;

(iii) a dispute with the Government of Malta which arose in 2005 and which could result in a claim. The Government estimates the value of the claim as at 31 December 2014 to be approximately EUR2.8 million;

(iv) a claim by an airline for a total amount of EUR250,526 which claim is subject to full reimbursement by the Company's insurers. In 2012 the court ordered the Company to reimburse the full amount claimed, including interest. The Company has filed an appeal to the sentence; and

(v) dispute with two contractors involved in the construction of Skyparks Business Centre. The amount claimed by the contractors on three separate contracts is in aggregate circa EUR450,000 more than estimated by the Group. Both contractors have initiated court cases against the Group.

The above contingent liabilities have all been claimed against the Company. In the directors' opinion, all the above claims are unfounded.

33. Related party disclosures

During the course of the year, the Group and the Company entered into transactions with related parties as set out below. Transactions between the Company and its subsidiaries have been eliminated on consolidation. The related party transactions in question were:

The Group	31.12.2015 Related party activity EUR	Total activity EUR	%	31.12.2014 Related party activity EUR	Total activity EUR	%
Revenue:						
Related party transactions with:						
Entities which are controlled by Government	**19,808,029**			19,877,113		
Entities which jointly control the Company's parent	**2,803**			11,003		
	19,810,832	**66,965,843**	**30**	19,888,116	64,290,433	31
Staff and other operating costs:						
Related party transactions with:						
Key management personnel of the Group (note 10)	**737,567**			822,312		
Related parties other than the parent and key management personnel	**4,278,517**			5,288,841		
	5,016,084	**31,322,888**	**16**	6,111,153	30,445,845	20

The Company	31.12.2015 Related party activity EUR	Total activity EUR	%	31.12.2014 Related party activity EUR	Total activity EUR	%
Revenue:						
Related party transactions with:						
Entities which are controlled by Government	**19,359,506**			19,403,866		
Subsidiary	**2,077,656**			1,709,325		
Entities which jointly control the Company's parent	**2,803**			11,003		
	21,439,965	**63,689,590**	**34**	21,124,194	61,137,746	35
Staff and other operating costs:						
Related party transactions with:						
Key management personnel of the Group (note 10)	**737,567**			822,312		
Related parties other than the parent and key management personnel	**4,278,517**			5,288,841		
	5,016,084	**30,640,401**	**16**	6,111,153	29,504,812	21

The Company has earned interest income amounting to EUR192,612 (2014 – EUR112,472) on the loan granted to a subsidiary. During the year the Company has also received a dividend from one of its subsidiaries amounting to EUR1,692,308.

The Company's and the Group's other operating costs for the current year in relation to related parties other than the parent and key management personnel comprise EUR2,219,574 (2014: EUR3,356,025) in connection with entities controlled by Government and EUR2,058,943 (2014: EUR1,932,816) in connection with entities which jointly control the Company's parent.

The amounts due to/from related parties are disclosed in note 18, 21 & 22. The terms and conditions do not specify the nature of the consideration to be provided in settlement.

No guarantees have been given or received. These amounts were unsecured and, except as specified in note 18, are interest-free.

In addition to the above, the details of the material contracts entered into by the Company in the year ended 31 December 2015 with its substantial shareholders and their related parties are disclosed in note 35.

Property, plant and equipment includes land held on temporary emphyteusis, which relates to the land assigned by the Government of Malta to the Group and the Company by title of temporary emphyteusis. This is amortised over the remaining term of the lease by equal annual instalments. Details in connection with the operating lease expense are given in note 34.

34. Operating Lease Arrangements

The Group and the Company as lessee	The Group 2015 EUR	The Group 2014 EUR	The Company 2015 EUR	The Company 2014 EUR
Minimum lease payments under operating lease recognised as an expense for the year	**1,739,778**	1,794,864	**1,739,778**	1,794,864

At the reporting date, the Company and the Group had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	The Group 2015 EUR	The Group 2014 EUR	The Company 2015 EUR	The Company 2014 EUR
Within one year	**1,006,182**	1,006,182	**1,006,182**	1,006,182
In the second to fifth years inclusive	**4,591,536**	4,440,609	**4,591,536**	4,440,609
After five years	**112,127,347**	113,284,457	**112,127,347**	113,284,457
	117,725,065	118,731,248	**117,725,065**	118,731,248

Operating lease payments represent ground rents payable by the Company to the Government of Malta on the temporary emphyteuses, with no renewal option included in the contracts. The term of the leases ranges from 58 years to 65 years and the lease payments are adjusted upwards periodically by a specified rate. The lease expense is allocated to commercial and non-commercial areas on the basis of the total surface area covered by the lease. The lease expense in relation to the commercial areas is recognised on a straight-line basis.

