MaltaPost p.l.c.

HEAD OFFICE
305, Triq Ħal Qormi, Il-MARSA MTP 1001, MALTA
Tel: 21224421 Fax: 21226368 e-mail: info@maltapost.com
www.maltapost.com

ANNUAL REPORT 2011

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Chairman's statement to the members

Despite the testing times caused by the unstable world economic climate and constant upward pressure on operating costs, MaltaPost has maintained a solid level of profitability in the year under review. This confirms our understanding that your Company is well prepared to face challenges posed by the rapidly evolving market of the postal and logistics sector.

During the financial year ending 30 September 2011, the Company registered a profit before tax of €3.05 million, a decrease of 4.9 per cent on 2010. This was principally due to a positive movement in foreign exchange exposure in 2010 that was not repeated this year.

Earnings per Share were €0.06 compared to €0.07 in the previous year. Return on Equity attributable to shareholders was 13.3 per cent compared to 16.3 per cent in 2010. This decrease was mainly attributable to the increase in the capital employed by the Company following the reinvestment of the 2010 dividend by many shareholders who chose to receive their dividend in new shares rather than cash. The Lombard Bank Group was again one of these shareholders. As a result, Shareholders' Funds increased by 12.4 per cent to €14.53 million. The Company remains well capitalised and has further strengthened its balance sheet by completing the purchase of its Head Office building in Marsa. This acquisition allows the Company to develop the location into a strategic base for future growth.

The Board is recommending a final net dividend of €0.04 per share for this financial year. The Board of Directors is also recommending offering shareholders the option of receiving their dividend in cash or by taking new shares of an equivalent amount.

Throughout 2011 the Company's key strategies for maintaining sustainable growth have been widely centred on improved service quality and optimisation of revenue opportunities, while monitoring and controlling its expenditure. Through its modernisation programme, MaltaPost continued to drive efficiency improvements, strengthen health and safety standards and significantly sharpened its focus on customer expectations in preparation for liberalisation of the postal market in January 2013. The Company believes that it has in place the correct strategies and policies to continue to succeed and grow in this constantly evolving environment.

Staff development remains a priority. We are conscious that changes in customer expectations and in the market overall must be reflected in the Company's organisational set up. We endeavour to balance the career expectations of loyal and enthusiastic staff members with the demands of our valued customers. MaltaPost recognises that while there is the need for flexibility of roles, the requisite level of specialisation must not be lost.

We are also proud that the Company enjoys a high level of trust by the public which stems from the quality of service levels delivered. Adherence to strict local and international regulatory requirements has gained MaltaPost international recognition while investment in Information Technology also remains high on our priority list.

In these challenging times the Company seeks to anticipate future customer needs and show commitment to increased innovation and flexibility in the postal market. The Company has unveiled a new branding strategy with a new logo and returned to its former colours of red and black representing traditional values with a fresh outlook in both appearance and spirit. It has also invested in preserving the rich postal history of Malta by completing the acquisition of a building in the centre of Valletta that will house Malta's first postal museum. This was complemented by the acquisition of some exceptional philatelic material that will form the basis of the permanent exhibition at the museum.

Chairman's statement to the members

As a national service provider, and one of the country's largest employers, the Company is acutely aware of its corporate social responsibilities. Over the past year, MaltaPost maintained its commitment towards the community and provided support to the work of a number of non-governmental organisations and backed a number of independent staff initiatives.

Sincere thanks are due to all shareholders and customers for their continued confidence and trust in the Company, as well as to my fellow Directors for their valuable support shown throughout the year. Finally, I am particularly conscious of the commitment and pride shown by the management and staff in these turbulent times. They have, once again, achieved encouraging results and for this I, along with the Board, express our sincere gratitude for their collective efforts.

Joseph Said
Chairman

Chief Executive Officer's Review of operations

2011 has been an encouraging, albeit demanding year for MaltaPost which faced continuing economic uncertainties as well as increased competition from local and international operators.

REVIEW OF BUSINESS

Revenue increased by 4.9 per cent over 2010 while expenses increased by 6.6 per cent when compared to the same period in 2010.

Growth in both inbound and outbound international mail, mainly associated with e-business was the main contributor to the increase in revenue. Other non-postal streams and certain non-traditional, niche services also experienced growth. However, this growth was partly offset by the downward trend of traditional mail volumes. The Company continued to focus on increased efficiency as well as cost containment but an increase in certain overheads, which were outside the control of the Company, contributed to an overall increase in operating costs while domestic mail remains unprofitable.

While positive fluctuations on the Company's foreign exchange exposure improved our results during the previous period, this was not repeated during this year. Constructive measures are in place to mitigate any future adverse fluctuations.

Profit before Tax for the year ended 30 September 2011 was €3.05 million, a decrease of 4.7 per cent over 2010, resulting in Earnings per Share of €0.06.

Total weight of international letter mail was 5.7 per cent higher when compared to the previous year. The parcel and packets business registered an increase of 7.6 per cent in volume whereas domestic letter post volume was down by 3.7 per cent.

Postal Revenue and other non-postal services including bill collection represented 86.4 per cent and 12.1 per cent respectively of total Revenue. Philately represented 1.5 per cent of total Revenue.

During 2011 our regulated tariff remained among the lowest in Europe, even though last July the Malta Communications Authority approved a marginal increase in tariff for the single-piece domestic mail, together with some adjustments in the tariffs for foreign outbound parcels due to increased operational costs.

SERVICE PERFORMANCE LEVELS

The demanding Quality of Service targets set by the Malta Communications Authority and the Universal Postal Union, have been met to date and in most cases exceeded. The Company continues to be recognised by independent bodies for its achievements and was, once again, awarded a UPU Quality of Service Fund Award in respect of the implementation of a project related to Security of the Physical Postal Network, reaffirming the investment made in the Company's security systems.

These achievements instil cautious confidence that the Company will continue to build on its solid foundations during the coming years, where customer service and satisfaction remain central to our strategy.

HUMAN RESOURCES

MaltaPost is aware that its success lies in a strong, challenged and motivated workforce. Members of staff are encouraged to take pride in their jobs, express their opinions openly and to acknowledge the benefits of teamwork. The Company is also investing in creating a more pleasant work environment through the upgrade of branches, operation centres and staff facilities. We are also aware of the need for continuous review not only of our processes and operations but also of our appearance and image.

At year-end, our workforce stood at 622 employees, including staff working on both a full and part-time basis.

Chief Executive Officer's Review of operations

PROJECTS

The Company returned to its former corporate colours that match the iconic red and black pillar-boxes found throughout the Islands and is a reflection of the importance given to our legacy. The new emblem captures MaltaPost's core values and reflects the intention of entering and developing new markets and services by taking advantage of opportunities as they arise. This re-branding exercise allowed the Company to organise its various products and services into individual brands, giving our personal and business customers a simple and clear understanding of the variety of services offered.

During the year, the Company purchased its Head Office in Marsa and also signed a promise of sale agreement to purchase a property in Sliema intended for use as a post office. Additionally, a building in central Valletta was acquired to house Malta's first postal museum. We have also completed the restoration of a vintage vehicle to serve as a mobile post office, increasing our presence in popular tourist locations and public events.

The extension of the Parcel Office at the Company's Head Office in Marsa will be inaugurated early next year. Both students and staff have met our new post office within the University of Malta campus with enthusiasm. The upgrading programme of our network continued with the refurbishment of San Gwann and Xaghra and the relocation of the Qawra Post Office to a new location. The Post Office in Zebbug (Malta) is currently being re-built and expected to be completed during the first half of 2012.

CORPORATE SOCIAL RESPONSIBILITY

As the national postal operator, MaltaPost remains sensitive to its role in the community that goes beyond the provision of postal services. Various initiatives were undertaken in a number of areas to support and assist in the most appropriate way. These were mainly in culture, heritage, sport, education and social causes.

The Company continued to implement measures to reduce its environmental footprint and to encourage environmentally responsible behaviour. As part of this approach it is investing in an EU supported photo-voltaic panel project at its Head Office in Marsa.

OUTLOOK

The Company will continue, albeit cautiously, with investment in enhancing and expanding the range of its services. Some initiatives may increase costs in the short term yet will provide the necessary platform to meet future challenges and the resulting benefits are expected to bring about improved revenue streams within the medium term. Although volumes of letter mail are declining, and there are also constantly increasing competitive pressures, the Company is well-positioned to take advantage of new opportunities as they arise.

MaltaPost remains sensitive to its role as the national postal operator and will continue to provide traditional postal services. We shall continue developing and improving our quality of service to meet and exceed our customer's expectations and be recognised as leaders in our market.

We are confident that the continued support given by our parent company, Lombard Bank, as well as the synergies derived from forming part of a group, will benefit our staff, customers and shareholders.

The success achieved so far is attributable to the hard work of management and staff. It is thanks to their commitment, dedication and loyalty, together with their focus on providing genuine support to our customers, that we achieve such positive results. With their continued support, I look forward to another year of meeting challenges and producing encouraging returns for all our stakeholders.

Joseph Gafa'
Chief Executive Officer

Directors' report

For the year ended 30 September 2011

The Directors present their annual report and the audited financial statements of MaltaPost p.l.c. for the year ended 30 September 2011.

PRINCIPAL ACTIVITIES

The Company operates the postal services in Malta under a licence granted to it by Government of Malta.

REVIEW OF BUSINESS

For the financial year 2011, the Company registered a profit before tax of €3.05 million compared to €3.20 million the previous year, a decrease of 4.8%. This was principally due to a positive movement in foreign exchange exposure in 2010 which was not repeated this year. Earnings per Share stood at €0.06 (2010: €0.07).

Turnover increased by 4.9% from €20.40 million to €21.40 million. This was the result of a continued increase in cross-border traffic volumes and mailhouse logistics services. However, traditional mail volumes remain on a downward trend. Expenses increased by 6.6% to €18.64 million (2010: €17.49 million), principally due to higher cross-border mail volumes and labour costs.

Despite the considerable challenges posed by the unstable economic climate and the constant upward pressure on operating costs, MaltaPost has maintained a solid level of underlying profitability. The Board of Directors is confident that the Company is well-prepared to face challenges from a rapidly evolving market and will continue to strengthen its presence in the postal and logistics market.

RESULTS AND DIVIDENDS

The income statement is set out on page 25. The Directors recommend the payment of a final net dividend of €0.04 per share amounting €1,267,124 (2010: €1,222,820).

CAPITAL

As at the Annual General Meeting held on 5 January 2011, the Authorised Share Capital of the Company was fourteen million euro (€14,000,000) made up of 56,000,000 ordinary shares of a nominal value of €0.25 each. The Issued and fully paid up Share Capital was seven million, nine hundred and nineteen thousand, five hundred and twenty six euro (€7,919,526) made up of thirty million, five hundred and seventy thousand, four hundred and ninety (30,570,490) ordinary shares of a nominal value of €0.25 each, all of one class.

On 16 February 2011, an additional one million, one hundred and seven thousand, six hundred and thirteen (1,107,613) ordinary shared of €0.25 ecah were admitted to listing on the Malta Stock Exchange. This addition was in respect of the scrip dividend approved at the said Annual General Meeting. The Issued and fully paid up Share Capital is now therefore made up of thirty one million, six hundred and seventy eight thousand, one hundred and three (31,678,103) ordinary shares of €0.25 each all of which carry the same voting rights. Equity attributable to shareholder at 30 September 2011 stood at €14.53 million.

