

**ATH**  
**MARKET ANNOUNCEMENT**  
*(For Immediate Release)*

**ATH GROUP ANNOUNCES HALF YEAR PROFIT**

Amalgamated Telecom Holdings Limited ('ATH'), and its group companies have recorded an interim and unaudited Consolidated Net Profit After Tax and Minority Interest of \$9.3 million for their half-year ended 30 September 2009 - a reduction of \$10.1 million on the corresponding period last year.

The reduction in profit was due to a fall in group consolidated sales revenue, and major one-off expenses incurred during the period.

Group consolidated sales revenue fell by \$17.5 million or 11.8% due to relatively weak trading conditions in the local economy, competition, and the global financial crisis. A fall in sales revenue within that magnitude had been anticipated for the reasons stated.

The ATH Group incurred two major one-off expenses, \$4.4 million for the cost of staff redundancies at Telecom Fiji plus a further \$4 million for currency exchange loss due to the devaluation of the Fiji dollar in April.

On current trend, the ATH Group is most likely to achieve a lower full year consolidated profit this financial year than last financial year.

There is however still some grounds for optimism for improvement in the remaining part of the financial year, as when broken down into quarters, the group consolidated sales revenue increased by 4% in the second quarter ended 30 September 2009 against the first quarter ended 30 June. It is hoped that this momentum will carry through to the third quarter ending 31 December 2009, and fourth and final quarter ending 31 March 2010 which are traditionally busier periods with a number of religious festivities, and other major activities forming part of celebrations for the end of the 2009 calendar year and start of the 2010 calendar year.

A number of new products and services that were launched just recently are expected to start generating revenue for the ATH Group. Within the same context, it is also expected that much of the cost cutting initiatives that were commenced at the start of the year will begin to have more impact with results for the second quarter ended 30 September 2009 showing early signs of this starting to happen.

The ATH Group of Companies comprises, ATH, Telecom Fiji Limited, Vodafone Fiji Limited, Fiji Directories Limited, Internet Services Fiji Limited (trading as Connect), TransTel Limited, Xceed Pasifika Limited, ATH Technology Park Limited, ATH Call Centre Limited, and Pacific Emerging Technologies Limited.

- end -



04 November 2009

**About ATH:**

ATH is a public company listed on the South Pacific Stock Exchange and is Fiji's principal telecommunications holding company, through its investments and provision of direct services in a broad range of telecommunications and related services, throughout the Fiji market.

**Contact:**

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## HALF YEAR FINANCIAL REPORT ANNOUNCEMENT

### Amalgamated Telecom Holdings Limited

For Half Year Ended 30 September 2009

(Referred to in this report as the current half year submitted on 04 November 2009)

Half Year report on consolidated results (including the results for the previous corresponding half year in accordance with the South Pacific Stock Exchange Listing Rule 3.1.9.A

This report has been prepared in a manner, which complies with generally accepted accounting practices and gives a true and fair view of the matters to which the report relates and is based on unaudited accounts.

The Listed Issuer has a formally constituted Audit Committee of the Board of Directors.

[PLEASE REFER TO ATTACHED NOTES WHEN COMPLETING THIS FORM]

<b>1.</b>	<b>OPERATING REVENUE</b>
1(a)	Sales revenue
1(b)	Other revenue (includes extra ordinary revenue)
1(c)	Total operating revenue (1(c)= 1(a) plus other operating revenue excluding extra ordinary Revenue from 1(b)
<b>2(a)</b>	<b>PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX (See in details in item 3A)</b>
2(b)	Less tax on profit from ordinary activities
2(c)	<b>NET PROFIT AFTER TAX</b>
2(e)	Extraordinary items for separate disclosure (Details in item 5.A)
2(f)	<b>NET PROFIT FOR THE HALF YEAR</b>
2(g)	Outside equity interest in net profit after income tax
2(h)	<b>NET PROFIT AFTER INCOME TAX ATTRIBUTABLE TO MEMBERS OF THE HOLDING COMPANY</b>
2(i)	Retained Profit at beginning
2(j)	<b>APPROPRIATION</b>
2(j.1)	Transfer to reserves
2(j.2)	Interim Dividend
2(j.3)	Proposed final Dividend
2(k)	<b>RETAINED EARNINGS AT THE END OF THE HALF YEAR</b>

<b>CONSOLIDATED FINANCIAL STATEMENT</b>		
Current Half Year \$F'000	Increase/ Decrease %	Previous Corresponding Half Year \$F'000
130,517	-11.8%	148,056
1,163		1,995
131,680		150,051
10,432		38,933
3,087		(9,046)
13,519	-54.8%	29,887
(4,220)		(10,466)
9,299		19,421
107,461		108,085
0		0
0		0
0		0
116,760		127,506

The above is interim and unaudited.

