



Company Announcement

The following is a Company Announcement issued by MaltaPost p.l.c. pursuant to the Listing Rules of the Listing Authority – Malta Financial Services Authority.

Quote:

In a meeting of the Board of Directors of MaltaPost p.l.c. held on 22 May 2008, the attached unaudited Condensed Interim Financial Statements for the six-month period ended 31 March 2008 were approved.

The Interim Financial Statements for the period ended 31 March 2008 are available for viewing and download on the MaltaPost p.l.c. website at www.maltapost.com.

Unquote

A handwritten signature in black ink, appearing to read "Graham Fairclough", written over a horizontal line.

Graham Fairclough
Company Secretary

22 May 2008

22nd May 2008

Basis of preparation

These interim financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting, extracted from the company’s unaudited accounts for the six months ended 31 March 2008 and have been reviewed in terms of ISRE 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. The accounting policies used in preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2007. The half-yearly results are being published in terms of Chapters 8 and 9 of the Listing Rules of the Malta Financial Services Authority.

Background

MaltaPost p.l.c. was listed on the Malta Stock Exchange on 25th January 2008 after the Government of Malta, earlier that month, disposed of its 40% shareholding via an Initial Public Offering.

In anticipation of this the Company’s capital base was restructured so as to take into consideration the new scenario within which its shares would be trading as well as the adoption of the Euro as Malta’s currency

Effectively:

- The Company increased its Issued Share Capital to €7 million through the capitalisation of part of the Share Premium Account;
- The Issued and Authorised Share Capital were re-denominated by way of a share split whereby the nominal value of the Ordinary Shares was changed from €2.32937 to €0.25. The number of Issued Ordinary Shares was brought to 28,000,000;
- In December 2007, the Company paid an interim dividend of €0.05 per share.

Review of performance

For the six months ended 31 March 2008, MaltaPost p.l.c. registered a Profit before Taxation of €2.60 million as compared to €1.01 million for the same period last year. This represents an increase of 157% (€1.59 million) over the six months ended 31 March 2007. Earnings per Share increased to €0.060 from €0.023 in 2007.

- Turnover increased by 13.41% from €9.66 million to €10.96 million
- Cost-to-Income ratio improved to 76.64% from 89.65% for the same period last year;
- The Provision for Liabilities and Other Charges registered a positive movement of €401k over last year. This provision relates to amounts concerning ex-Government employees who had opted to become full-time employees of MaltaPost p.l.c. and who were entitled to rights which went beyond the National Insurance Scheme.

The decrease in provision arose on the reversion of some such employees to Government in the period under review.

Apart from an overall increase in business the performance during this period was enhanced by two events viz. increased volumes during the General Elections and philatelic/numismatic issues commemorating the introduction of the Euro.

The postal services industry experiences seasonal fluctuations. In Malta the first half of the financial year (October to March) is characterised by higher activity and volumes than the second half of the year. It is therefore reasonable not to expect the same level of performance in the second half of the financial year.

Outlook

The outlook for MaltaPost p.l.c. is determined to a substantial degree by the effect that e-substitution has on traditional mail volumes which remain its main source of revenue.

Nevertheless the Board is cautiously confident that MaltaPost p.l.c. remains on track to achieve its targets for the financial year and this as a result of the dedication of its staff, the loyalty of its customers and the support of its shareholders.

MALTAPOST p.l.c.
Income Statement
For the six months ended 31 March 2008

	01-Oct-07 to 31-Mar-08	01-Oct-06 to 31-Mar-07
	€' 000 Unaudited	€' 000 Unaudited
Turnover	10,962	9,666
Employee Compensation and Benefits	(5,200)	(5,064)
Other Operating Costs	(3,005)	(2,998)
Depreciation and Amortisation	(460)	(452)
Provision for Liabilities and Other Charges	140	(261)
Operating profit	<u>2,437</u>	<u>891</u>
Interest Receivable and Similar Income	163	122
Profit before Taxation	<u>2,600</u>	<u>1,013</u>
Taxation	(914)	(362)
Profit for the financial year	<u>1,686</u>	<u>651</u>
Earnings per Share	6c02	2c33