BOARD OF DIRECTORS, OFFICERS AND SENIOR MANAGEMENT

The Directors of the Company who held office during the year were:

Joseph Said (Chairman)
David Stellini
Julius Bozzino (appointed 8 March 2011)
Philip Tabone
Aurelio Theuma
Joseph Azzopardi (resigned 8 March 2011)

In accordance with the Company's Articles of Association the Directors retire from office at the Annual General

Meeting and are eligible for re-election or re-appointment. The composition of Officers and Senior Management is further shown in the section on Company information. further information is also given in the Statement of compliance with the principles of good corporate governance.

DIRECTORS' STATEMENT OF RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1995 to prepare financial statements which give a true and fair view of the state of affairs of the Company as at the end of each reporting period and of the profit or loss for that period.

In preparing the financial statements, the Directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business as a going concern.

The Directors are also responsible for designing, implementing and maintaining internal control relevant to the preparation and the fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Companies Act, 1995. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements of MaltaPost p.l.c. for the year ended 30 September 2011 are included in the Annual Report 2011, which is published in hard-copy printed form and made available on the Company's website. The Directors are responsible for the maintenance and integrity of the Annual Report on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the Company's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

The Directors confirm that, to the best of their knowledge:

- the financial statements give a true and fair view of the financial position of the Company as at 30 September 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU; and
- the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face.

GOING CONCERN BASIS

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

LISTING RULES DISCLOSURE

In terms of the Listing Rule 5.64, the Directors are required to disclose the following information:

Amendments to the Memorandum and Articles of Association are effected in conformity with the provisions in the Companies Act, 1995. Furthermore in terms of the Articles of Association of the Company:

(a) Directors may be authorised by the Company to issue shares subject to the provisions of the Memorandum and Articles of Association and the Companies Act, 1995;

(b) Directors may decline to register the transfer of a share (not being a fully paid share) to a person of whom they shall not approve;

(c) Directors may decline to recognise any instrument of transfer, unless accompanied by the certificate of the shares of which it relates, and/or such other evidence;

(d) no registration of transfer of shares shall be made and no new particulars shall be entered in the register of members when the register is closed for inspection;

(e) the Company may, from time to time, by extraordinary resolution reduce the share capital and any share premium account in any manner.

Currently there are no matters that require disclosures in relation to:

(a) holders of any securities with special rights;

(b) employee share schemes;

(c) restrictions on voting rights or relevant agreements thereto;

(d) agreements pertaining to the change in control of the Company;

(e) agreements providing for compensation on termination of Board members or employees.

The Company's capital structure, direct and indirect shareholding in the Company, in excess of 5% and the rules governing the changes to the Board members are contained in other parts of this Annual Report.

Shareholders holding 5% or more of the Issued Share Capital of the Company:

	at 30 September 2011 and 30 November 2011
Redbox Limited	67%

AUDIT COMMITTEE

This Committee is made up of non-executive Directors and is intended to ensure effective internal controls, compliance and accountability. The Committee also acts to ensure that high ethical standards are maintained, as explained the Statement of compliance with the principles of good corporate governance in another section of this Annual Report.

Directors' report
For the year ended 30 September 2011

AUDITORS

PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

By order of the Board

Joseph Said Chairman	David Stellini Director

Registered office
305, Triq Ħal Qormi,
Il-MARSA, MTP 1001
MALTA

1 December 2011

Statement of compliance with the principles of good corporate governance

For the year ended 30 September 2011

A. INTRODUCTION

Pursuant to the Malta Financial Services Authority Listing Rules, MaltaPost p.l.c. (the "Company") is hereby reporting on the extent of its adoption of the "Code of Principles of Good Corporate Governance" (the "Principles") as well as on the measures adopted to ensure compliance with these same Principles. For this reporting period, the Company is adhering to the Principles as set out in Appendix 5.1 of Chapter 5 - Continuing Obligations, of the said Listing Rules.

Good corporate governance is the responsibility of the Board of Directors of the Company (the "Board"), and in this regard the Board has carried out a review of the Company's compliance with the Principles during the period under review. Notwithstanding that the Principles of Good Corporate Governance are not mandatory, the Board has ensured their adoption, except where specific circumstances do not permit their adoption. The Board considers that the Company has been in compliance with the Principles throughout the period under review.

B. COMPLIANCE WITH THE CODE

PRINCIPLE 1: THE BOARD

The Board of Directors of the Company consists of five (5) Directors who are all non-executive Directors. Three (3) of the non-executive Directors hold positions with the shareholder company who appointed them. All the Directors, individually and collectively, are of appropriate calibre, with the necessary skill and experience to assist them in providing leadership, integrity and judgement in directing the Company. The Chairman of the Board, whose role is separate from that of the Chief Executive Officer, is elected by the Directors from amongst themselves at the first Board meeting after every Annual General Meeting.

PRINCIPLE 2: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of Chairman and Chief Executive Officer are vested in different individuals. Whilst the Chairman of the Company carries direct responsibility for the running of the Board, the Chief Executive Officer is responsible for the running of the Company's day-to-day business.

Accordingly the Chairman sets the Agenda, ensures that each Director receives timely and objective information and also encourages the involvement of all Directors to enable effective contribution to the Board's deliberations. On his part, the Chief Executive Officer executes the strategy agreed by the Board through the Senior Management, the composition of which is detailed elsewhere.

PRINCIPLE 3: COMPOSITION OF THE BOARD

The following Directors served on the Board during the period under review:

	First appointment date
Joseph Azzopardi*	18 August 2006
Julius Bozzino	8 March 2011
Joseph Said	18 August 2006
David Stellini **	1 December 2004
Philip Tabone	30 July 2003
Aurelio Theuma	8 October 2007

* Resigned 8 March 2011
** Considered to be an independent Director

It is considered that the Board is of sufficient size and the spectrum of skills appropriate for the requirements of the business. Furthermore, the Board is of the opinion that changes to its composition can be managed without undue disruption.

The Board is composed of entirely non-executive Directors although two of the Directors, namely Joseph Said and Aurelio Theuma also sit on the Executive Committee which in the main performs a monitoring role of the execution of policy matters.

PRINCIPLE 4: RESPONSIBILITIES OF THE BOARD

The Board acknowledges its statutory mandate to conduct the administration and management of the Company. The Board, in fulfilling this mandate and discharging its duty of stewardship of the Company, assumes responsibility for the following:

(a) setting the overall direction, business objectives, goals and the strategy of the Company with a view to maximise value;
(b) reviewing and approving the business plans and targets that are submitted by Management and working with Management in the implementation of these plans;
(c) identifying the principal business risks of the Company and overseeing the implementation within a realisable timeframe and monitoring of appropriate risk management systems;
(d) ensuring that effective internal control and management information systems for the Company are in place;
(e) participating in the appointment of the Company's Executive Officers and assessing their performance including monitoring the establishment of appropriate systems for succession planning and for approving the compensation and motivation levels of such Executive Officers; and
(f) ensuring that the Company has in place a policy to enable it to communicate effectively with shareholders, other stakeholders and the public generally.

The implementation of the decisions taken by the Directors and the day-to-day management of the Company is entrusted to the Senior Management headed by the Chief Executive Officer of the Company.

The Board is ultimately responsible for the Company's system of internal controls and for ensuring the effectiveness thereof. Although the relative systems are designed to manage all the risks in the most appropriate manner, they certainly cannot completely eliminate the possibility of material error or fraud. The Board assumes responsibility for executing the four (4) basic roles of corporate governance, i.e. accountability, monitoring, strategy formulation and policy development.

In deciding how best to discharge its responsibilities, the Board upholds a policy of clear demarcation between its role and responsibilities and those of Management. It has defined the level of authority that it retains over strategy formulation and policy determination, and delegated authority and vested accountability for the Company's day-to-day business in the Executive Committee and in a management team comprising of the:

(a) Chief Executive Officer; and
(b) Chief Officers and other Managers.

This method of governance enables the Directors to exercise a more independent policy making and monitoring function to enable Management to run the Company with efficiency and effectiveness.

PRINCIPLE 4: RESPONSIBILITIES OF THE BOARD - *continued*

Appointment and election of Directors

The Articles of Association of the Company provide that at every General Meeting, five (5) Directors are appointed as follows:

(a) a member of the Company holding, or a number of members, who between them hold, such number of shares having voting rights as may be sufficient to constitute one (1) or more Qualifying Holdings (such number of shares held by a member of the Company amounting to twenty per cent (20%) of the Issued Share Capital of the Company having voting rights) is entitled to appoint one (1) Director for every Qualifying Holding held, by letter addressed to the Company Secretary;

(b) any member who is not entitled to appoint Directors in terms of the provisions of paragraph (a) above, or who is not entitled to aggregate his holdings with those of other members for the purposes of appointing a Director(s) pursuant thereto, is entitled to participate and vote in an election of Directors at the General Meeting of the Company;

(c) members who avail themselves of appointing Directors pursuant to the provisions of paragraph (a) above are still entitled to participate in the election of Directors in terms of paragraph (b) provided that in such an election they may only use such shares not otherwise used for the appointment of Directors pursuant to paragraph (a).

For an election of Directors mentioned in paragraph (b) above, every shareholder entitled to vote thereunder shall be entitled to nominate one (1) person to stand for the election of Directors. Such nominee must be seconded by at least such shareholder or shareholders as in aggregate hold at least 0.5% of the Issued Share Capital of the Company between them.

In the event that there are more nominations than there are vacancies, an election amongst such candidates shall take place for the appointment of such number of Directors as will fill the vacancies available on the Board. At an election of Directors each member shall be required to vote on the ballot paper provided by the Company by putting such number of votes against the name or names of the preferred candidates as such member may determine, provided that in aggregate the number of votes cast cannot exceed the number of shares held by such member.

The candidates obtaining the highest number of votes shall be elected and appointed Directors.

Any Director may be removed at any time by the member or members by whom he was appointed, in the same manner by which such appointment was made, provided that such member or members still hold the required shareholding qualification. Any Director may also be removed by the Company in a General Meeting. A vacancy may be filled by a co-option of another person, and the Directors must take the necessary action to ensure that Directors are appointed to fill in a vacancy, and where necessary, also convene a General Meeting for this purpose.

Terms of appointment

During the last Annual General Meeting the aggregate maximum amount of remuneration that may be received by the Board for their service was set at €30,000. Since the Board is made up of non-executive Directors, the determination of remuneration arrangements for each Board member is established collectively by the Board of Directors upon the recommendation of the Executive Committee.

Statement of compliance with the principles of good corporate governance

For the year ended 30 September 2011

PRINCIPLE 5: BOARD MEETINGS

During the financial year ended 30 September 2011, the Board held seven (7) meetings. At these Board meetings Management provides the Directors with a report that includes the Company's management accounts including key performance indicators since the date of the previous Board meeting, a commentary on results and on relevant events and decisions, and sets out background information on any matter requiring the approval of the Board.

