



Plaza Centres p.l.c.
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Company Announcement

Preliminary Financial Statements for the year ended 31 December 2016

Date of announcement

9 March 2017

Reference

PZC149/2017

The following is a company announcement issued by Plaza Centres plc ('The Company') pursuant to the Malta Financial Services Authority Listing Rules.

QUOTE

The Board of Directors of Plaza Centres p.l.c. approved the Group's Audited Financial Statements for the year ended 31 December 2016. The Board resolved that the Group's audited financial statements be submitted for Shareholders' approval at the forthcoming Annual General Meeting (AGM) scheduled on Wednesday 31 May 2017.

In compliance with Malta Financial Services Authority Listing Rules, a Preliminary Statement of Annual Results is attached with this announcement. Shareholders on the Company's share register at the Central Securities Depository of the Malta Stock Exchange at close of business on 28 April 2017 (the record date), will receive notice of the AGM together with a copy of the Group's Annual Report and Financial statements for the year ended 31 December 2016.

At the forthcoming AGM, the Board of Directors is recommending approval of the payment of a final net dividend of €829,650 or €0.0294 net per share (2015: €808,712 or €0.0286 net per share). The final net dividend will be paid on Tuesday 6 June 2017 to Shareholders on the Company's share register at close of business at the Malta Stock Exchange on Friday 28 April 2017.

UNQUOTE

A handwritten signature in blue ink, appearing to read 'L. Lapira', is written over a light grey background.

Lionel A. Lapira
Company Secretary
9 March 2017

Plaza Centres p.l.c.

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Preliminary Statement of Annual Results for the year ended 31 December 2016

The Group's and the Company's Preliminary Statement of Annual Results and the decision of the Board of Directors to declare a dividend is being published pursuant to Chapter 5 of the Listing Rules issued by the Listing Authority. The financial information has been extracted from the Group's and the Company's audited consolidated financial statements for the year ended 31 December 2016, as approved by the Board of Directors on 9 March 2017, which financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

Directors' report

The Directors present their report and the audited consolidated financial statements for the year ended 31 December 2016.

Principal activities

The Group's principal activity, which is unchanged since last year, is to lease, manage and market its Shopping and Commercial centres. Up to the preceding financial year, the Group operated only the Plaza Shopping and Commercial Centre (owned by the parent Company), but in September 2016, the Group acquired the Tigne Place Commercial Property (through the company's newly formed subsidiary Tigne Place Limited).

Review of business

During the year under review the Company invested in a fully rented Commercial Property in Sliema and set up a wholly owned subsidiary company for this purpose. The property acquisition was partly funded from the successful €3.5 million 3.9% Bond Issue and partly from Tigne Place Limited's new banking facilities obtained from a local banking institution. A portion of the bond proceeds was utilised by the Group to re-finance its banking facilities.

Financial results

The Group's revenue for the year was €2,729,343 (2015: €2,441,154) an increase of 11.8%, whilst profit before tax amounted to €1,648,408 (2015: €1,592,093). Profit after tax increased to €1,266,780 (2015: €1,010,891). Earnings before Interest, Taxation, Depreciation and Amortisation increased by 8.2% from €2,085,119 (2015) to €2,255,334 (2016). Taxation decreased from €381,202 (2015) to €381,628 (2016) in view of the fact that the parent Company is benefiting from a revised and more beneficial tax regime. The 2016 Group figures reflect the contribution of the newly acquired property for the relevant period.

Operating and other costs

The Group's costs increased due to growth and increased administrative costs and the 2016 cost to income ratio increased to 30.8% (2015: 29.5%). The increase in the finance costs results from the new financing to acquire the Tigne Place Commercial Property (as noted above).

2016 review and outlook for 2017

Occupancy during 2016 remained high at 99% throughout the year (December 2015: 96%).

Based on the successful acquisition in the third quarter of 2016 (referred to above) the Group will continue to consider further growth opportunities as they arise.