The recognition of the lease expense in relation to the non-commercial areas is made on a systematic basis that is considered to be most representative of the time pattern of the expected benefit that the Group and the Company can reasonably be expected to reap from the use of that part of the leased asset over the lease term on the basis of passenger movements. This assessment is reviewed annually to determine whether the basis that is applied in allocating the lease expense over the lease term continues to be appropriate.

Operating Lease Arrangements (CONTINUED)

	The Group		The Company	
The Group and the Company as lessor	**2015 EUR**	2014 EUR	**2015 EUR**	2014 EUR
Minimum lease payments under operating lease recognised as income for the year	**3,272,843**	2,997,962	**932,843**	932,843

At the date of the Statement of Financial Position, the Company and the Group had non-cancellable operating lease receivables as follows:

	The Group		The Company	
	2015 EUR	2014 EUR	**2015 EUR**	2014 EUR
Within one year	**2,642,672**	2,615,457	**771,155**	771,155
In the second to fifth years inclusive	**9,924,135**	7,660,615	**3,180,860**	3,144,774
After five years	**20,714,434**	20,753,737	**16,527,426**	17,334,667
	33,281,241	31,029,809	**20,479,441**	21,250,596

Operating lease income receivable by the Group represents income from leases of land held on temporary emphyteuses. The term of the principal non-cancellable lease arrangements range between 30 and 32 years and the lease receivables are adjusted upwards periodically by a specified rate. It also includes income from the lease of commercial property to tenants. The term of these leases ranges from 2 years to 12 years and the lease receivables are adjusted upwards periodically by specified rates. Operating lease income receivable by the Company also includes income from the lease of land to a subsidiary. The term of the lease is of 25 years and the lease receivables are adjusted upwards periodically by a specified rate.

Where the lease income is adjusted periodically by a specified rate, the lease income is recognised on a straight-line basis over the lease term. The above includes an amount of EUR2,428,480 (2014 – EUR2,146,444) generated in relation to the business centre.

The amounts recognised by the Group as income during the year that are based on the higher of a percentage of sales and a minimum annual guarantee are EUR9,058,645 (2014 – EUR8,424,886).

The amounts recognised by the Company as income during the year that are based on the higher of a percentage of sales and a minimum annual guarantee are EUR8,795,463 (2014 – EUR8,239,753).

35. Material contracts

The material contracts entered into by the Company in the year ended 31 December 2015 with its substantial shareholders and their related parties are the following:

Malta Mediterranean Link Consortium Limited

The provision for Technical Services by the Company's strategic partners VIE Operations Limited and SNC-Lavalin Inc., gives rise to an expense of EUR1,945,277 (2014 – EUR1,782,253).

The Government of Malta

(i) The terminal and other land lease agreements with the Lands Department for EUR1,006,182 (2014 – EUR995,486);

(ii) The contract for contribution to the Malta Tourism Authority for EUR232,937 (2014 – EUR232,937);

(iii) The contract with the Armed Forces of Malta for the security of the restricted areas at the Airport for an expense of EUR1,860,000 (2014 – EUR1,860,000);

(iv) The provision of Air Navigation Services and other services by Malta Air Traffic Services Limited for an expense of EUR921,466 (2014 – EUR902,898);

(v) The provision of Meteorological Services and other services to Malta Air Traffic Services Limited for revenue of EUR736,938 (2014 – EUR736,938);

(vi) The contract with Enemalta Corporation for fuel throughput charges generated the amount of EUR375,619 (2014 – EUR358,765) in revenue;

(vii) The ground handling and concession agreements with Air Malta plc and its subsidiaries that generated income of EUR1,785,869 (2014 – EUR1,709,688).