Apart from setting the strategy and direction of the Company, the Board was actively involved in monitoring progress against budgets and plans, and in approving material or significant transactions.

In addition to the timely submission of relevant and objective information to all Board members, Minutes that accurately record deliberations and decisions taken are invariably forwarded to all Directors soon after each meeting.

A record of attendance at Board meetings during the period under review is as indicated below:

	Meetings Held 7 Attended
Joseph Azzopardi	1 (resigned 8 March 2011)
Julius Bozzino	4 (appointed 8 March 2011)
Joseph Said	7
David Stellini	7
Philip Tabone	6
Aurelio Theuma	7

PRINCIPLE 6: INFORMATION AND PROFESSIONAL DEVELOPMENT

The Board is responsible for the appointment of the Chief Executive Officer and it also actively participates in the appointment of Senior Management. Furthermore, the Board has focused considerable attention towards succession planning within the Organisation and this in the light of the importance of the medium and long term continuity of all the Company's operations. The Board of Directors continue to be mindful of the need to recruit, retain and motivate top quality management.

In the same way, the Chairman of the Board of Directors seeks to ensure that the Board's skills are updated as appropriate and on an on-going basis.

On first joining the Board, the Company Secretary writes to each Board member outlining the Directors' duties and obligations, relevant legislation as well as rules and bye-laws. In addition, Directors have access to the advice and services of the Company Secretary as well as to the external auditor of the Company, who attends Board meetings at which the Company's financial statements are approved after they have been reviewed by the Audit Committee. In addition the Board is advised directly, as appropriate, by its legal advisors.

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

The Board also actively encourages the personal development of staff members by continuously providing guidance, as well as training programmes, which are designed to help staff members achieve their maximum potential at the same time as boosting the Company's competitiveness and efficiency.

PRINCIPLE 7: EVALUATION OF BOARD'S PERFORMANCE

An evaluation of the Board's performance as well as its Committees was undertaken by the Company Secretary through an evaluation questionnaire and in liaison with the Chairman. However, a Committee was not appointed to carry out the task.

PRINCIPLE 8: COMMITTEES

The Board has appointed the following Committees:

Audit Committee

The Audit Committee set up in terms of the Principles laid out in the Listing Rules, assists the Board in fulfilling its supervisory and monitoring responsibilities by reviewing the financial statements and disclosures, the systems of internal control established by Management and the external and internal audit processes. It is made up of three (3) non-executive Directors - David Stellini (Chairman), Aurelio Theuma and Philip Tabone. Aurelio Theuma is a certified public accountant, and the Board considers him to be competent in accounting. The terms of reference of the Audit Committee ensure that it acts separately and independently of Management. The Audit Committee is required to meet at least six (6) times a year. During the year under review the Committee met six (6) times and the Company's external auditor was invited to attend.

Internal Audit is an independent appraisal function established within the Organisation to examine and evaluate its activities as a service to the Company. The Internal Auditor reports to the Audit Committee and attends its meetings. The mission set by the Audit Committee for the Internal Auditor is to adopt business process risk-based audits, aimed at ensuring adequate controls and also efficient business processes.

Members of Management are also invited to attend Audit Committee meetings as deemed necessary by the Committee.

Executive Committee

None of the Directors on the Board have any specific executive functions, except that two (2) Directors sit on the Company's Executive Committee, namely Joseph Said and Aurelio Theuma together with the Chief Executive Officer. The Executive Committee acts as the interface between Senior Management and the Board. The terms of reference of the Executive Committee envisage the monitoring of the execution of policy matters delegated by the Board and the direction of general management of the Company.

Remuneration Committee

During the period ended 30 September 2011, the Executive Committee also performed the functions of a Remuneration Committee and this is further dealt with under the Remuneration Report. With effect from Financial Year 2011/2012 a separate Remuneration Committee, made up of non-executive Directors, will be set up in order to advise the Board on the most appropriate packages which will attract, retain and motivate Directors as well as Senior Executives in the performance of their duties.

PRINCIPLES 9 AND 10: RELATIONS WITH SHAREHOLDERS AND MARKETS AND INSTITUTIONAL SHAREHOLDERS

Pursuant to the Company's statutory obligations in terms of the Companies Act, 1995 and the Listing Rules, the Annual Report and financial statements, the declaration of a dividend, the election of Directors, the appointment of the external auditor and the authorisation of the Directors to set the auditor's fees, and other special business, are proposed and approved at the Annual General Meeting.

The Company shall in each year hold a general meeting as its Annual General Meeting in addition to any other general meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than fifteen (15) months shall elapse between the date of one (1) Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place as the Directors shall appoint. At least members holding in aggregate not less than fifty-one per cent (51%) of the nominal value of the Issued Share Capital entitled to attend and vote at the meeting shall constitute a quorum. The Chairman shall determine the procedure to be adopted for the proceedings of the meeting. Voting rights, voting procedures, shareholders' rights and other matters related to the conduct of a meeting are regulated by the Company's Memorandum and Articles of Association.

The shareholders who have a right to attend and vote at the General Meeting are the shareholders who appear in the Shareholders' Register on the "Record Date" as defined in the Listing Rules. Furthermore, a shareholder/s holding not less than 5% in nominal value of all the shares entitled to vote at the General Meeting may request the Company to include items on the Agenda of a General Meeting, subject to certain conditions.

A shareholder who is unable to attend the General Meeting may appoint a proxy by written or electronic notification to the Company.

The Company's Memorandum and Articles of Association may be amended by an extraordinary resolution in a General Meeting, which requires that:

(a) notice of such meeting is given specifying the intention of the extraordinary resolution and the principal purpose thereof; and
(b) the resolution is supported by a member or members having the right to attend and vote at the meeting holding in the aggregate not less than 75% in nominal value of the Issued Share Capital represented and entitled to vote at the meeting and at least 75% in nominal value of all Issued Share Capital entitled to vote at the meeting.

The Company also communicates with its shareholders by publishing its results on a six-monthly basis during the year, by way of the annual and half yearly reports and financial statements, through Interim Directors' Statements and through periodical Company Announcements, as well as press releases to the market in general.

The Annual Report, which is designed to serve as an effective means of communication and information on the Company's business, is amplified further in the presentations given to shareholders in the course of the Annual General Meeting. Furthermore, the Company's presence on the worldwide web (www.maltapost.com) contains a corporate information section.

PRINCIPLE 11: CONFLICTS OF INTEREST

Whilst Directors are fully aware of their obligations to avoid any conflicts of interest, which may arise in the performance of their duties, clear policies are in place to assist in the management of any conflicts should these arise at any time.

Furthermore, all Directors are advised of their obligations on dealing in the Company's securities and this in full compliance with relevant legislation as well as the Company's Code of Conduct for Securities Transactions.

The Directors' interests in the share capital of the Company as at 30 September 2011 were as follows:

	BENEFICIAL INTEREST
Julius Bozzino	2,354 Ordinary Shares
Philip Tabone	7,460 Ordinary Shares
Aurelio Theuma	2,405 Ordinary Shares
Joseph Azzopardi*	2,305 Ordinary Shares

* Resigned 8 March 2011

PRINCIPLE 12: CORPORATE SOCIAL RESPONSIBILITY

The Company seeks to be an active player within the community in which it operates. The Company's role goes beyond providing postal services and it is committed to playing an effective role in the country's sustainable development, whilst proving to be a responsible and caring corporate player. The Company seeks to adhere to sound principles of Corporate Social Responsibility in its management practices particularly in relation to the Company's workforce, the country's cultural and historical heritage, the environment, sport and the local community.

C. NON-COMPLIANCE WITH THE CODE

PRINCIPLE 3: COMPOSITION OF THE BOARD (EXECUTIVE/NON-EXECUTIVE DIRECTORS) AND
PRINCIPLE 4: RESPONSIBILITIES OF THE BOARD

The Board of Directors of MaltaPost p.l.c. is composed of non-executive Directors as explained under Principle 3 in Section B above. This notwithstanding, it is considered that the Board of Directors, as composed, provides for sufficiently balanced skills and experience to enable it to discharge its duties and responsibilities effectively. In addition, no cases of conflict of interest are foreseen.

PRINCIPLE 8: COMMITTEES

Remuneration Committee

The Board had not appointed a Remuneration Committee during the period under review but its function was carried out by the Executive Committee as detailed in Section B above.

Nominations Committee

The Memorandum and Articles of Association of the Company clearly define the methodology to be adopted in the appointment, retirement and removal of directors. In addition, the current equity security structure of the Company provides for the appointment of the majority of the Directors on the Board by the majority shareholder and it has not, therefore, been felt necessary to set up a formal Nominations Committee as contemplated in the "Principles" referred to above.

However, it is the intention of the Board to keep the foregoing matter under review and to set up the Nominations Committee at the appropriate time.

PRINCIPLE 9: RELATIONS WITH SHAREHOLDERS AND WITH THE MARKET (CODE PROVISION 9.3) PRINCIPLE

Currently there is no established mechanism disclosed in the Company's Memorandum and Articles of Association to trigger arbitration in the case of conflict between the minority shareholders and controlling shareholders.

D. INTERNAL CONTROL

Authority to operate the Company is delegated to the Chief Executive Officer within the limits set by the Board. The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide a reasonable, as opposed to absolute, assurance against material misstatement or loss. Through the Audit Committee and the Risk Management and Compliance functions, the Board reviews the process and procedures to ensure the effectiveness of the Company's system of internal control, which is monitored on a day-to-day basis by the Internal Audit.

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

(a) the Company operates through a Board of Management led by the Chief Executive Officer with clear reporting lines and delegation of authority. Through the Board of Management the Company plans, executes, controls and monitors business operations in order to achieve the set objectives;
(b) the Company is committed to the highest standards of business conduct and seeks to maintain these standards across all its operations. Company policies and employee procedures are in place to detect, report and resolve any fraudulent activities or any infringement of the integrity of mail;
(c) the Board of Management is responsible to identify and evaluate key risks applicable to their areas of business. A member of this same board assists the Board to assess the different types of risks identified, to which the Company is exposed. This function also monitors, on an on-going basis, the effective management of the different types of risk at the same time as ensuring that the Company is in full compliance with all the obligations imposed by codes, rules, legislation and statute relevant to the Company as well as its business;
(d) the Board, through the Audit Committee, receives periodic management reports on risk management and compliance; and
(e) the Board receives periodic management information giving comprehensive analysis of financial and business performance including variances against the Company's set targets.

E. LISTING RULE 5.97.5

The information required under the Listing Rule quoted above is found in the Directors' Report and Company Information.

Approved by the Board of Directors on 1 December 2011 and signed on its behalf by:

Joseph Said	David Stellini
Chairman	Director

Remuneration Report

1. **As indicated elsewhere in this Annual Report, the functions of the Remuneration Committee were performed by the Executive Committee composed of Joseph Said (Chairman), Aurelio Theuma and the Chief Executive Officer (the latter input was sought and obtained when considered appropriate).**

   The Committee discussed the following matters:
   - Remuneration Report
   - Remuneration of Senior Management
   - Approval of bonus to senior and other staff
   - Approval of CEO's performance bonus for 2010
   - Proposed performance criteria for the CEO for 2011.

