



COMPANY ANNOUNCEMENT

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

QUOTE

The Board of Directors of MaltaPost p.l.c. approved the audited financial statements for the financial year ended 30 September 2018 and resolved that these statements be submitted for approval at the forthcoming Annual General Meeting to be held on 13 February 2019. The attached Preliminary Statement of annual results is being published in terms of the Listing Rules.

The Board of Directors further resolved to recommend for the approval of the Annual General Meeting:

1. The payment of a final Gross Dividend of €0.0615 (Net: €0.04) per nominal €0.25 share.
2. Shareholders shall receive the Dividend either by direct transfer or by cheque.

The Dividend, if approved at the Annual General Meeting, will be paid on 13 March 2019 to shareholders on the Company's share register at the Central Securities Depository of the Malta Stock Exchange as at close of business on 14 January 2019.

Shareholders on the Company's share register at the Central Securities Depository of the Malta Stock Exchange, as at close of business on 14 January 2019 will receive notice of the Annual General Meeting together with the Financial Statements for the financial year ended 30 September 2018.

UNQUOTE

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

Graham A. Fairclough
Company Secretary

17 December 2018

These financial statements have been extracted from the Annual Report of the MaltaPost p.l.c. Group (the Group) for the financial year ended 30 September 2018, audited by PricewaterhouseCoopers and approved by the Board of Directors on 17 December 2018. They were prepared in accordance with the provisions of the Companies Act, 1995, and International Financial Reporting Standards as adopted by the EU.

Review of Performance

For the year ended 30th September 2018, MaltaPost registered a profit before tax of €2.62 million (2017: €3.05 million).

- Growth of services related to international mail, parcels business and document management services, contributed to higher revenue of €40.2 million (2017: €38.4 million);
- The higher level of operational activities, resulted in an overall increased expense charge of €37.7 million (2017: €35.5 million);
- Cost to income ratio stood at 93.5% (2017: 92.1%);
- Total Assets rose by 15.9% to €47.9 million (2017: €41.6 million);
- Revaluation Reserve increased by €2.6 million, following revaluation of property owned by the Company;
- Shareholders' funds reached €26.4 million (2017: €23.6 million);

The Company's postal activity remains conditioned by the stringent Universal Service Obligation coupled with a postal tariff structure that has not been revised since a number of years and this despite year-on-year increases in overall operational costs. The significant volume growth in international mail services registered has been dampened by lower margins due to increased competition in this sector.

Outlook

MaltaPost remains committed to its Universal Service Obligation within a revised tariff structure and is working with its Regulator, the Malta Communications Authority to achieve this during the next financial year. In comparative terms, tariffs for mail services in Malta remain the lowest in the EU. While the Company strives to improve operational efficiency and manage costs, the timely introduction of a revised tariff structure is vital given that this industry is labour and transaction-intensive, which also necessitates an extensive delivery and retail network so as to remain efficient. It also needs to be in a position to invest so as to respond effectively to the challenges presented by the market in general and those unregulated operators in particular.

The Directors are confident that the continued diversification into logistics, document management and financial services, while maintaining a core letter mail service bode well for the future so as to provide a fair return on investment to shareholders.

MaltaPost p.l.c.**Preliminary Statement of annual Results for year ended 30 September 2018****Statements of financial position**