Subject to any unforeseen circumstances, in 2017 the Company envisages achieving slightly lower occupancy levels achieved in 2016.

Recommendation for the payment of a dividend

Based on the financial results during 2016, the Board of Directors recommend the payment of a final net dividend of €329,650 or €0.0294 (2015: €308,712 or €0.0286) per share for approval at the forthcoming Annual General Meeting to be held on 31 May 2017. The final net dividend will be paid to all shareholders on the Company's share register at close of trading on the Malta Stock Exchange on 28 April 2017.

Share capital of the Company

The Company has an authorised share capital of 75,000,000 ordinary shares of €0.20 each, and issued and fully paid share capital of 28,242,000 ordinary shares of €0.20 each. The Company's share capital consists of only one class of shares and all shares in this class are admitted to trade on the Malta Stock Exchange. All shares are freely transferable and no shareholders have special control rights in the Company, nor are there any restrictions on voting rights. The Company is authorised pursuant to its Memorandum and Articles of Association to purchase its own shares, provided that appropriate authority has been given to the Directors for that purpose. No such authority is currently outstanding. Furthermore, the Company is not aware of any agreements between shareholders with respect to the transfer of shares or the exercise of voting rights. No disclosures are being made pursuant to the MFSA Listing Rule 5.64.10 and 5.64.11 as they are not applicable to the Company.

As at 31 December 2016, the following shareholders held more than 5% of the voting issued share capital of the Company:

	%
MAPFRE MSV Life p.l.c.	28.36
Mizzi Holdings Limited	8.18
Rizzo Farrugia & Co (Stockbrokers) Ltd - Nominee Account	8.05
Alf. Mizzi and Sons Ltd	7.85
Lombard Bank Malta p.l.c.	5.07
APS Funds SICAV p.l.c. - APS Income Fund, held under Custody of Bank of Valletta p.l.c.	5.00

Going concern basis

After making due enquiries, the Directors have a reasonable expectation, at the time of approving the 2016 financial statements, that the Group and the Company have adequate resources to continue in operations for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Auditors

PricewaterhouseCoopers have intimated their willingness to continue in office and a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting on 31 May 2017.

Approved by the Board of Directors on 9 March 2017 and signed on its behalf by:

Charles J. Farrugia
Chairman

Etienne Sciberras
Director

Condensed statements of financial position

	As at 31 December			
	2016	2015	2016	2015
	Group	Group	Company	Company
	€	€	€	€
ASSETS				
Non current assets - property, plant and equipment	42,667,266	31,952,944	33,000,000	31,952,944
Other non-current assets	-	-	5,163,754	-
Current assets	756,927	318,349	721,192	318,349
Total assets	43,424,193	32,271,293	38,884,946	32,271,293
EQUITY AND LIABILITIES				
Capital and reserves	26,180,082	24,667,074	26,199,228	24,667,074
Non-current liabilities	16,000,181	5,382,995	11,997,036	5,382,995
Current liabilities	1,243,930	2,221,224	688,682	2,221,224
Total liabilities	17,244,111	7,604,219	12,685,718	7,604,219
Total equity and liabilities	43,424,193	32,271,293	38,884,946	32,271,293

Condensed Income Statements

	Year ended 31 December			
	2016	2015	2016	2015
	Group	Group	Company	Company
	€	€	€	€
Revenue	2,729,343	2,441,154	2,588,751	2,441,154
Marketing, maintenance and administrative costs	(474,009)	(356,035)	(450,657)	(356,035)
Operating profit before depreciation	2,255,334	2,085,119	2,138,094	2,085,119
Depreciation	(366,401)	(364,095)	(341,838)	(364,095)
Operating profit	1,888,933	1,721,024	1,796,256	1,721,024
Net finance costs	(240,525)	(128,931)	(130,111)	(128,931)
Profit before tax	1,648,408	1,592,093	1,666,145	1,592,093
Tax expense	(381,628)	(581,202)	(380,219)	(581,202)
Profit for the year	1,266,780	1,010,891	1,285,926	1,010,891
Earnings per share (cents)	4c49	3c58		