2. **REMUNERATION POLICY - DIRECTORS**

   It is the shareholders, in terms of the Memorandum and Articles of Association of the Company, who determine the maximum annual aggregate emoluments of the Directors. The maximum amount is determined by resolution at the Annual General Meeting of the Company and the aggregate amount fixed for this purpose during the last Annual General Meeting was Euro 30,000.

   No Board Committee fees were payable to any of the Directors during the year under review.

   It is confirmed that none of the Directors have any service contracts with the Company but three (3) of the Directors are employees of the ultimate parent company of MaltaPost p.l.c. It is also confirmed that none of the Directors, in their capacity as Director's of the Company, are entitled to profit sharing, share options, pension benefits or any other remuneration.

   Total emoluments received by Directors for the Financial Year 2010/2011 are detailed below in terms of Code Provision 8.A.5.

FIXED REMUNERATION	VARIABLE REMUNERATION	SHARE OPTIONS	OTHERS
€23,443	None	None	None

Directors' Emoluments paid for Financial Year 2010/2011:

Joseph Said	€13,976
Joseph Azzopardi*	€1,165
Julius Bozzino**	€1,315
David Stellini	€2,329
Philip Tabone	€2,329
Aurelio Theuma	€2,329
Total	€ 23,443

* Resigned 8 March 2011
** Appointed 8 March 2011

3. REMUNERATION POLICY - SENIOR EXECUTIVES

On the other hand, it is the Board of Directors, upon the recommendation of the Executive Committee, who determines the overall structure and parameters of the Remuneration Policy for senior executives. The Executive Committee then agrees the individual remuneration packages of the Chief Executive Officer and Chief Officers.

The Executive Committee considers that the Remuneration Policy which is being adopted in respect of the remuneration packages of senior executives is fair and reasonable and in keeping with local equivalents. The Committee is also of the opinion that the packages offered ensure that the Company attracts and retains management staff that is capable of fulfilling their duties and obligations towards the Organisation.

Whilst there were no material changes to the Remuneration Policy for senior executives during 2011, the Executive Committee proposed, and the Board of Directors agreed that a formal and separate Remuneration Committee be set up to continue with the tasks previously carried out by the Executive Committee when it comes to matters relating to remuneration.

All references to "senior executives" in this remuneration report refer specifically to the Chief Executive Officer and the Chief Officers.

All the senior executives of the Company are on an indefinite contract of employment and their contracts specify their remuneration package. None of the contracts provide for profit sharing or share options.

Whilst the Chief Officers are eligible for annual salary increases, such increases are not directly performance related. An annual bonus is payable based on an assessment by the Executive Committee of their overall performance during the previous financial year.

No supplementary pension or other pension benefits are payable to the senior executives.

The Chief Executive Officer's annual bonus entitlement is linked to the attainment of pre-set qualitative and quantitative objectives agreed with the Executive Committee and approved by the Board of Directors. The Executive Committee, as well as the Board, consider the linkage between the fixed remuneration and the bonus to be appropriate.

As regards non-cash benefits, senior executives are entitled to health insurance, telephone expenses, as well as the use of a Company car.

Total emoluments received by senior executives during the Financial Year 2010/2011 are as detailed below, in terms of Code Provisions 8.A.5:

FIXED REMUNERATION	VARIABLE REMUNERATION	SHARE OPTIONS	OTHERS
€137,256	€20,490	None	Non-cash benefits referred to above

Company information

Vision Statement

The Company has a corporate vision to be recognised as Malta's leading Company in terms of reform, diversification and growth. This means that the Company shall be customer-focused, financially and commercially strong future enterprise.

Mission Statement

To provide high quality, cost-effective services by exceeding our customers' expectations and by ensuring that shareholder value is enhanced while the aspirations of all staff are realised.

Number of shareholders at 30 September 2011 analysed by range:

Range	Total shareholders	Shares
1 - 500	121	22,750
501 - 1000	47	35,154
1001 - 5000	1,896	4,458,540
5001 and over	194	27,161,659
Total	**2,258**	**31,678,103**

Number of shareholders at 30 November 2011 analysed by range:

Range	Total shareholders	Shares
1 - 500	121	22,750
501 - 1000	47	35,154
1001 - 5000	1,895	4,452,217
5001 and over	196	27,167,982
Total	**2,259**	**31,678,103**

The Company has one class of shares and each share is entitled to one vote.

Company information

Registered shareholders with 5 per cent or more of the share capital of the Company:

	30 September 2011	30 November 2011
Redbox Limited	67.0%	67.0%

Directors' beneficial and non beneficial interests in the share capital of the Company at:

	30 September 2011	30 November 2011
	Shares	Shares
Philip Tabone	7,460	7,460
Aurelio Theuma	2,405	2,405
Julius Bozzino	2,354	2,354

Company information

Board of Directors

Joseph Said (Chairman)

Julius Bozzino

David Stellini

Philip Tabone

Aurelio Theuma

Company Secretary

Graham A. Fairclough

Senior Management

Joseph Gafa`	Chief Executive Officer
Carmen Ellul	Chief Finance Officer
Pierre Montebello	Chief Operations Officer
Edwin Abdilla	Manager - Mail Services
Joseph Armeni	Manager - Parcel / Courier
Moses Azzopardi	Manager - Process Review
Stephen Azzopardi	Manager - Finance
Arianne Borg	Manager - Sales
Franco Buttigieg	Manager - Process
Stefania Camilleri	Manager - Human Resources and Corporate Security
John Cremona	Manager - Administration
Paul Ellul Sullivan	Manager - Systems and Procedures
Etienne Gatt	Manager - Information Systems Department
Patrick Polidano	Manager - Quality Assurance
Aaron Zammit Apap	Manager - Legal and International Relations
Mary Grace Simpson	Head - Philatelic Bureau
Joseph Zammit	Head - Internal Audit

Registered Office

305, Triq Ħal Qormi, Il-MARSA MTP 1001, MALTA

Tel: 21224421

Company Registration Number: C22796

MaltaPost p.l.c.

FINANCIAL STATEMENTS

30 September 2011

2011

Statement of financial position

As at 30 September 2011

	Notes	As at 30 September 2011 €'000	2010 €'000
ASSETS			
Non-current assets			
Intangible asset	4	**124**	201
Property, plant and equipment	5	**9,164**	2,678
Available-for-sale financial assets	6	**3,763**	5,231
Deferred income tax asset	7	**390**	501
Total non-current assets		**13,441**	8,611
Current assets			
Inventories	8	**538**	571
Trade and other receivables	9	**9,200**	7,232
Current income tax asset		**542**	306
Cash and cash equivalents	10	**3,755**	4,302
Total current assets		**14,035**	12,411
Total assets		**27,476**	21,022
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	11	**7,920**	7,643
Other reserves	12	**2,112**	1,493
Retained earnings		**4,497**	3,792
Total equity		**14,529**	12,928
Non-current liabilities			
Provision for liabilities and charges	13	**1,663**	1,683
Borrowings	14	**3,464**	-
Total non-current liabilities		**5,127**	1,683
Current liabilities			
Trade and other payables	15	**7,227**	6,411
Borrowings	14	**536**	-
Financial liabilities at fair value through profit or loss	6	**57**	-
Total current liabilities		**7,820**	6,411
Total liabilities		**12,947**	8,094
Total equity and liabilities		**27,476**	21,022

The notes on pages 28 to 58 are an integral part of these financial statements.
The financial statements on pages 24 to 58 were authorised for issue by the Board on 1 December 2011 and were signed on its behalf by:

Joseph Said
Chairman

David Stellini
Director

Income statement
For the year ended 30 September 2011

	Notes	Year ended 30 September 2011 €'000	2010 €'000
Revenue	16	**21,399**	20,401
Employee benefits expense	17	**(10,343)**	(10,387)
Depreciation and amortisation expense	17	**(916)**	(917)
Other expenses	17	**(7,379)**	(6,184)
Operating profit		**2,761**	2,913
Finance income	19	**286**	287
Profit before tax		**3,047**	3,200
Tax expense	20	**(1,119)**	(1,088)
Profit for the year		**1,928**	2,112
Earnings per share	22	**€0.06**	€0.07

Statement of comprehensive income
For the year ended 30 September 2011

	Note	Year ended 30 September 2011 €'000	2010 €'000
Comprehensive income			
Profit for the year		**1,928**	2,112
Other comprehensive income			
Fair value movement on available-for-sale financial assets	12	**(100)**	152
Transfer to profit or loss upon disposal of available-for-sale financial assets	12	**(23)**	-
Total comprehensive income for the year		**1,805**	2,264

The notes on pages 28 to 58 are an integral part of these financial statements.

Statement of changes in equity

For the year ended 30 September 2011

	Notes	Attributable to equity shareholders			
		Share capital €'000	Other reserves €'000	Retained earnings €'000	Total €'000
Balance at 1 October 2009		7,282	750	2,845	10,877
Comprehensive income					
Profit for the year		-	-	2,112	2,112
Other comprehensive income					
Fair value gain on available-for-sale financial assets	12	-	152	-	152
Total comprehensive income		-	152	2,112	2,264
Transactions with owners					
Increase in share capital	11	361	-	-	361
Allotment of shares	12	-	591	-	591
Dividends	23	-	-	(1,165)	(1,165)
Total transactions with owners		361	591	(1,165)	(213)
Balance at 30 September 2010		**7,643**	**1,493**	**3,792**	**12,928**
Balance at 1 October 2010		7,643	1,493	3,792	12,928
Comprehensive income					
Profit for the year		-	-	1,928	1,928
Other comprehensive income					
Fair value loss on available-for-sale sale financial assets	12	-	(100)	-	(100)
Transfer to profit or loss upon disposal of available-for-sale financial assets	12	-	(23)	-	(23)
Total comprehensive income		-	(123)	1,928	1,805
Transactions with owners					
Increase in share capital	11	277	-	-	277
Allotment of shares	12	-	742	-	742
Dividends	23	-	-	(1,223)	(1,223)
Total transactions with owners		277	742	(1,223)	(204)
Balance at 30 September 2011		**7,920**	**2,112**	**4,497**	**14,529**

The notes on pages 28 to 58 are an integral part of these financial statements.

Statement of cash flows

For the year ended 30 September 2011

	Year ended 30 September	
	2011	2010
	€'000	€'000
Cash flows from/(used in) operating activities		
Cash from customers	**104,916**	106,748
Cash paid to suppliers and employees	**(102,025)**	(106,645)
Cash from operating activities	**2,891**	103
Income tax paid	**(1,244)**	(2,013)
Net cash from/(used in) operating activities	**1,647**	(1,910)
Cash flows used in investing activities		
Finance income	**299**	332
Purchase of property, plant and equipment	**(7,651)**	(760)
Purchase of financial assets	**-**	(193)
Proceeds on maturity/disposal of financial assets	**1,360**	-
Net cash used in investing activities	**(5,992)**	(621)
Cash flows from/(used in) financing activities		
Increase in borrowings	**4,000**	-
Dividends paid	**(202)**	(213)
Net cash from/(used in) financing activities	**3,798**	(213)
Net movement in cash and cash equivalents	**(547)**	(2,744)
Cash and cash equivalents at beginning of year	**4,302**	7,046
Cash and cash equivalents at end of year	**3,755**	4,302

The notes on pages 28 to 58 are an integral part of these financial statements.