36. Parent company

For the purposes of IFRS 10 – Consolidated Financial Statements, it is considered that Articles 58.2 and 58.7 of the Company's Articles of Association combine so as to give Malta Mediterranean Link Consortium Limited, which has its registered office at Palazzo Pietro Stiges, 60 St. Christopher Street, Valletta, Malta, control over the Company. The consolidated financial statements of the Group are incorporated in the Group financial statements of Malta Mediterranean Link Consortium Limited.

The Company has been informed that Flughafen Wien AG announced the signing of a share purchase agreement to acquire SNC-Lavalin Group Inc.'s indirect stake in SNC-Lavalin (Malta) Limited ("SNCL Malta"), subject to the fulfilment of certain closing conditions by both parties.

SNCL Malta has a 38.75% interest in Malta Mediterranean Link Consortium Limited ("MMLC") and in which Flughafen Wien AG, through its subsidiary VIE (Malta) Limited already holds a 57.1%. MMLC has a 40% equity interest in Malta International Airport plc (the "Company").

VIE Malta Limited holds an additional 10.1% equity stake directly in the Company.

Upon reaching financial close, the total consolidated holding of Flughafen Wien AG in the Company, directly and indirectly, will be in excess of 48% of the total issued share capital.

37. Fair values of financial assets and financial liabilities

At 31 December 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. The fair values of non-current loans and receivables and non-current financial liabilities are not materially different from their carrying amounts because they carry an arm's length interest that is re-priced periodically.

The fair value of the available for sale instruments is disclosed in note 17. Investments in available for sale equity instruments that do not have a quoted price in an active market for an identical instrument and whose fair values cannot be reliably measured, which were stated at cost, were sold during the current year, as disclosed in note 17.

The following table provides an analysis of financial instruments that are not measured subsequent to initial recognition at fair value, other than investments in subsidiaries and those with carrying amounts that are reasonable approximations of fair value, grouped into Levels 1 to 3:

The Group	31.12.2015 Carrying amount EUR	Level 1 EUR	Level 2 EUR	Level 3 EUR
	Fair value measurement at the end of the reporting period using			
Financial liabilities				
Financial liabilities at amortised cost:				
Bank loans	**57,098,141**	**-**	**57,098,141**	**-**

	31.12.2014 Carrying amount EUR	Level 1 EUR	Level 2 EUR	Level 3 EUR
	Fair value measurement at the end of the reporting period using			
Financial liabilities				
Financial liabilities at amortised cost:				
Bank loans	59,554,563	-	59,554,563	-

The Company	31.12.2015 Carrying amount EUR	Level 1 EUR	Level 2 EUR	Level 3 EUR
	Fair value measurement at the end of the reporting period using			
Financial liabilities				
Financial liabilities at amortised cost:				
Loan to subsidiary	**6,600,000**	**-**	**6,600,000**	**-**
Financial liabilities				
Financial liabilities at amortised cost:				
Bank loans	**43,148,105**	**-**	**43,148,105**	**-**

	31.12.2014 Carrying amount EUR	Level 1 EUR	Level 2 EUR	Level 3 EUR
	Fair value measurement at the end of the reporting period using			
Financial liabilities				
Financial liabilities at amortised cost:				
Loan to subsidiary	6,600,000	-	6,600,000	-
Financial liabilities				
Financial liabilities at amortised cost:				
Bank loans	44,929,527	-	44,929,527	-

38. Financial risk management

The Group's and the Company's principal financial liabilities comprise bank loans and trade payables. The principal financial assets of the Group and the Company (other than investments in subsidiaries) are trade receivables, loans and receivables, available-for-sale financial assets and cash and short-term deposits.