	Group		Company	
	As at 30 September			
	2018 €'000	2017 €'000	2018 €'000	2017 €'000
ASSETS				
Non-current assets				
Property, plant and equipment	17,289	14,390	17,289	14,390
Intangible assets	286	-	286	-
Investment in subsidiary	-	-	1	1
Available-for-sale financial assets	3,826	3,613	3,826	3,613
Deferred tax asset	582	611	582	611
Total non-current assets	21,983	18,614	21,984	18,615
Current assets				
Inventories	606	758	606	758
Trade and other receivables	7,879	11,272	7,951	11,272
Current tax asset	183	-	183	-
Deposits with financial institutions	4,714	2,014	4,714	2,014
Cash and cash equivalents	12,565	8,854	12,458	8,827
Total current assets	25,947	22,898	25,912	22,871
Total assets	47,930	41,512	47,896	41,486
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	9,414	9,414	9,414	9,414
Share premium	7,367	7,367	7,367	7,367
Other reserves	2,534	(20)	2,534	(20)
Retained earnings	7,101	6,879	7,092	6,878
Total equity	26,416	23,640	26,407	23,639
Non-current liabilities				
Deferred tax liability	1,028	777	1,028	777
Provision for liabilities and charges	1,964	2,047	1,964	2,047
Total non-current liabilities	2,992	2,824	2,992	2,824
Current liabilities				
Trade and other payables	18,522	14,819	18,497	14,794
Current tax liability	-	229	-	229
Total current liabilities	18,522	15,048	18,497	15,023
Total liabilities	21,514	17,872	21,489	17,847
Total equity and liabilities	47,930	41,512	47,896	41,486

Income statements

	Group		Company	
	Year ended 30 September			
	2018	2017	2018	2017
	€'000	€'000	€'000	€'000
Revenue	40,167	38,438	40,169	38,441
Employee benefits expense	(14,745)	(13,531)	(14,745)	(13,531)
Depreciation and amortisation expense	(964)	(789)	(964)	(789)
Other expenses	(21,986)	(21,209)	(22,001)	(21,214)
Operating profit	2,472	2,909	2,459	2,907
Finance income	164	145	164	145
Profit before tax	2,636	3,054	2,623	3,052
Tax expense	(908)	(1,041)	(903)	(1,040)
Profit for the year	1,728	2,013	1,720	2,012
Earnings per share	€0.05	€0.05		

Statements of comprehensive income

	Group		Company	
	Year ended 30 September			
	2018 €'000	2017 €'000	2018 €'000	2017 €'000
Comprehensive income				
Profit for the year	1,728	2,013	1,720	2,012
Other comprehensive income				
<i>Items that may be subsequently reclassified to profit or loss</i>				
Available-for-sale financial assets:				
Losses from changes in fair value	(34)	(132)	(34)	(132)
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of defined benefit obligations	(11)	(528)	(11)	(528)
Surplus arising on revaluation of land and buildings	2,846	-	2,846	-
<i>Income tax relating to components of other comprehensive income:</i>				
Remeasurements of defined benefit obligations	4	305	4	305
Surplus arising on revaluation of land and buildings	(251)	-	(251)	-
Total other comprehensive income for the year	2,554	(355)	2,554	(355)
Total comprehensive income for the year	4,282	1,658	4,274	1,657

Statements of changes in equity

Group	Attributable to equity shareholders				
	Share capital €'000	Share premium €'000	Other reserves €'000	Retained earnings €'000	Total €'000
Balance at 1 October 2016	9,247	6,298	335	6,345	22,225
Comprehensive income					
Profit for the year	-	-	-	2,013	2,013
Other comprehensive income					
Available-for-sale financial assets:					
Losses from changes in fair value	-	-	(132)	-	(132)
Remeasurements of defined benefit obligations, net of deferred tax	-	-	(223)	-	(223)
Total other comprehensive income	-	-	(355)	-	(355)
Total comprehensive income	-	-	(355)	2,013	1,658
Transactions with owners					
Allotment of shares	167	1,069	-	-	1,236
Dividends	-	-	-	(1,479)	(1,479)
Total transactions with owners	167	1,069	-	(1,479)	(243)
Balance at 30 September 2017	9,414	7,367	(20)	6,879	23,640