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and comply with the requirements of the Maltese Companies Act, 1995. The financial statements are prepared under the historical cost convention, as modified by the fair valuation of the financial instruments: available-for-sale and at fair value through profit or loss.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain critical accounting estimates. It also requires Directors to exercise their judgement in the process of applying the Company's accounting policies (see Note 3 – Critical accounting estimates and judgements).

Standards, interpretations and amendments to published standards effective in 2011

In 2011, the Company adopted new standards, amendments and interpretations to existing standards that are mandatory for the Company's accounting period beginning on 1 October 2010. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the Company's accounting policies.

Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements, that are mandatory for the Company's accounting periods beginning after 1 October 2010. The Company has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the Company's Directors are of the opinion that there are no requirements that will have a possible significant impact on the Company's financial statements in the period of initial application.

IFRS 9, Financial instruments, addresses the classification and measurement of financial assets, and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. Classification under IFRS 9 is driven by the reporting entity's business model for managing the financial assets and the contractual characteristics of the financial assets. IFRS 9, Financial instruments, also addresses the classification and measurement of financial liabilities, and retains the majority of the requirements in IAS 39 in relation to financial liabilities. Subject to adoption by the EU, IFRS 9 is effective for financial periods beginning on, or after, 1 January 2013. The Company is considering the implications of the standard and its impact on the Company's financial results and position, together with the timing of its adoption taking cognisance of the endorsement process by the European Commission.

1. **Summary of significant accounting policies** - *continued*

1.2 Foreign currency translation

(a) Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in euro, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

All foreign exchange gains and losses are presented in profit or loss within 'other income/(expenses)'.

1.3 Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives, as follows:

Improvements to premises	
Property leased out from third parties	Over the period of the lease agreements
MaltaPost p.l.c. owned properties	Over 15 years

	%
Buildings	1
Furniture and fittings	15
Equipment	20 – 25
Motor vehicles	25

Land, assets in the course of construction and archives are not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

1. Summary of significant accounting policies - *continued*

1.3 Property, plant and equipment - *continued*

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount (Note 1.6).

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount, and are recognised within 'other income/(expenses)' in profit or loss.

1.4 Intangible assets

Intangible assets are shown at historical cost. Intangible assets have a definite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of intangible assets over their estimated useful life.

Where an indication of impairment exists, in that the carrying amount of an intangible asset is greater than its estimated recoverable amount, a charge is made to write down the value of the assets to its estimated recoverable amount.

1.5 Financial assets

1.5.1 Classification

The Company classifies its financial assets in the following categories: loans and receivables available-for-sale and at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the asset. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position (Note 1.8 and 1.9).

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rate, exchange rates or equity prices, are classified as available-for-sale. They are included in non-current assets unless the investment matures or Management intends to dispose of the investment within twelve months of the end of the reporting period.

1. **Summary of significant accounting policies** - *continued*

1.5 Financial assets - *continued*

1.5.1 Classification - *continued*

Financial assets at fair value through profit or loss include financial assets held for trading, i.e. financial assets acquired principally for the purpose of selling in the short-term. A financial asset is also classified in this category if, on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within twelve months; otherwise, they are classified as non-current.

1.5.2 Recognition and measurement

The Company recognises a financial asset in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

Regular way purchases and sales of financial assets are recognised on settlement date, which is the date on which an asset is delivered to or by the Company. Any change in fair value for the asset to be received is recognised between the trade date and settlement date in respect of assets which are carried at fair value in accordance with the measurement rules applicable to the respective financial assets.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method. Amortised cost is the initial measurement amount adjusted for the amortisation of any difference between the initial and maturity amounts using the effective interest method. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership or has not retained control of the asset.

Gains or losses arising from changes in the fair value of the 'financial instruments at fair value through profit or loss' category are recognised in profit or loss in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss when the Company's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss; translation differences on non-monetary securities are recognised in other comprehensive income. The other changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised directly in equity.

1. Summary of significant accounting policies - *continued*

1.5 Financial assets - *continued*

1.5.2 Recognition and measurement - *continued*

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in profit or loss within 'finance income'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in profit or loss within 'finance income'. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Company's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analyses, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

1.5.3 Impairment

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The Company first assesses whether objective evidence of impairment exists. The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation.

(a) Assets carried at amortised cost

For financial assets carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

1. **Summary of significant accounting policies -** *continued*

1.5 Financial assets - *continued*

1.5.3 Impairment - *continued*

(b) Assets classified as available-for-sale

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If objective evidence of impairment exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is reclassified from equity to profit or loss as a reclassification adjustment. Impairment losses recognised in profit or loss on equity instruments are not reversed through profit or loss.

1.6 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.7 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of postal stationery is determined by the standard cost method, inventories for resale on a weighted average basis, and other inventory items on a first-in first-out method. The cost of inventories comprise the invoiced value of goods sold and in general includes transport and handling costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

1.8 Trade and other receivables

Trade receivables comprise amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

1. Summary of significant accounting policies - *continued*

1.8 Trade and other receivables - *continued*

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is 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 of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the profit or loss within 'other expenses.' When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against 'other expenses' in profit or loss.

1.9 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within 'borrowings' in current liabilities in the statement of financial position.

1.10 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

1.11 Financial liabilities

The Company recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. Derivative financial liabilities are classified as financial liabilities at fair value through profit or loss; all other financial liabilities are classified as 'Other liabilities' under IAS 39.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised immediately in profit or loss. Other financial liabilities are recognised initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortised cost.

The Company derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, is cancelled or expires.

1.12 Trade and other payables

Trade payables comprise obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

1. **Summary of significant accounting policies** - *continued*

1.12 Trade and other payables - *continued*

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.13 Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

1.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

1.15 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1. **Summary of significant accounting policies** - *continued*

1.16 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as 'finance cost'.

1.17 Provision for liabilities and charges

The Company provides for the obligation arising in terms of Article 8A of the Pensions Ordinance, Cap 93 of the laws of Malta, covering those ex-Government employees who opted to become full-time employees of the Company, and who continued to be entitled to pension rights which go beyond the National Insurance Scheme.

The related accounting costs are assessed using the projected unit credit method. Under this method, the cost of the Company's obligation is charged to profit or loss so as to spread the regular cost over the years of service giving rise to entitlement to benefits in accordance with actuarial techniques. The obligation is measured as the present value of the estimated future cash outflows using interest rates of long term Government bonds which have terms to maturity approximating the terms of the related liability. All actuarial gains and losses are spread forward over the average remaining service lives of employees.

1.18 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Company's activities. Revenue is shown net of sales taxes and discounts and is included in the financial statements as revenue. It comprises revenue directly received from customers, commissions earned on postal and non-postal transactions and income from foreign outbound mail receivable from foreign postal operators. Revenue is recognised as follows:

(a) income from sale of stamps, commissions earned on postal and non-postal transactions and from foreign outbound mail is recognised when the service is rendered. Allowance is made for the assessed amount of revenue from prepaid product sales at the reporting date for which the service has not yet been provided.

(b) finance income is recognised as it accrues on a time proportion basis using the effective interest method, unless collectability is in doubt.

(c) dividend income is recognised when the right to receive payment is established.

1. Summary of significant accounting policies - *continued*

1.19 Leases

Leases of assets in which a significant portion of the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

1.20 Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

1.21 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those segments operating in other economic environments.

1.22 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

2. Financial risk management

2.1 Financial risk factors

The Company's activities potentially expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company made use of derivative forward contracts to hedge certain currency exposures during the current financial year.

The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the respective Company's functional currency. The Company is exposed to foreign exchange risk arising primarily from the Company's sales and purchases, a part of which are denominated in UK pound, US dollar and SDR.

2. **Financial risk management** - *continued*

2.1 Financial risk factors - *continued*

(a) Market risk - *continued*

(i) Foreign exchange risk - *continued*

The table below summarises the Company's exposure to foreign currency other than the functional currency for the exposure of assets and liabilities by foreign currencies:

	GBP €'000	USD €'000	SDR €'000
2011			
Financial assets			
Trade receivables	3	-	4,819
Cash and cash equivalents	9	7	-
	12	7	4,819
Financial liabilities	(8)	-	(717)
Net exposure to foreign currency risk excluding Derivatives	**4**	**7**	**4,102**
Notional amount of hedged exposure			
Notional amount of currency derivatives of the SDR basket of currencies, other than the euro			2,578
Euro component of the hedged notional amount of the SDR			1,494
			4,072
2010			
Financial assets			
Trade receivables	-	-	3,889
Cash and cash equivalents	-	272	-
	-	272	3,889
Financial liabilities	(137)	-	(615)
Net exposure to foreign currency risk	(137)	272	3,274

2. **Financial risk management** - *continued*

2.1 Financial risk factors - *continued*

(a) Market risk - *continued*

(i) Foreign exchange risk - *continued*

The Company's net exposure to SDR amounts to SDR 3,666,000 (€4,102,000). SDR is composed of a basket of currencies comprising the USD, Euro, GBP and JPY, of which the Company hedges the exposure to the non-euro components of the basket.

As at 30 September 2011, exposure to SDR 3,608,000 (€4,072,000) have been hedged as disclosed above.

Based on this, Management believes that the foreign exchange risk is not material in view of the fact that exchange differences on the net financial position exposures is substantially offset by fair value differences on the derivative contracts. Accordingly, a sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the end of the reporting period is not deemed necessary since the Directors are of the opinion that the net impact (after hedging transactions) would be insignificant.

Management does not consider foreign exchange risk attributable to recognised assets and liabilities arising from sale and purchase transactions to be significant since balances are settled within set periods of time in accordance with the negotiated credit terms.

Also foreign exchange risk attributable to future transactions is not deemed to be significant and a sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the end of the reporting period, is not deemed necessary.

(ii) Cash flow and fair value interest rate risk

The Company's interest rate risk arises principally from term deposits, fixed income debt securities and cash and cash equivalents. Assets earning interest at variable rates expose the Company to cash flow interest rate risk whereas assets earning interest at fixed rates expose the Company to fair value interest rate risk.

The Company's available-for-sale financial assets consist principally of corporate and Government debt securities which are carried at fair value.

Management does not consider cash flow and fair value interest rate risk to be significant. Accordingly, a sensitivity analysis for this risk disclosing how profit or loss and equity would have been affected by changes in interest rates that were reasonably possible at the end of the reporting period is not deemed necessary.

2. Financial risk management - *continued*

2.1 Financial risk factors - *continued*

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks, financial assets, as well as credit exposures to customers, including outstanding receivables and committed transactions. The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2011 €'000	2010 €'000
Available-for-sale financial assets - debt securities (Note 6)	**3,763**	5,231
Trade and other receivables	**7,518**	5,851
Cash and cash equivalents (Note 10)	**3,755**	4,302
	15,036	15,384

The Company is exposed to counterparty credit risk in respect of cash inflows arising from the derivative forward contracts (Note 2.1(a)(i)), which are settled on a gross basis. The risk is considered to be managed through the matching of cash inflows and cash outflows on these same contracts.