Chairman: ~~Tano Waga~~

Signature: \_\_\_\_\_

Date: 04 November 2009

CEO /Company Secretary: Tomasi W. Vakatora

Signature: \_\_\_\_\_

Date: 04 November 2009

**Item 3.A PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX**

I. Sales	
II. Less Cost of Sales	
III. Gross Profit	
IV. Other operating Revenue	
V. Less (1) Administration Expenses	
(2) Distribution Expenses	
(3) Financial Income / (Expenses)	
(4) Other Expenses – Depreciation and amortisation	
VII. Profit (loss) from Ordinary Activities before Income tax	

Current Half Year \$F'000	Previous Corresponding Half Year \$F'000
130,517	148,056
(38,098)	(33,128)
92,419	114,928
1,163	1,995
(56,487)	(54,124)
(3,864)	(5,263)
(1,034)	450
(21,765)	(19,053)
10,432	38,933

**4. DETAILS OF SPECIFIED RECEIPTS/OUTLAYS, REVENUE/EXPENSES FOR THE HALF YEAR**

# Items marked in this way need be shown only where their inclusion as revenue or exclusion from expenses has had a material effect on reported profit (loss)

- (a) Interests revenue included in Item 2(c) above
- (b) # Interests revenue included in 4(a) above but not yet received
- (c) Interests expense included in Item 2(a) above (include all forms of interests, lease finance charges, etc.)
- (d) # Interests cost excluded from 4(c) above and capitalised in asset values
- (e) # Outlays (other than those from arising from the acquisition of an existing business) capitalised in intangibles
- (f) Depreciation including all forms of amortisation and writing down of property/investment
- (g) Write-off of intangibles
- (h) Unrealized changes in value of investments

CONSOLIDATED	
Current Half Year \$F'000	Previous Corresponding Half Year \$F'000
2,433	1,496
862	717
(3,467)	(1,046)
0	0
0	0
(21,765)	(19,053)
0	0
0	0

**5. (a) EXTRAORDINARY ITEMS OF THE GROUP**

DETAILS AND COMMENTS Extraordinary Items from 2(e) above	GROUP – CURRENT HALF YEAR		
	Before tax \$F'000	Related income tax \$F'000	After Tax \$F'000
Extraordinary items	0	0	0
[Revenue quantified by positive & Expenses quantified by (negative).]	0	0	0

5. (b) **COMMENTS BY DIRECTORS** If no report in any section, state NIL. If insufficient space below, provide details in the form of notes to be attached to this report.

i. Material factors affecting the revenues and expenses of the group for the current half year

Weak trading conditions locally, global financial crisis and competition having a negative impact on group income/sales in general. Fiji dollar devaluation in April also had a negative impact with \$4 million in exchange loss incurred during the period. Staff redundancies as a result of restructure at Telecom Fiji cost \$4.4 million.

ii. Significant trends or events since end of current half year

Nil

iii. Changes in accounting policies since last Yearly Report to be disclosed

Nil.

6. **EARNINGS PER SECURITY**

Calculation of basic and fully diluted, EPS in accordance with IAS33\*:  
Earnings Per Share

- (a) Basic EPS
- (b) Diluted EPS (if materially different from a)

CONSOLIDATED	
Current Half Year Cents	Previous Corresponding Half Year Cents
2.2	4.6

7. (a) **MATERIAL ACQUISITIONS OF SUBSIDIARIES** [see Note 7 attached]:

- (i) Name of subsidiary or group of subsidiaries. Pacific Emerging Technologies Limited
- (ii) Contribution to consolidated Profit (Loss) and extraordinary items after tax. \$(121,385)
- (iii) Date from which such contribution has been calculated. July 2009
- (iv) Operating Profit (Loss) and extraordinary items after tax of the subsidiary for the previous corresponding year \$NIL

(b) **MATERIAL DISPOSALS OF SUBSIDIARIES** [see Note 7 attached]:

- i. Name of subsidiary or group of subsidiaries. \$NIL
- ii. Contribution to consolidated operating Profit (Loss) and Extraordinary items after tax from operation of subsidiary. \$NIL
- iii. Date to which such contribution has been calculated. \$NIL
- iv. Contribution to consolidated operating Profit (Loss) and Extraordinary items after tax for the previous corresponding year \$NIL
- v. Contribution to consolidated operating Profit (Loss) and Extraordinary items from sale of subsidiary. \$NIL

**BALANCE SHEET FOR THE HALF YEAR AS AT 30 SEPTEMBER 2009**

[Note 8, 9, 10 attached has particular relevance for the preparation of this statement]

CONSOLIDATED			
	As at end of current Half year \$F'000	As shown in last Annual Report \$F'000	As shown in last Half Yearly Report \$F'000
<b>8. CURRENT ASSETS</b>			
(a) Cash	4,513	5,179	12,415
(b) Receivables	59,123	42,096	38,861
(c) Investments	27,700	47,206	900
(d) Inventories	12,641	16,890	16,366
(e) Other	43	43	147
<b>TOTAL CURRENT ASSETS</b>	<b>104,021</b>	<b>111,414</b>	<b>68,689</b>
<b>NON-CURRENT ASSETS</b>			
(f) Receivables	4,982	4,982	5,010
(g) Investments	51,668	51,671	51,673
(h) Inventories			
(i) Property, plant and equipment	336,592	327,181	289,279
(j) Intangibles	11,723	0	5,355
(k) Other	8,741	7162	9,085
<b>(l) TOTAL NON-CURRENT ASSETS</b>	<b>413,707</b>	<b>390,996</b>	<b>360,402</b>
<b>TOTAL ASSETS</b>	<b>517,728</b>	<b>502,410</b>	<b>429,091</b>
<b>9. CURRENT LIABILITIES</b>			
(a) Accounts payable	82,569	67,196	57,933
(b) Borrowings	30,605	50,389	46,806
(c) Provisions	24,172	47,097	20,524
(d) Other			
<b>TOTAL CURRENT LIABILITIES</b>	<b>137,346</b>	<b>164,682</b>	<b>125,263</b>
<b>NON-CURRENT LIABILITIES</b>			
(e) Accounts payable			4,029
(f) Borrowings	6,310	5,026	15,355
(g) Provisions	90,000	70,000	404
(h) Other	88	268	18,392
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>27,250</b>	<b>20,805</b>	<b>38,180</b>
<b>TOTAL LIABILITIES</b>	<b>260,994</b>	<b>260,781</b>	<b>163,443</b>
<b>NET ASSETS</b>	<b>256,734</b>	<b>241,629</b>	<b>265,648</b>
<b>10. SHAREHOLDERS' EQUITY</b>			
(a) Share Capital	105,526	105,526	105,526
(b) Reserves (i) Asset Revaluation Reserve	0	0	0
(ii) Other reserves	2,074	2,074	2,074
(c) Retained Profit (accumulated Losses)	116,760	107,461	127,506
<b>(d) Shareholders equity attributable to members of the holding company</b>	<b>224,360</b>	<b>215,061</b>	<b>235,106</b>
(e) Outside equity interest in subsidiary companies	32,374	26,568	30,542
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>256,734</b>	<b>241,629</b>	<b>265,648</b>

The above is un-audited and interim.

## STATEMENT OF CASH FLOWS FOR THE HALF YEAR

[ Refer to notes attached; 11-16]