Condensed statements of changes in equity

Group	Share capital	Share premium	Revaluation reserve	Retained earnings	Total equity
	€	€	€	€	€
Balance at 1 January 2015	5,648,400	3,094,868	13,403,660	1,646,390	23,793,318
Comprehensive income					
Profit for the year	-	-	-	1,010,891	1,010,891
Other comprehensive income:					
Movement in deferred tax liability determined on the basis applicable to property disposals	-	-	620,496	-	620,496
Depreciation transfer through asset use, net of deferred tax	-	-	(11,248)	11,248	-
Total comprehensive income	-	-	609,248	1,022,139	1,631,387
Transactions with owners					
Dividends for 2014	-	-	-	(757,631)	(757,631)
Balance at 31 December 2015	5,648,400	3,094,868	14,012,908	1,910,898	24,667,074
Comprehensive income					
Profit for the year	-	-	-	1,266,780	1,266,780
Other comprehensive income					
Revaluation surplus on land and buildings arising during the year, net of deferred tax	-	-	1,054,135	-	1,054,135
Movement in deferred tax liability determined on the basis applicable to property disposals	-	-	805	-	805
Depreciation transfer through asset use, net of deferred tax	-	-	(11,248)	11,248	-
Total comprehensive income	-	-	1,043,692	1,278,028	2,321,720
Transactions with owners					
Dividends for 2015	-	-	-	(808,712)	(808,712)
Balance at 31 December 2016	5,648,400	3,094,868	15,056,600	2,380,214	26,180,082

Company	Share capital	Share premium	Revaluation reserve	Retained earnings	Total equity
	€	€	€	€	€
Balance at 1 January 2015	5,648,400	3,094,868	13,403,660	1,646,390	23,793,318
Comprehensive income					
Profit for the year	-	-	-	1,010,891	1,010,891
Other comprehensive income:					
Movement in deferred tax liability determined on the basis applicable to property disposals	-	-	620,496	-	620,496
Depreciation transfer through asset use, net of deferred tax	-	-	(11,248)	11,248	-
Total comprehensive income	-	-	609,248	1,022,139	1,631,387
Transactions with owners					
Dividends for 2014	-	-	-	(757,631)	(757,631)
Balance at 31 December 2015	5,648,400	3,094,868	14,012,908	1,910,898	24,667,074
Comprehensive income					
Profit for the year	-	-	-	1,285,926	1,285,926
Other comprehensive income					
Revaluation surplus on land and buildings arising during the year, net of deferred tax	-	-	1,054,135	-	1,054,135
Movement in deferred tax liability determined on the basis applicable to property disposals	-	-	805	-	805
Depreciation transfer through asset use, net of deferred tax	-	-	(11,248)	11,248	-
Total comprehensive income	-	-	1,043,692	1,297,174	2,340,866
Transactions with owners					
Dividends for 2015	-	-	-	(808,712)	(808,712)
Balance at 31 December 2016	5,648,400	3,094,868	15,056,600	2,399,360	26,199,228

Condensed statements of cash flows

	Year ended 31 December			
	Group	Company	Company	Company
	2016	2015	2016	2015
	€	€	€	€
Net cash generated from operating activities	1,507,312	1,484,287	1,327,472	1,484,287
Net cash used in investing activities	(9,948,742)	(341,844)	(5,420,667)	(341,844)
Net cash generated from/(used in) financing activities	9,839,772	(1,039,063)	5,436,416	(1,039,063)
Net movement in cash and cash equivalents	1,398,342	103,380	1,343,221	103,380
Cash and cash equivalents at beginning of year	(1,132,698)	(1,236,078)	(1,132,698)	(1,236,078)
Cash and cash equivalents at end of year	265,644	(1,132,698)	210,523	(1,132,698)