MALTAPOST p.l.c.
Balance Sheet
At 31 March 2008

	31-Mar-08	30-Sep-07
	€' 000	€' 000
	Unaudited	Audited
Assets		
Property, plant and equipment	2,603	2,733
Intangible asset	393	431
Investments	3,683	3,575
Deferred taxation	197	148
Total non-current assets	<u>6,876</u>	<u>6,887</u>
Current assets		
Inventories	558	570
Trade and other receivables	6,383	4,281
Cash and cash equivalents	6,324	7,458
Total current assets	<u>13,265</u>	<u>12,309</u>
Total assets	<u>20,141</u>	<u>19,196</u>
Equity		
Issued Share Capital	7,000	6,522
Share premium	93	571
Investments fair value reserve	(41)	(147)
Retained earnings	1,796	1,508
Total equity attributable to equity holders	<u>8,848</u>	<u>8,454</u>
Liabilities		
Provision for liabilities and charges	1,358	1,581
Total non current liabilities	<u>1,358</u>	<u>1,581</u>
Trade and other payables	8,593	8,714
Current taxation	1,342	447
Total current liabilities	<u>9,935</u>	<u>9,161</u>
Total equity and liabilities	<u>20,141</u>	<u>19,196</u>

KEY FINANCIALS IN MALTESE LIRA

	31-Mar-08	30-Sep-07
	Lm' 000	Lm' 000
	Unaudited	Audited
Total assets	8,647	8,241
Total equity	3,798	3,630
	31-Mar-08	31-Mar-07
	Lm' 000	Lm' 000
	Unaudited	Unaudited
Profit before Taxation	1,116	435
Profit attributable to equity holders	724	280
Earnings per Share	2c59	1c

MALTAPOST p.l.c.**Cash Flow Statement****For the six months ended 31 March 2008**

	31-Mar-08	31-Mar-07
	€' 000	€' 000
	Unaudited	Unaudited
Cash flows from operating activities		
Cash receipts from customers	40,699	45,122
Cash paid to suppliers and employees	(41,649)	(42,976)
Cash (used in)/generated from operating activities	(950)	2,146
Income tax paid	(68)	(36)
Net Cash (used in)/from operating activities	(1,018)	2,110
Cash flows from investing activities		
Interest received	169	121
Acquisition of property, plant and equipment	(282)	(298)
Acquisition of investments	(3)	(835)
Proceeds on maturity/disposal of investments	-	3
Net Cash used in investing activities	(116)	(1,010)
Net decrease in cash and cash equivalents	(1,134)	1,101
Cash and cash equivalents at 1 October	7,458	4,500
Cash and cash equivalents at end of period	6,324	5,601

MALTAPOST p.l.c.
Statement of changes in equity
for the six months ended 31 March (Unaudited)

	Called up issued share capital € 000	Share premium € 000	Investments fair value reserve € 000	Retained earnings € 000	Total € 000
At 1 October 2006	6,522	571	53	417	7,563
Net fair value adjustment on available-for-sale investments	-	-	(7)	-	(7)
Profit for the period	-	-	-	651	651
At 31 March 2007	6,522	571	46	1,068	8,207
At 1 October 2007	6,522	571	(147)	1,508	8,454
Net fair value adjustment on available-for-sale investments	-	-	106	-	106
Increase in paid up value of shares	478	(478)	-	-	-
Dividend to equity holders	-	-	-	(1,398)	(1,398)
Profit for the period	-	-	-	1,686	1,686
At 31 March 2008	7,000	93	(41)	1,796	8,848

Euro exchange rate on 31 March 2007 and 30 September 2007: €1 = Lm0.4293.

MaltaPost p.l.c.

Statement pursuant to Listing Rule 9.44.3 issued by the Listing Authority

I confirm that to the best of my knowledge:

- The Condensed Interim Financial Statements, prepared in accordance with IAS 34 give a true and fair view of the financial position as at 31 March 2008, financial performance and cash flows for the period then ended, and conform with the requirements of the accounting standards adopted for use in the EU for interim financial statements, including adopted IAS 34: *Interim Financial Reporting* and,
- The interim Directors' Report includes a fair review of the information required in terms of Listing Rule 9.44.2.

Joseph Gafa'
Chief Executive Officer

Report on Review of Interim Financial Information

To the Directors of MaltaPost p.l.c.

Introduction

We have reviewed the accompanying condensed balance sheet of MaltaPost p.l.c. as at 31 March 2008 and the related condensed profit and loss account, statement of changes in equity and cash flows for the six month period then ended. The directors are responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards as adopted by the European Union applicable to interim financial reporting (IAS 34). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

This report, including its conclusion, has been solely prepared for the company for the purpose of the Listing Rules of the Malta Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".



PRICEWATERHOUSECOOPERS 

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22 May 2008