	Current Half Year \$F'000	Previous Corresponding Half Year \$F'000
<b>11. CASH FLOWS RELATING TO OPERATING ACTIVITIES</b>		
(a) Receipts from customers	121,786	142,787
(b) Interest received	2,433	1,560
(c) Dividend received	0	0
(d) Payments to suppliers and employees	(87,501)	(112,308)
(e) Interest paid	(3,467)	(685)
(f) Income taxes paid	(3,855)	(6,811)
(g) Other	0	0
<b>NET OPERATING CASH FOLWS</b>	<b>29,396</b>	<b>24,543</b>
<b>12. CASH FLOWS RELATED TO INVESTING ACTIVITIES</b>		
(a) Cash proceeds from sale of property, plant and equipment	0	0
(b) Cash proceeds from investments at maturity	1,204	0
(c) Loans repaid by other entities	0	0
(d) Cash paid for purchases of property, plant and equipment	(41,315)	(26,835)
(e) Interest paid – capitalised	0	0
(f) Cash paid for investments	0	0
(g) Loans to other entities	0	0
(h) Other	0	0
<b>NET INVESTING CASH FLOWS</b>	<b>(40,111)</b>	<b>(26,835)</b>
<b>13. CASH FLOWS RELATED TO FINANCING ACTIVITIES</b>		
(a) Cash proceeds from issues of shares, options, etc.	0	0
(b) Borrowings (Net)	1,762	9,551
(c) Repayment of borrowings	0	0
(d) Dividends paid	(10,235)	(34,435)
(e) Other	0	0
<b>NET FINANCING CASH FLOWS</b>	<b>(8,473)</b>	<b>(24,884)</b>
<b>14. NET INCREASE (DECREASE) IN CASH HELD</b>	<b>(19,188)</b>	<b>(27,176)</b>
(a) Cash at beginning of the financial period	30,796	22,784
(b) <b>CASH AT END OF THE FINANCIAL PERIOD</b>	<b>11,608</b>	<b>(4,392)</b>
<b>15. NON-CASH FINANCING / INVESTING ACTIVITIES</b>		

Provide details of financing and investing transactions, which have had a material effect on group assets and liabilities but did not involve cash flows.

..... None.....  
 .....

**16. RECONCILIATION OF CASH**

For the purposes of the above statement of cash flows, cash includes

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.....

Cash at the end of the half year as shown in the statement of cash flows is reconciled to the related items in the accounts as follows:

Cash on hand and at bank

Deposits at call (similar to term deposits)

Bank Overdraft

Other (provide details)

TOTAL = CASH AT END OF HALF YEAR [Item 14(b) above].

Current Half Year \$F'000	Previous Corresponding Half Year \$F'000
4,513	12,415
27,700	0
(20,605)	(16,807)
11,608	(4,392)

The above is unaudited and interim.

Chairman: **Tafto Waqa**

Signature: \_\_\_\_\_

Date: 04 November 2009

CEO /Company Secretary: **Tomasi W. Vakatora**

Signature: \_\_\_\_\_

Date: 04 November 2009



## 17. Notes

### Explanation of items.

1. "Operating Revenue" (or its equivalent and "other revenue" are set in accordance with Generally Accepted Accounting Practice.
  - 1(b) "Other Revenue" also includes extra ordinary Revenue.
  - 1(c) Total operating revenue (1(c)= 1(a) plus other operating revenue excluding extra ordinary Revenue from 1(b)
- 2(b) The tax rate used should be in compliance with the **Section 3 of the Income Tax Act of Fiji** (refer to the fourth schedule).
- 2(e) Extraordinary is defined in **FAS 8 paragraph 12** explained in **FAS 8 paragraph 12**. Extraordinary items for separate disclosure (Details in **item 5.A**) is in compliance with **FAS 8 paragraph 11**.
- 3A. Profit (loss) from Ordinary activities before income tax recognized in the period includes all items of income and expenses.
4. Items marked in this way need be shown only where their inclusion as revenue or exclusion from expenses has had a material effect on reported profit (loss)
- 5.(a). In compliance with **FAS 8 paragraph 11**.
- 5.(b) (i) Refer to **FAS 8 paragraph 16**.
- 5.(b) (iii) Refer to **FAS 8 paragraph 41 to 57**
7. **ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES -**  
are required to be disclosed when they have a material effect on Consolidated Accounts. Reference made to **FAS 101** Materiality in financial statements.

### **8, 9, 10. BALANCE SHEET**

The **Format** for this statement as shown on page 4 should be followed as closely as possible. It should also be noted that the arrangements of the Accounts are in liquidity priority and thus try to provide information to market where the market could also view the Statements from a liquidity perspective.

**Comparative Figures-** where seasonal influences are pronounced, listed Issuer may provide information from previous years so that the users are able to compare.

**Basis of Revaluation-** where there have been material Revaluation of Non-Current Assets there should be attached to this report a summary description of the basis of revaluation adopted. The description shall follow the requirements of **FAS 16**

### **11- 15 CASH FLOW STATEMENTS**

Refer to **FAS 7 paragraph 6** for the definition of Cash, Cash Equivalents, Cash Flows, Operating Activities, Investing Activities, Financing Activities. The Listed issuer may add/subtract particulars in items 11- 15 which ever suits the appropriateness of purpose.

### **Glossary**

1. Listed Issuer refers to Listed Company