The principal financial instruments (other than investments in subsidiaries) are classified into the following categories:

	The Group		The Company	
	2015 EUR	2014 EUR	**2015 EUR**	2014 EUR
Available-for-sale financial assets	**100,330**	1,184,154	**100,330**	1,184,154
Loans and receivables	**-**	-	**6,600,000**	6,600,000
Trade receivables & cash and cash equivalents	**49,491,457**	42,482,757	**47,974,789**	40,087,496
Financial liabilities at amortised cost	**78,040,786**	76,154,033	**62,664,945**	59,446,358
Net gains /(losses) arising from these financial instruments are classified as follows:				
Recorded in other comprehensive income:				
Available-for-sale financial assets	**1,864,603**	-	**1,864,603**	-
Loans and receivables	**-**	-	**192,612**	112,472
Trade and other receivables	**3,349**	131,119	**3,502**	74,406
Cash and cash equivalents	**896,214**	849,993	**896,214**	849,993
Financial liabilities at amortised cost	**(2,183,944)**	(2,306,805)	**(1,304,746)**	(1,396,790)
Recorded in other comprehensive income:				
Available for sale financial assets	**6,567**	8,913	**6,567**	8,913

The main risks arising from the Group's and the Company's financial instruments are changes in interest rate, liquidity risk and credit risk, which are summarised below.

Interest rate risk
The Group has taken out bank facilities to finance its operations as disclosed in note 23 and has cash at bank balances as disclosed in note 29. The interest rates thereon and the terms of such borrowings are disclosed accordingly. The company has also granted an interest-bearing loan to a subsidiary as disclosed in note 18. The Group is exposed to cash flow interest rate risk on bank balances and borrowings carrying a floating interest rate. Management monitors the movement in interest rates and, where possible, reacts to material movements in such rates by restructuring its investing and financing structure.

Interest rate risk table

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's and Company's profit before tax. The Group and Company consider the reasonably possible changes in interest rates to be a change in 25 basis points.

	Increase/ decrease in basis points	Effect on Group profit before tax EUR	Effect on Company profit before tax EUR
2015	**+25**	**(43,635)**	**5,074**
	-25	**43,635**	**(5,074)**
2014	+25	(72,070)	(23,597)
	-25	72,070	23,597

The effect on profit takes into consideration both interest payable and interest receivable based on the subsidiary and bank loans and cash and short term deposits as disclosed in notes 18, 23 and 29 respectively.

Credit risk

Financial assets which potentially subject the Group and the Company to concentrations of credit risk, consist principally of available-for-sale financial assets, receivables and cash, short term deposits held at bank and a loan granted to a subsidiary. Receivables are presented net of an allowance for doubtful debts. The maximum exposure to credit risk is the carrying amounts of each class of asset as disclosed in notes 17,18, 21 and 29 respectively. As disclosed in note 23 the Company has also granted security over its subsidiary's bank loan.

An allowance for provision for impairment of trade receivables is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. Credit risk with respect to trade receivables is managed and assessed through the adherence to credit control procedures, which include client acceptance procedures, and is also limited through the number of customers comprising the Group's and Company's debtor base. Outstanding trade receivables are regularly monitored by management. Available-for-sale financial assets are acquired after assessing the quality of the relevant available-for-sale financial asset. Cash and short term deposits held at bank is placed with reliable financial institutions which are currently rated BBB+ (2014 – BBB+) by the international rating agency Fitch. Management considers the quality of its financial assets as being acceptable.

The largest single customer of the Group, Air Malta plc, which is currently going through a restructuring process, accounts for EUR2.5 million (2014 – EUR3.2 million) of the Group's trade and other receivables at year end and 29.6% (2014 – 31.0%) of the Group's revenue.

The Company's exposure to this customer is not materially different to that of the Group.

The maximum exposure to this customer during a period of increased trading, in particular in the summer months at normal credit terms, is expected to be in the region of EUR4.5 million (2014 – EUR3.6 million). The Board feels confident that the Group's and the Company's exposure to Air Malta plc will not jeopardize in any way the Group's ability to continue operations for the foreseeable future and that Air Malta plc will meet its obligations.

Liquidity risk

The tables below summarise the maturity profile of the Group's and Company's financial liabilities at 31 December 2014 and 2015 based on contractual undiscounted payments. In the tables below, 'Current' refers to invoices issued close to year end, and which were within the credit period of 30 days given to the Group and the Company.