Statements of changes in equity - continued

Group	Attributable to equity shareholders				
	Share capital €'000	Share premium €'000	Other reserves €'000	Retained earnings €'000	Total €'000
Balance at 1 October 2017	9,414	7,367	(20)	6,879	23,640
Comprehensive income					
Profit for the year	-	-	-	1,728	1,728
Other comprehensive income					
Available-for-sale financial assets:					
Losses from changes in fair value	-	-	(34)	-	(34)
Remeasurements of defined benefit obligations, net of deferred tax	-	-	(7)	-	(7)
Surplus arising on revaluation of land and buildings, net of deferred tax	-	-	2,595	-	2,595
Total other comprehensive income	-	-	2,554	-	2,554
Total comprehensive income	-	-	2,554	1,728	4,282
Transactions with owners					
Dividends	-	-	-	(1,506)	(1,506)
Total transactions with owners	-	-	-	(1,506)	(1,506)
Balance at 30 September 2018	9,414	7,367	2,534	7,101	26,416

Statements of changes in equity - continued

Company	Attributable to equity shareholders				
	Share capital €'000	Share premium €'000	Other reserves €'000	Retained earnings €'000	Total €'000
Balance at 1 October 2016	9,247	6,298	335	6,345	22,225
Comprehensive income					
Profit for the year	-	-	-	2,012	2,012
Other comprehensive income					
Available-for-sale financial assets:					
Losses from changes in fair value	-	-	(132)	-	(132)
Remeasurements of defined benefit obligations, net of deferred tax	-	-	(223)	-	(223)
Total other comprehensive income	-	-	(355)	-	(355)
Total comprehensive income	-	-	(355)	2,012	1,657
Transactions with owners					
Allotment of shares	167	1,069	-	-	1,236
Dividends	-	-	-	(1,479)	(1,479)
Total transactions with owners	167	1,069	-	(1,479)	(243)
Balance at 30 September 2017	9,414	7,367	(20)	6,878	23,639

Statements of changes in equity - continued

Company	Attributable to equity shareholders				
	Share capital €'000	Share premium €'000	Other reserves €'000	Retained earnings €'000	Total €'000
Balance at 1 October 2017	9,414	7,367	(20)	6,878	23,639
Comprehensive income					
Profit for the year	-	-	-	1,720	1,720
Other comprehensive income					
Available-for-sale financial assets:					
Losses from changes in fair value	-	-	(34)	-	(34)
Remeasurements of defined benefit obligations, net of deferred tax	-	-	(7)	-	(7)
Surplus arising on revaluation of land and buildings, net of deferred tax	-	-	2,595	-	2,595
Total other comprehensive income	-	-	2,554	-	2,554
Total comprehensive income	-	-	2,554	1,720	4,274
Transactions with owners					
Dividends	-	-	-	(1,506)	(1,506)
Total transactions with owners			-	(1,506)	(1,506)
Balance at 30 September 2018	9,414	7,367	2,534	7,092	26,407

Statements of cash flows

	Group		Company	
	Year ended 30 September			
	2018 €'000	2017 €'000	2018 €'000	2017 €'000
Cash flows from operating activities				
Cash from customers	43,633	31,974	43,633	31,974
Cash paid to suppliers and employees	(40,869)	(31,629)	(40,950)	(31,656)
Cash flows attributable to funds collected on behalf of third parties	7,873	2,498	7,873	2,498
Cash from operating activities	10,637	2,843	10,556	2,816
Income tax paid	(1,293)	(1,088)	(1,292)	(1,088)
Net cash generated from operating activities	9,344	1,755	9,264	1,728
Cash flows from investing activities				
Finance income	166	158	166	158
Purchase of property, plant and equipment	(1,345)	(1,545)	(1,345)	(1,545)
Purchase of financial assets	(500)	(26)	(500)	(26)
Proceeds from disposals/redemptions of financial assets	250	434	250	434
Maturity of deposits with financial institutions	(2,700)	(464)	(2,700)	(464)
Net cash used in investing activities	(4,129)	(1,443)	(4,129)	(1,443)
Cash flows from financing activities				
Dividends paid	(1,504)	(244)	(1,504)	(244)
Net cash used in financing activities	(1,504)	(244)	(1,504)	(244)
Net movement in cash and cash equivalents	3,711	68	3,631	41
Cash and cash equivalents at beginning of year	8,854	8,786	8,827	8,786
Cash and cash equivalents at end of year	12,565	8,854	12,458	8,827