The maximum exposure to credit risk at the reporting date in respect of the carrying amount of financial assets, credit exposures to customers and cash and cash equivalents is disclosed in the respective notes to the financial statements. The maximum loss of forward contracts is limited to the market values of those positions. The Company does not hold any collateral as security in this respect.

The Company banks only with local financial institutions with high quality standing or rating.

The Company assesses the credit quality of its customers taking into account financial position, past experience and other factors. It has policies in place to ensure that sales of products and services are effected to customers with an appropriate credit history in the case of credit sales. Sales to retail customers are made in cash. The Company monitors the performance of these financial assets on a regular basis to identify incurred collection losses which are inherent in the Company's receivables taking into account historical experience in collection of accounts receivable.

Standard credit terms are in place for individual clients, however, wherever possible, new corporate customers are analysed individually for creditworthiness before the Company's standard payment and service delivery terms and conditions are offered. The Company's review includes external creditworthiness databases when available. The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. This allowance represents specific provisions against individual exposures.

2. **Financial risk management** - *continued*

2.1 Financial risk factors - *continued*

(b) Credit risk - *continued*

The Company's receivables, which are not impaired financial assets, are principally in respect of transactions with customers for whom there is no recent history of default. Management does not expect any material losses from non-performance by these customers.

The Company is exposed to a concentration of credit risk with 50% of its trade receivables being due from one postal administrator. The Company assesses the credit quality of this administrator by taking into account financial position, performance and other factors. The Company takes cognisance of the relationship with this entity and Management does not expect any losses from non-performance or default.

Impairment losses

Impairment provisions of €78,713 (2010: €78,713) for the Company were present at year end in respect of trade receivables that were overdue. No impairment provisions were present at 30 September 2011 and 2010 against current balances. These amounts are not expected to be recovered.

Other overdue trade receivables amounted to €3,670,492 (2010: €1,040,073) but were not impaired.

The movement for impairment in respect of trade receivables during the year was as follows:

	2011 **€'000**	2010 €'000
At 1 October	**79**	118
Movement in provision	**-**	(39)
At 30 September	**79**	79

The Company does not hold collateral as security for all its assets.

(c) Liquidity risk

The Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally borrowings and trade and other payables (Notes 14 and 15). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Company's obligations.

Management monitors liquidity risk by means of cash flow forecasts on the basis of expected cash flows over a twelve month period and ensures that adequate financing facilities are in place for the coming year. The carrying amounts of the Company's assets and liabilities are analysed into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date in the respective notes to the financial statements.

2. Financial risk management - *continued*

2.1 Financial risk factors - *continued*

(c) Liquidity risk - *continued*

The following table analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances, as the impact of discounting is not significant.

	Carrying amount €'000	Contractual cash flows €'000	Within one year €'000	One to five years €'000	Over five years €'000
30 September 2011					
Borrowings	4,000	4,841	697	1,987	2,157
Trade and other payables	7,227	7,227	7,227	-	-
	11,227	**12,068**	**7,924**	**1,987**	**2,157**
30 September 2010					
Trade and other payables	6,411	6,411	6,411	-	-
	6,411	6,411	6,411	-	-

All of the Company's derivatives, comprising derivative forward contracts, that are gross settled, are in hedge relationships and are due to settle between 2011 and 2014. These contracts require undiscounted contractual cash inflows of €2,474,000 and undiscounted contractual cash outflows of €2,531,000.

2.2 Capital risk management

Capital is managed by reference to the level of the Company's equity and borrowings or debt as disclosed in the financial statements of the Company (Note 14). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares or adjust the amount of dividends paid to shareholders.

The Company's equity, as disclosed in the statement of financial position, constitutes its capital. The Company maintains the level of capital by reference to its financial obligations and commitments arising from operational requirements. In view of the nature of the Company's activities and the extent of borrowings or debt, the capital level as at the end of the reporting period is deemed adequate by the Directors.

2. Financial risk management - *continued*

2.3 Fair values of financial instruments

In accordance with IFRS 7, for financial instruments that are measured in the statement of financial position at fair value, disclosure of fair value measurements by level of the following fair value measurement hierarchy is required:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

	Level 1
	€'000
Assets	
Available-for-sale financial assets	
- Debt securities	3,736

	Level 2
	€'000
Liabilities	
Financial assets at fair value through profit or loss	
- Derivative forward contracts	57

The carrying amounts of cash and cash equivalents, trade receivables (net of impairment provisions) and payables are assumed to approximate their fair values. The fair value of financial assets traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the entity is the current bid price.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the Directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS1.

4. Intangible asset

	Postal licence €'000
At 1 October 2009	
Cost	1,159
Accumulated amortisation	(881)
Net book amount	278
Year ended 30 September 2010	
Opening net book amount	278
Amortisation charge	(77)
Closing net book amount	201
At 30 September 2010	
Cost	1,159
Accumulated amortisation	(958)
Net book amount	201
Year ended 30 September 2011	
Opening net book amount	201
Amortisation charge	(77)
Closing net book amount	**124**
At 30 September 2011	
Cost	1,159
Accumulated amortisation	(1,035)
Net book amount	**124**

The intangible asset represents the amount paid for the right to operate the postal services in Malta. This right has a useful life of 15 years and is amortised over this definite period.

5. **Property, plant and equipment**

	Land buildings and improvements to premises €'000	Furniture and fittings €'000	Equipment €'000	Motor vehicles €'000	Total €'000
At 1 October 2009					
Cost	3,664	1,223	2,927	22	7,836
Accumulated depreciation	(2,024)	(948)	(2,517)	(20)	(5,509)
Net book amount	1,640	275	410	2	2,327
Year ended 30 September 2010					
Opening net book amount	1,640	275	410	2	2,327
Additions	798	73	383	7	1,261
Disposals	(100)	-	-	-	(100)
Depreciation	(521)	(106)	(211)	(2)	(840)
Depreciation released on disposal	30	-	-	-	30
Closing net book amount	1,847	242	582	7	2,678
At 30 September 2010					
Cost	4,362	1,296	3,310	29	8,997
Accumulated depreciation	(2,515)	(1,054)	(2,728)	(22)	(6,319)
Net book amount	1,847	242	582	7	2,678
Year ended 30 September 2011					
Opening net book amount	1,847	242	582	7	2,678
Additions	6,181	570	574	-	7,325
Depreciation	(397)	(90)	(350)	(2)	(839)
Closing net book amount	**7,631**	**722**	**806**	**5**	**9,164**
At 30 September 2011					
Cost	10,543	1,866	3,884	29	16,322
Accumulated depreciation	(2,912)	(1,144)	(3,078)	(24)	(7,158)
Net book amount	**7,631**	**722**	**806**	**5**	**9,164**

6. Financial instruments

Financial instruments are summarised by measurement class in the table below:

	2011 €'000	2010 €'000
Available-for-sale	**3,763**	5,231
Fair value through profit or loss	**(57)**	-

(i) Financial assets classified as available-for-sale

Financial assets classified as available-for-sale comprise:

	2011 €'000	2010 €'000
Year ended 30 September		
Opening net book amount	**5,231**	4,896
Additions	**-**	193
Net fair value movement (Note 12)	**(100)**	152
Disposals	**(1,384)**	-
Amortisation (Note 19)	**16**	(10)
Closing net book amount	**3,763**	5,231
At 30 September		
Cost	**3,684**	5,045
Accumulated fair value gains	**98**	221
Amortisation	**(19)**	(35)
Net book amount	**3,763**	5,231

Available-for-sale financial assets consist of debt securities listed on the Malta Stock Exchange. These debt securities are subject to fixed interest rates ranging from 4.6% to 7.0% (2010: 4.6% to 7.0%). The weighted average effective interest rate as at 30 September 2011 was 5.6% (2010: 5.9%).

6. Financial instruments - *continued*

(ii) Financial liabilities classified as fair value through profit or loss

Financial liabilities classified as fair value through profit or loss comprise:

	2011 €'000	2010 €'000
Derivative forward contracts	**57**	-
Total financial liabilities at fair value through profit or loss	**57**	-

Information on the notional amount of the derivative forward contract is included in Note 2.1(a)(i).

7. Deferred income tax asset

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 35%.

	2011 €'000	2010 €'000
At beginning of year	**501**	442
(Charge)/credit to the profit or loss (Note 20)	**(111)**	59
At end of year	**390**	501

The balance at 30 September represents temporary differences arising on:

	2011 €'000	2010 €'000
Property, plant and equipment	**392**	357
Provisions	**58**	144
Other	**(60)**	-
At end of year	**390**	501

Deferred income tax is principally composed of deferred income tax assets and liabilities which are to be recovered and settled after more than twelve months.

8. Inventories

	2011 €'000	2010 €'000
Stamps and postal stationery	**111**	186
Inventories for resale	**286**	262
Other inventory items	**141**	123
	538	571

9. Trade and other receivables

	2011 €'000	2010 €'000
Trade receivables – gross	**7,571**	5,916
Provision for impairment	**(79)**	(79)
Trade receivables – net	**7,492**	5,837
Amounts due by related parties	**2**	7
Other receivables	**24**	7
Prepayments and accrued income	**1,682**	1,381
	9,200	7,232

The Company's exposure to credit and currency risks and impairment losses relating to trade and other receivables is disclosed in Note 2. The other classes within receivables do not contain impaired assets.

10. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2011 €'000	2010 €'000
Cash and cash equivalents	**3,755**	4,302

11. Share capital

	2011	2010
	€'000	€'000
Authorised		
56,000,000 ordinary shares of €0.25 each	**14,000**	14,000
Issued and fully paid up		
31,678,103 (2010: 30,570,490) ordinary shares of €0.25 each	**7,920**	7,643
	7,920	7,643

By virtue of a resolution dated 30 March 2010 the Company's Directors had approved the allotment of 1,440,695 ordinary shares of €0.25 each at a premium of €0.41 each (Note 12) as a scrip issue in lieu of dividends, thereby increasing the issued and fully paid up share capital to 30,570,490 shares of €0.25 each, resulting in a paid up share capital of €7,642,623.

By virtue of a resolution dated 16 February 2011 the Company's Directors approved the allotment of 1,107,613 ordinary shares of €0.25 each at a premium of €0.67 each (Note 12) as a scrip issue in lieu of cash dividends, thereby increasing the issued and fully paid up share capital to 31,678,103 shares of €0.25 each, resulting in a paid up share capital of €7,919,526.

12. Other reserves

	Fair value reserve €'000	Share premium €'000	Total €'000
At 1 October 2009	69	681	750
Fair value gain (Note 6)	152	-	152
Allotment of shares (Note 11)	-	591	591
At 30 September 2010	221	1,272	1,493
At 1 October 2010	221	1,272	1,493
Fair value loss (Note 6)	(100)	-	(100)
Transfer to profit or loss upon disposal of available-for-sale financial assets (Note 19)	(23)	-	(23)
Allotment of shares (Note 11)	-	742	742
At 30 September 2011	**98**	**2,014**	**2,112**

The fair value reserve represents changes in fair value of available-for-sale financial assets which are unrealised at financial reporting date. These amounts are accounted for in this reserve since these gains are not considered by the Directors to be available for distribution. Upon disposal, realised fair value gains are transferred to the profit or loss.

