



COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by MaltaPost p.l.c. in compliance with Chapter 5 of the Listing Rules in respect of the interim financial statements for the six months ended 31 March 2011.

QUOTE

At a meeting of the Board of Directors of MaltaPost p.l.c. held on 12 May 2011, the attached unaudited Condensed Interim Financial Statements for the six-month period ended 31 March 2011 were approved.

The Interim Financial Statements for the period ended 31 March 2011 are available for viewing and download on the MaltaPost p.l.c. website at www.maltapost.com.

UNQUOTE

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

Graham A. Fairclough
Company Secretary

Basis of preparation

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting, have been extracted from the Company’s unaudited accounts for the six months ended 31 March 2011 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 2010. The half-yearly results are being published in terms of Chapter 5 of the Listing Rules of the Malta Financial Services Authority.

Interim directors’ report

Review of performance

For the six months ended 31 March 2011, MaltaPost p.l.c. registered an increase in revenue of 1.4% to €10.7m (2010: €10.6m) but a decline in profit before tax of 9.3% to €1.7m (2010: €1.9m). Profit after tax decreased by 6.1% to €1.1m (2010: €1.2m).

The main contributors to this performance, in comparison to the same period last year, are as follows:

- The increase in revenue was principally due to increases in international inbound and outbound mail traffic volumes. These were partially set-off by the continued downward trend of traditional mail volumes. Other non-postal revenue streams steadily increased over last year;
- Employee compensation and benefits increased marginally by 0.9% to €5.1m;
- Other operating costs rose by 9.2% to €3.7m. This is the result of higher mail costs, utility bills and Information Systems support costs;
- Finance income increased by 24.2% as a result of a gain on the sale of certain investments held in the Company’s portfolio. This was, in part, set-off by lower interest income;
- Property, plant and equipment increased by 41.7%. A property was purchased to house a postal museum and additional improvements were made to the branch network as well as the Head Office building.

Shareholders’ funds increased to €22.5m from €21.0m as at 30 September 2010, principally as a result of a good number of shareholders opting to take the 2010 dividend in shares rather than cash.

Outlook

In line with global postal trends, the Company experienced a decrease in volumes of traditional letter mail. However the number of “packets” received remains positive as a result of increased e-transactions.

While MaltaPost continues to strengthen its non-postal activities by the provision of enhanced services, it will remain sensitive to its role as the country’s key postal operator and this by providing traditional postal services to the community, irrespective of their financial viability. In this regard the Company will continue with its branch upgrading programme, rebranding exercise and investment in expansion of further non-core activities. These initiatives are bound to increase costs in the short term, but, of course, will provide the necessary platform to meet future challenges.

The Board of Directors is therefore confident that, together with its Management and Staff, the ground lost during the first half of the year will be, as far as possible, gained in the coming months.

By Order of the Board
12 May 2011

MaltaPost p.l.c.
Preliminary Statement of Half yearly Results
For the six months ended 31 March 2011

Statement of Financial Position
At 31 March 2011

	31-Mar-11	30-Sep-10
	€'000	€'000
	Unaudited	Audited
ASSETS		
Non-current assets		
Intangible asset	161	201
Property, plant and equipment	3,795	2,678
Available-for-sale financial assets	3,730	5,231
Deferred income tax asset	500	501
Total non-current assets	8,186	8,611
Current assets		
Inventories	611	571
Trade and other receivables	7,831	7,232
Current income tax assets	36	306
Cash and cash equivalents	5,873	4,302
Total current assets	14,351	12,411
Total assets	22,537	21,022
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	7,920	7,643
Other reserves	2,076	1,493
Retained earnings	3,673	3,792
Total equity	13,669	12,928
Non-current liabilities		
Provision for liabilities and charges	1,701	1,683
Total provision for liabilities and charges	1,701	1,683
Current liabilities		
Trade and other payables	7,167	6,411
Total current liabilities	7,167	6,411
Total equity and liabilities	22,537	21,022

Income Statement
For the six months ended 31 March 2011

	01-Oct-10 to 31-Mar-11 €'000 Unaudited	01-Oct-09 to 31-Mar-10 €'000 Unaudited
Revenue	10,693	10,549
Employee benefits expense	(5,066)	(5,021)
Depreciation and amortisation expense	(437)	(440)
Other expenses	(3,689)	(3,378)
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Operating profit	1,501	1,710
Finance income	185	149
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Profit before tax	1,686	1,859
Tax expense	(582)	(683)
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Profit for the financial period	1,104	1,176
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Earnings per share	€0.04	€0.04

Statement of Comprehensive Income

	01-Oct-10 to 31-Mar-11 €'000 Unaudited	01-Oct-09 to 31-Mar-10 €'000 Unaudited
Comprehensive income		
Profit for the financial period	1,104	1,176
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Other comprehensive income		
Fair value gains on available-for-sale financial assets – net of tax	(159)	80
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Total comprehensive income for the financial period	945	1,256

Statement of Changes in Equity
For the six months ended 31 March 2011 (Unaudited)

	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 financial period	-	-	1,176	1,176
Other comprehensive income				
Fair value gains on available-for-sale financial assets – net of tax	-	80	-	80
Total comprehensive income	-	80	1,176	1,256
Transactions with owners				
Increase in share capital	361	-	-	361
Allotment of shares	-	591	-	591
Dividends	-	-	(1,165)	(1,165)
Total transactions with owners	361	591	(1,165)	(213)
Balance at 31 March 2010	7,643	1,421	2,856	11,920
Balance at 1 October 2010	7,643	1,493	3,792	12,928
Comprehensive income				
Profit for the financial period	-	-	1,104	1,104
Other comprehensive income				
Fair value gains on available-for-sale financial assets – net of tax	-	(159)	-	(159)
Total comprehensive income	-	(159)	1,104	945
Transactions with owners				
Increase in share capital	277	-	-	277
Allotment of shares	-	742	-	742
Dividends	-	-	(1,223)	(1,223)
Total transactions with owners	277	742	(1,223)	(204)
Balance at 31 March 2011	7,920	2,076	3,673	13,669

Statement of Cash Flows
For the six months ended 31 March 2011

	01-Oct-10 to 31-Mar-11 €'000 Unaudited	01-Oct-09 to 31-Mar-10 €'000 Unaudited
Cash flows from operating activities		
Cash from customers	55,444	45,506
Cash paid to suppliers and employees	(54,023)	(45,571)
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Cash from operating activities	1,421	(65)
Income tax paid	(311)	(314)
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Net cash from/(used in) operating activities	1,110	(379)
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Cash flows used in investing activities		
Finance income	215	222
Purchase of property, plant and equipment	(913)	(334)
Purchase of financial assets	-	(193)
Proceeds on maturity/disposal of financial assets	1,360	-
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Net cash generated from/(used in) investing activities	662	(305)
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Cash flow used in financing activities		
Dividends paid	(201)	(213)
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Net movement in cash and cash equivalents	1,571	(897)
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Cash and cash equivalents at beginning of financial period	4,302	7,046
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Cash and cash equivalents at end of financial period	5,873	6,149
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Statement pursuant to Listing Rules 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 2011, 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 5.75.2.



Joseph Gafa'
Chief Executive Officer