The Group **31 December 2015**	Total EUR	Current EUR	<3 Months EUR	3–12 Months EUR	1–5 Years EUR	>5 Years EUR
Interest bearing bank borrowings	67,500,751	-	2,307,305	25,025,919	14,557,289	25,610,238
Other payables	2,943,477	353,217	2,590,260	-	-	-
Accruals	17,521,527	3,679,521	2,453,014	11,388,992	-	-
Trade payables	3,421,118	1,799,060	1,044,519	577,539	-	-
	91,386,873	**5,831,798**	**8,395,098**	**36,992,450**	**14,557,289**	**25,610,238**

31 December 2014	Total EUR	Current EUR	<3 Months EUR	3–12 Months EUR	1–5 Years EUR	>5 Years EUR
Interest bearing bank borrowings	72,079,398	-	2,254,832	2,356,581	38,294,650	29,173,335
Other payables	2,799,931	320,483	2,479,448	-	-	-
Accruals	13,367,291	2,807,131	1,871,421	8,688,739	-	-
Trade payables	3,232,179	1,583,346	1,072,875	575,958	-	-
	91,478,799	4,710,960	7,678,576	11,621,278	38,294,650	29,173,335

The Company 31 December 2015	Total EUR	Current EUR	<3 Months EUR	3–12 Months EUR	1–5 Years EUR	>5 Years EUR
Interest bearing bank borrowings	46,477,018	-	2,098,768	23,731,194	8,785,641	11,861,415
Other payables	2,834,400	340,128	2,494,272	-	-	-
Accruals	16,113,090	3,383,749	2,255,833	10,473,508	-	-
Trade payables	3,166,491	1,686,642	1,009,607	470,242	-	-
	68,590,999	**5,410,519**	**7,858,480**	**34,674,944**	**8,785,641**	**11,861,415**

31 December 2014	Total EUR	Current EUR	<3 Months EUR	3–12 Months EUR	1–5 Years EUR	>5 Years EUR
Interest bearing bank borrowings	49,500,862	-	2,108,239	959,011	32,461,478	13,972,134
Other payables	2,659,551	319,146	2,340,405	-	-	-
Accruals	11,227,634	2,357,803	1,571,869	7,297,962	-	-
Trade payables	3,012,086	1,462,327	1,020,164	529,595	-	-
	66,400,133	4,139,276	7,040,677	8,786,568	32,461,478	13,972,134

The Group monitors and manages its risk to a shortage of funds by monitoring forecast and actual cash flows. The Company has additional undrawn bank facilities of EUR2.5 million (2014 – EUR2.5 million) earmarked for capital expenditure projects and EUR4.7 million (2014 – EUR4.7 million) overdraft facilities. The Group is currently in negotiations to renew the bullet payment which is due in 2016, as further disclosed in note 23.

Capital management
One of the objectives of the Group and the Company is to ensure that it maintains a strong credit rating and healthy capital ratios by means of proper management of its capital. The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. No changes were made in the objectives and processes during the years ended 31 December 2015 and 31 December 2014.

The Company monitors its capital requirement on a periodic basis taking into account its current requirements. Capital includes equity attributable to the equity holders and other reserves and bank loans. The Group's and Company's policy in managing capital has remained unchanged from the prior year.

39.Events after the reporting period

The Company has been informed that Flughafen Wien AG announced the signing of a share purchase agreement to acquire SNC-Lavalin Group Inc.'s indirect stake in SNC-Lavalin (Malta) Limited ("SNCL Malta"), subject to the fulfilment of certain closing conditions by both parties (note 36).

The Company has a bullet payment, amounting to EUR23,293,734, which is due for repayment on 19 April 2016. As disclosed in note 23, this bullet payment is currently under negotiations.

Independent auditor's report
to the members of
Malta International Airport p.l.c.

We have audited the accompanying financial statements of Malta International Airport p.l.c. and its Group, set out on pages 91 to 134, which comprise the statements of financial position of the Company and the Group as at 31 December 2015, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements
As explained more fully in the statement of directors' responsibilities on page 8, the directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Companies Act (Cap.386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and the Group. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent auditor's report (continued)

to the members of

Malta International Airport p.l.c.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Malta International Airport p.l.c. and its Group as at 31 December 2015, and of the Company's and its Group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and have been properly prepared in accordance with the Companies Act (Cap. 386).

Bernard Scicluna as Director
In the name and on behalf of,
Deloitte Audit Limited
Registered Auditor
Mriehel, Malta

24 February 2016