13. Provision for liabilities and charges

	2011 €'000	2010 €'000
Present value of unfunded obligation	**1,968**	1,948
Crystallised obligation	**(305)**	(265)
At end of year	**1,663**	1,683

The Company provides for the obligation arising in terms of Article 8A of the Pensions Ordinance, Cap 93 of the laws of Malta, covering those ex-Government employees who opted to become full-time employees of the Company, and who continued to be entitled to pension rights which go beyond the National Insurance Scheme. The scheme is a final salary defined benefit plan and is unfunded.

The amount recognised in the statement of financial position is as follows:

	2011 €'000	2010 €'000
Present value of unfunded obligations	**2,667**	2,647
Crystallised obligation	**(305)**	(265)
Fair value of obligations to be reimbursed by Government	**(699)**	(699)
Present value of unfunded obligations	**1,663**	1,683

The movement for the year is made up of:

	2011 €'000	2010 €'000
Charge to profit or loss	**(20)**	(127)
Crystallised obligation	**40**	44
	20	(83)

The amount recognised in profit or loss is as follows:

	2011 €'000	2010 €'000
Interest cost	**(69)**	(80)
Net actuarial movements recognised during the year	**49**	(47)
Total amount charged to profit or loss	**(20)**	(127)

In computing the provision, the Company used a discount rate of 4.56% (2010: 4.46%), whereas the future salary increases were based on inflation rates and past salary increases.

14. Borrowings

	2011 €'000	2010 €'000
Current		
Bank loan	**536**	-
Short term borrowings	**536**	-
Non-current		
Bank loan	**3,464**	-
Long term borrowings	**3,464**	-
Total borrowings	**4,000**	-

The Company's borrowings are secured by general and special hypothecs over all the Company's present and future assets and by its available-for-sale financial assets. The interest rate exposure of the borrowings of the Company is at floating rates.

The effective interest rates at end of the reporting period was as follows:

	2011 %	2010 %
Floating rates		
Bank loans	**4.40**	-

15. Trade and other payables

	2011 €'000	2010 €'000
Current		
Trade payables	**1,761**	1,922
Amounts collected on behalf of third parties	**62**	218
Other payables	**350**	317
Indirect taxes and social security	**238**	42
Unearned revenue	**116**	127
Accruals and deferred income	**4,700**	3,785
	7,227	6,411

The Company's exposure to currency and liquidity risk relating to trade and other payables is disclosed in Note 2.

16. Segmental information

Revenue is analysed as follows:

	2011 €'000	2010 €'000
By activity		
Postal	**18,479**	17,577
Philatelic	**330**	597
Other	**2,590**	2,227
	21,399	20,401
By geographical segments		
Local	**18,725**	17,942
International	**2,674**	2,459
	21,399	20,401

The Company primarily operates in one segment, which comprises the provision of postal and related retail services to customers who are subject to the same risks and returns. Accordingly, segment information as required by IFRS 8, Operating segments, is not being presented.

17. Expenses by nature

	2011 €'000	2010 €'000
Employee benefits expense (Note 18)	**10,343**	10,387
Amortisation (Note 4)	**77**	77
Depreciation (Note 5)	**839**	840
Loss on disposal of property, plant and equipment	**-**	70
Foreign outbound mail	**3,193**	2,703
Rent	**139**	225
Repairs and maintenance	**713**	623
Difference on exchange	**71**	(220)
Loss on derivative financial instruments	**57**	-
Movement in provision for impairment of receivables (Note 9)	**-**	(39)
Other expenses	**3,206**	2,822
	18,638	17,488

Towards the year end the Company entered into derivative forward contracts to hedge against the effect of foreign exchange movements (Note 2.1(a)(i)).

17. Expenses by nature - *continued*

Fees for work carried out by the external auditor were as follows:

	2011 €'000	2010 €'000
Annual statutory audit	**18**	18
Other assurance services	**11**	11
Tax advisory and compliance services	**4**	8
Other non-audit services	**9**	3
	42	40

18. Employee benefits expense

	2011 €'000	2010 €'000
Wages and salaries	**9,098**	9,025
Other staff costs	**439**	470
Provision for liabilities and charges (Note 13)	**20**	127
Social security costs	**786**	765
	10,343	10,387

Average number of persons employed by the Company during the year:

	2011	2010
Operational	**578**	570
Management	**24**	23
	602	593

19. Finance income

	2011 €'000	2010 €'000
Bank	**18**	47
Debt securities	**229**	250
Investment premium amortisation	**16**	(10)
Gain on sale of available-for-sale financial assets	**23**	-
	286	287

20. Tax expense

	2011 **€'000**	2010 €'000
Current tax expense	**1,008**	1,147
Deferred tax charge/(credit) (Note 7)	**111**	(59)
Tax expense	**1,119**	1,088

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate is as follows:

	2011 **€'000**	2010 €'000
Profit before tax	**3,047**	3,200
Tax at 35%	**1,066**	1,120
Tax effect of:		
Over provision in prior year	**-**	(37)
Impact of change in tax status of one foreign shareholder	**60**	-
Non-temporary differences	**42**	68
Income taxed at different rates of tax	**(49)**	(63)
Tax expense	**1,119**	1,088

21. Directors' emoluments

	2011 **€'000**	2010 €'000
Directors' emoluments	**23**	23

The Company paid insurance premia of €4,833 (2010: €4,625) during the year, in respect of professional indemnity in favour of its Directors.

22. Earnings per share

Earnings per share are based on the profit for the year attributable to the equity holders of MaltaPost p.l.c. divided by the weighted average number of ordinary shares in issue during the year and ranking for dividend.

	2011	2010
Profit attributable to equity holders (€'000)	**1,928**	2,112
Weighted average number of ordinary shares in issue (thousands)	**31,275**	29,947
Earnings per share	**€0.06**	€0.07

23. Dividends

	2011 €'000	2010 €'000
Dividend on ordinary shares	**1,223**	1,165
€ per share (net)	**€0.04**	€0.04

At the forthcoming Annual General Meeting, a final net dividend of €0.04 in respect of the financial year ended 30 September 2011 is to be proposed.

These financial statements do not reflect the final dividend of €1,267,124 which, subject to approval by the shareholders at the forthcoming Annual General Meeting, will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 30 September 2012.

24. Commitments

Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are as follows:

	2011 €'000	2010 €'000
Within 1 year	**158**	262
Between 2 and 5 years	**147**	322
	305	584

The Company is also committed to pay a licence fee of ¾% of its total gross revenue from postal services within the scope of the universal services.

25. Related party transactions

Redbox Limited is a subsidiary of Lombard Bank Malta p.l.c., and all entities that control or are controlled by Lombard Bank Malta p.l.c. and those which fall within the Lombard Bank Malta p.l.c. administration structure, are considered by the Directors to be related parties.

The sale of stamps to these entities is made directly or indirectly by the Company in the normal course of business at normal arm's length prices and is included with revenue. Disclosure of these amounts, which would not be material is not deemed necessary for the purpose of understanding the Company's financial results or its financial position.

In addition the following transactions were carried out by the Company with related parties:

	2011	2010
	€'000	€'000
Bank interest received from related parties	**39**	41
Services rendered by related parties	**53**	14
Purchase of goods from related parties	**-**	51

Year end balances owed by related parties, arising principally from the above transactions are disclosed in Note 9 to these financial statements.

Cash and cash equivalents include:

	2011	2010
	€'000	€'000
Bank balances held with related parties	**987**	1,807

Key management personnel principally comprise the Directors of the Company. Total fees and emoluments paid to the Directors have been disclosed in Note 21.

26. Statutory information

MaltaPost p.l.c. is a limited liability Company and is incorporated in Malta.

pwc

Independent auditor's report - *continued*

To the shareholders of MaltaPost p.l.c.

Report on the financial statements for the year ended 30 September 2011

We have audited the financial statements of MaltaPost p.l.c. on pages 24 to 58 which comprise the statement of financial position as at 30 September 2011 and the income statement, the statement of comprehensive income, the statement of changes in equity and the statement 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 comprehensively in the Statement of Directors' responsibilities for the financial statements on page 7, the Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Maltese Companies Act, 1995, 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 about 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 entity's 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 entity's internal control. 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.

Opinion
In our opinion the financial statements
- give a true and fair view of the financial position of the Company as at 30 September 2011 and of its financial performance and its cash flows for the year then ended in accordance with IFRSs as adopted by the EU; and
- have been properly prepared in accordance with the requirements of the Maltese Companies Act, 1995.

Report on other legal and regulatory requirements

Report on the statement of compliance with the principles of good corporate governance
The Listing Rules issued by the Malta Listing Authority require the Directors to prepare and include in their Annual Report a Statement of Compliance providing an explanation of 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 throughout the accounting period with those Principles.

The Listing Rules also require the auditor to include a report on the Statement of Compliance prepared by the Directors.

Independent auditor's report - *continued*

To the shareholders of MaltaPost p.l.c.

We read the 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 included in the Annual Report. Our responsibilities do not extend to considering whether this statement is consistent with any other information included in the Annual Report.

We are not required to, and we do not, consider whether the Board's statements on internal control included in the Statement of Compliance cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

In our opinion, the Statement of Compliance set out on pages 10 to 17 has been properly prepared in accordance with the requirements of the Listing Rules issued by the Malta Listing Authority.

We also read other information contained in the Annual Report and considered whether it is consistent with the audited financial statements. The other information comprises the Chairman's statement to the members, the Chief Executive Officer's review of operations, the Directors' report and other Company Information. Our responsibilities do not extend to any other information.

Matters on which we are required to report by exception
We also have responsibilities:

- Under the Maltese Companies Act, 1995 to report to you if, in our opinion:
  - The information given in the Directors' report is not consistent with the financial statements.
  - Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
  - The financial statements are not in agreement with the accounting records and returns.
  - We have not received all the information and explanations we require for our audit.
  - Certain disclosures of Directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.
- Under the Listing Rules to review the statement made by the Directors that the business is a going concern together with supporting assumptions or qualifications as necessary.

We have nothing to report to you in respect of these responsibilities.

