

Business Today

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Ash piles on Air Malta losses

Karl Stagno-Navarra

Air Malta is facing troubled times ahead as it reports huge revenue losses due to grounded flights and limited passenger movements over the Icelandic ash cloud that has covered Europe's skies.

"These huge losses that are increasing everyday are continuing to hit hard on Air Malta after the heavy financial losses registered by the airline in 2009 with record oil prices," Air Malta CEO Joe Capello told Business Today.

According to Capello, for the past days, Air Malta has been carrying just 23 per cent of its passenger traffic, while bookings have drastically fallen from their normal rate.

"We have a situation where our forecasts have literally gone haywire, while all our costs have remained or perhaps increased, while revenue has stopped dramatically because of the fact that we cannot fly because of airport and air space closures all over Europe," Capello said.

"So far, Air Malta has been carrying just a fraction of its normal traffic,



Troubled times for Air Malta

while we are incurring the costs of helping stranded passengers," he said, adding that although Air Malta does not incur the costs of placing passengers in hotels, it is accepting to change tickets or arrange changes to airport destinations through Air Malta code-share partners at no cost.

Meanwhile the volcanic ash cloud that continues to loom over Europe is also effecting the local hotel market, with a number of

hotels facing severe problems as travellers remain blocked overseas and cannot fly over, leaving hotel rooms empty.

Hotelier Winston Zahra Jr told Business Today that the situation is different throughout the categories of hotels.

"Five star hotel clients afford to overstay in the absence of outbound flights, but we face losses on incoming travellers as they can't get to Malta," he said.

Greek bond yields hit record high



The Greek Central Bank in Athens

The yield on Greek 10-year government bonds rose to a record of 7.807 per cent on Tuesday, indicating growing investor concern that Greece could default on its massive debts unless it receives help. The yield was already at 7.618 per cent on Monday - way beyond the level that Greece can afford to pay if it is to get through its debt crisis. Greece needs to raise tens

of billions of euros on financial markets this year to cover its debt and budget obligations, of which it needs about €11 billion by the end of next month to avoid default on old debt falling due for redemption. The Greek government is due to hold talks today with European Union, European Central Bank and International Monetary Fund officials.

Vodafone invests €12 million in environment friendly network

Vodafone Malta - together with its technology partner Nokia Siemens Networks - has completed the upgrading of its Radio network to offer download speeds of up to 14.4 Mbps in selected areas and country wide download speeds of up to 7.2Mbps. Furthermore, the introduction of HSUPA technology has also increased the upload speeds, now reaching up to 2Mbps.

This makes the Company the first network operator in Malta to roll out a technology that supports faster uploading speeds and higher data speeds for the future and for prospective radio technologies known as HSPA+.

"This roll out means that we are now the fastest mobile network on the Island with the greenest credentials," said Inaki Berroeta, CEO, Vodafone Malta Ltd. "We have used this commercial opportunity to step up our sustainability indicators and reduce our carbon emissions, in line with Vodafone Group's wide-ranging mechanisms to implement best-practice sustainability leadership. This new investment will lessen our direct impact on the environment whilst ensuring higher capacity and better user-experience for the benefit of our customers."

"Vodafone Malta has year after year invested up to €10million in order to ensure that our customers benefit



from the best network experience on the islands. This recent €12 million upgrade investment in our 3G Network has enabled us to be the first in Malta to introduce download speeds of up to 14.4 Mbps, whilst completing country wide coverage for speed of up to 7.2Mbps. We anticipate that by mid 2010 we will have 14.4 deployed country-wide. Furthermore we have enhanced our network with HSUPA technology enabling upload speeds of up to 2Mbps," said Sandro Pisani, Head of Technology at Vodafone Malta. "The added benefit of this investment is that the energy efficiency of the new infrastructure is higher than that of its predecessor. We estimate that our radio network energy consumption

will be reduced by approximately 25% resulting in less carbon emission."

"We are launching an introductory offer for customers who would like to experience higher data speeds. The offer includes the new Vodafone PRO Internet Key together with a higher data bundle," said Alison Ellul, Data Marketing Executive at Vodafone Malta. "Just to give you an example; with higher mobile data speeds, customers will be able to download a 3-minute song in about 10 seconds or upload a 5MB photo album onto Flickr in 40 seconds".

"Nokia Siemens Networks has a long history of partnership with the Vodafone Group and Vodafone Malta. This upgrade is yet another step towards strengthening our successful cooperation," said Sampsa Lahtinen, Head of Vodafone Customer Business Team at Nokia Siemens Networks. "The Nokia Siemens Networks compact, award winning energy efficient Flexi base station will enable Vodafone Malta to manage the growing traffic and also to ensure improved customer experience in the face of the increasing smart device penetration."

Tests across Vodafone's global partners have also regularly shown an increase in download speeds plus a decrease in round trip times, both improving by around 20%.

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