PricewaterhouseCoopers
167, Triq il-Merkanti,
VALLETTA, VLT 1174
Malta

Simon Flynn
Partner

1 December 2011

Five year summary
Accounting ratios

	01/10/10 to 30/09/11 %	01/10/09 to 30/09/10 %	01/10/08 to 30/09/09 %	01/10/07 to 30/09/08 %	01/10/06 to 30/09/07 %
Gross profit margin	**28.32**	28.04	28.92	28.15	23.66
Operating profit margin	**12.90**	14.28	14.19	12.44	7.44
Operating profit to total assets	**10.05**	13.86	12.98	11.90	7.18
Operating profit to capital employed	**19.01**	22.53	26.33	28.33	16.30
Profit before tax to total equity	**20.98**	24.76	29.30	32.21	19.67
Profit after tax to total equity	**13.27**	16.34	18.14	20.91	12.91

	30/09/11	30/09/10	30/09/09	30/09/08	30/09/07
Shares in issue of €0.25 each (thousands)	**31,678**	30,570	29,130	28,000	-
Net assets per share (€ cents)	**46**	42	37	32	302
Earnings per share (€ cents)	**6**	7	7	7	4

Financial highlights in major currencies

	USD	GBP
	000's	000's
For the year ended 30 September 2011		
Revenue	29,180	18,634
Gross profit	8,265	5,278
Operating profit	3,765	2,405
Profit before tax	4,156	2,654
Net profit after tax	2,630	1,679
At 30 September 2011		
Total assets less current liabilities	26,803	17,116
Total equity	19,811	12,652

Per share

	USD	GBP
Earnings	0.08	0.05
Net asset value	0.63	0.40

At currency rates of exchange ruling on 30 September 2011:

USD 1.3636 = EUR 1

GBP 0.8708 = EUR 1

Supplementary information

MaltaPost p.l.c. Post Offices

305, Triq Ħal Qormi,
Il-Marsa,
MTP 1001

153, Triq il-Kbira,
Ħal-Balzan,
BZN 1251

58, Triq il-Wied,
Birkirkara,
BKR 9013

48, Triq Zarenu Dalli,
Birżebbuġa,
BBG 1522

Block 14,
Fuq San Pawl,
Bormla,
BML 1910

Post Office,
Triq J. F. De Chambrai,
Għajnsielem,
GSM 1051

Post Office,
Triq il-Viżitazzjoni,
L-Għarb,
GRB 1044

Post Office,
Pjazza Meme' Scicluna,
Il-Gżira,
GZR 1120

18, Triq il-Ferrovija,
Il-Ħamrun,
HMR 1900

11, Trejqa Dun Ġulju Muscat,
Ħal Luqa,
LQA 1450

Malta International Airport,
M.I.A. Hall,
Ħal Luqa,
LQA 5001

100, Triq il-Mitħna l-Ġdida,
Il-Mellieħa,
MLH 1107

Campus tal-Universita',
L-Imsida,
MSD 2080

Ċentru Ċiviku,
Triq il-Kostituzzjoni,
Il-Mosta,
MST 9059

13, Triq it-Tramuntana,
In-Nadur,
NDR 1220

Ċentru Ċiviku,
Vjal il-Wieħed u
Għoxrin ta' Settembru,
In-Naxxar,
NXR 1018

Post Office,
Telgħet Gwardamanġa,
Tal-Pieta',
PTA 1310

207, Triq il-Vitorja,
Ħal Qormi,
QRM 2504

Ċentru Ċiviku,
Pjazza Antoine de Paule,
Raħal Ġdid,
PLA 1266

Ċentru Ċiviku,
Triq Santa Rita,
Ir-Rabat,
RBT 1001

95, Triq in-Naxxar,
San Ġwann,
SGN 9031

Post Office,
6, Triq id-Dolmen,
Buġibba,
San Pawl il-Baħar,
SPB 2400

118, Triq Manwel Dimech,
Tas-Sliema,
SLM 1055

Lombard Bank,
Triq Paceville,
Paceville,
San Ġiljan,
STJ 3155

Post Office,
Sqaq Tax-Xama',
San Pawl il-Baħar,
SPB 3525

Dar l-Annona,
Misraħ Kastilja,
Il-Belt Valletta,
VLT 1060

75, Triq l-Ifran,
Il-Belt Valletta,
VLT 1458

129, Triq ir-Repubblika,
Ir-Rabat, Għawdex,
VCT 1013

132, Triq it-Tigrija,
Ix-Xagħra,
XRA 2013

Ċentru Ċiviku,
Triq il-Kunvent,
Ħaż-Żabbar,
ZBR 1351

Post Office,
Triq Sciortino,
Ħaż-Żebbuġ,
ZBG 1962

37, Triq San Luċjan,
Iż-Żejtun,
ZTN 1834

8, Triq Santa Katarina,
Iż-Żurrieq,
ZRQ 1088

Mobile Post Office

Supplementary information

MaltaPost p.l.c. Sub-Post Offices

93, Higher Grades Stationery,
Triq Kananea,
Ħ' Attard,
ATD 2703

Step In,
Misraħ ir-Rebħa,
Il-Birgu
BRG 1300

84, Landau Stationery,
Triq Dun Gejtanu Mannarinu,
Birkirkara,
BKR 9085

94, Oreana Stationery,
Triq L. Casolani,
Birkirkara,
BKR 4532

D Spiral Stationery,
Triq il-Vittorja,
Birkirkara,
BKR 2691

6, Welcome Bazaar,
Misrah Frenc Abela,
Ħad-Dingli,
DGL 1081

Happy Kids Stationery,
Triq San Tumas,
Il-Fgura,
FGR 1608

Aquavel,
Triq San Bartilimew,
Ħal-Għargħur,
GHR 1014

4, Marchams
Wesgħa Bir id-deheb,
Ħal-Għaxaq,
GXQ 1651

85, Squire Bookshop,
Triq Manwel De Vilhena,
Il-Gżira,
GZR 1016

4A, Troy DVD Rentals,
Pjazza Arċisqof Gonzi,
Il-Kalkara,
KKR 1502

Kunsill Lokali Kerċem,
Pjazza Orvieto,
Ta' Kerċem,
KCM 1360

34, Midas,
Triq ix-Xatt,
Marsascala,
MSK 2113

Tunny Net Souvenir Shop,
Triq il-Marfa,
Il-Mellieħa,
MLH 1107

51, Triq G. Borg Olivier,
Il-Mellieħa,
MLH 1024

12, St Bees,
Wesgħat il-Ġubilew,
L-Imġarr,
MGR 1040

33, MC Stationery,
Triq Ġilormu Cassar,
Il-Mosta,
MST 4117

12, Alessio's Old Cottage,
Triq il-Parrocca,
L-Imqabba,
MQB 1511

19, Best Mark,
Triq Rokku Buhagiar,
Il-Qrendi,
QRD 1013

6, S.G.S.,
Triq Felic Borg,
San Ġwann,
SGN 2040

22A, Kunsill Lokali San Lawrenz,
Triq id-Duluri,
San Lawrenz,
SLZ 1261

49, Louis Stationery,
Pjazza San Nikola,
Is-Siġġiewi,
SGW 1070

7, Malton,
Triq Censu Scerri,
Tigne,
Tas-Sliema,
SLM 3062

6, Drago Stationery,
Civic Centre Darwet it-Torri,
Santa Lucia,
SLC 1019

C@C,
Trejqa Tal-Fleur-De-Lys,
Santa Venera,
SVR 1582

Paul's Arcade,
Triq il-Kaħli,
San Pawl il-Baħar,
SPB 3015

16/17, Forex,
Misraħ is-Suq,
Ħal Tarxien,
TXN 1951

Fleet Stationery,
Triq Testaferrata,
Ta Xbiex,
XBX 1402

15, Serena Aparthotel,
Triq San Xmun,
Ix-Xlendi,
XLN 1300

Supplementary information

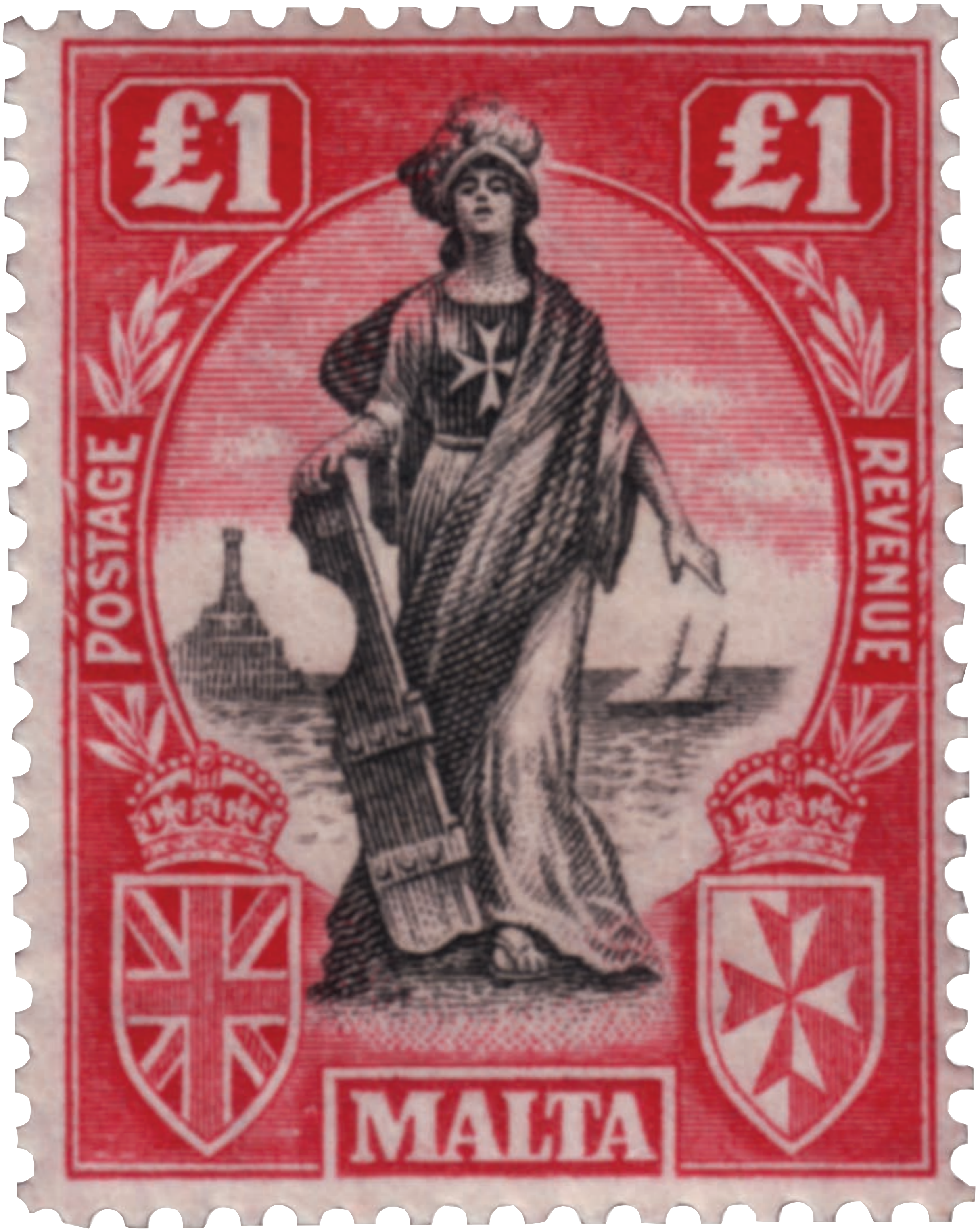
Collection of postal articles from public letterboxes is held as follows (exceptions may apply as announced to the public in agreement with the Malta Communications Authority):

- Monday – Friday as from 19.00; and
- Saturday as from 15.00.

Delivery of postal articles generally commences as from 7.00 a.m., and ends in accordance with operational exigencies.

Further information on our products and services, including prices and a full list of letterboxes and stamp vendors, may be found on our website on www.maltapost.com or by request from our Post Offices or from our Customer Care Department on 21224421.

The postal schemes which deal with a number of postal services may also be located and downloaded from our website or available upon request from our Post Offices or our Customer Care. During the period under review, customer complaints accounted for 0.003% of all mail items handled.



Allegorical Representation of Melita
Issued 28 August 1922
Designer: Edward Caruana Dingli
Printer: De La Rue