



COMPANY ANNOUNCEMENT

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

QUOTE

At a meeting of the Board of Directors of MaltaPost p.l.c. held on 8 May 2012, the Board approved the attached Unaudited Condensed Interim Financial Statements for the six month period ended 31 March 2012.

These Unaudited Interim Financial Statements for the period ended 31 March 2012, are available for viewing and download from the Company's website www.maltapost.com

UNQUOTE

A handwritten signature in purple ink, appearing to read "Graham A. Fairclough", with a large horizontal stroke above it.

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. These financial statements, have been extracted from the Company’s unaudited accounts for the six months ended 31 March 2012 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 2011. The half-yearly results are being published in terms of Chapter 5 of the Listing Rules of the Malta Financial Services Authority.

Review of Performance

The challenges brought about by industry-specific conditions impacted the general operating environment of MaltaPost. During this reporting period, the Company was faced with a considerable increase in direct mail costs due to changes in tariffs regulated by the Universal Postal Union (“UPU”). This change in the tariff structure, as regulated by the UPU, also adversely impacted the Company’s revenue streams. MaltaPost, being the national regulated postal operator, is mindful of its obligations to provide an affordable universal service albeit extending some of its core services at a loss in the short term as local letter tariffs continue to be the lowest in the EU. The Company is working closely with its regulator, the Malta Communications Authority, to ensure a fair regulatory approach which is appropriate and relevant to the challenging and dynamic competitive market in which it operates.

As announced previously, the Company concluded acquisitions of key properties, including its Head Office in Marsa and other strategically located properties. These were financed by a blend of own funds and bank borrowings which, understandably, impacted the interim results through a decrease in net finance income and an increase in depreciation and amortisation charges.

As a result of the above, for the six months ended 31 March 2012, MaltaPost reported a profit before tax of €796k compared to €1.69 million for the corresponding period last year. Other contributing factors and key indicators underlying these interim financial statements are as follows:

- Turnover increased by 3.1% to €11.0 million (2011: €10.7 million). Traditional mail volumes are still on the decline, in line with worldwide trend. However, this was compensated by an increase in weight of cross-border traffic which registered an increase in revenue despite being negatively impacted by the change in tariff structure as determined by the UPU. Other non postal revenue also contributed positively to the increase in turnover;
- Other expenses increased by 22.6% principally as a result of the increased mail costs explained above and labour cost;
- Total assets increased by 7.9% to €29.6 million;
- Shareholders’ funds increased by 1.4% to €14.7 million.

Despite the challenges facing the postal market, the Board of Directors is confident that the Company has the necessary human, technical and financial resources to provide the best possible range of services to the community while continuing to deliver a fair return to its shareholders.

MaltaPost p.l.c.
Preliminary Statement of Half yearly Results
For the six months ended 31 March 2012

Statement of Financial Position
At 31 March 2012

	31 Mar 12	30 Sep 11
	€'000	€'000
	Unaudited	Audited
ASSETS		
Non-current assets		
Intangible asset	84	124
Property, plant and equipment	9,529	9,164
Available-for-sale financial assets	2,775	3,763
Deferred income tax asset	446	390
Total non-current assets	12,834	13,441
Current assets		
Inventories	627	538
Trade and other receivables	10,543	9,200
Current income tax asset	442	542
Cash and cash equivalents	5,198	3,755
Total current assets	16,810	14,035
Total assets	29,644	27,476
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	8,172	7,920
Other reserves	2,823	2,112
Retained earnings	3,732	4,497
Total equity	14,727	14,529
Non-current liabilities		
Provision for liabilities and charges	1,645	1,663
Borrowings	2,340	3,464
Total non-current liabilities	3,985	5,127
Current liabilities		
Trade and other payables	10,482	7,227
Borrowings	353	536
Financial liabilities at fair value through profit or loss	97	57
Total current liabilities	10,932	7,820
Total liabilities	14,917	12,947
Total equity and liabilities	29,644	27,476

Income Statement
For the six months ended 31 March 2012

	01-Oct-11 to 31-Mar-12 €'000 Unaudited	01-Oct-10 to 31-Mar-11 €'000 Unaudited
Revenue	11,023	10,693
Employee benefit expense	(5,306)	(5,185)
Depreciation and amortisation expense	(581)	(437)
Other expenses	(4,376)	(3,570)
	<hr/>	<hr/>
Operating profit	760	1,501
Net finance income	36	185
	<hr/>	<hr/>
Profit before tax	796	1,686
Tax expense	(294)	(582)
	<hr/>	<hr/>
Profit for the financial period	502	1,104
	<hr/>	<hr/>
Earnings per share	€0.02	€0.04

Statement of Comprehensive Income
For the six months ended 31 March 2012

	01-Oct-11 to 31-Mar-12 €'000 Unaudited	01-Oct-10 to 31-Mar-11 €'000 Unaudited
Comprehensive income		
Profit for the financial period	502	1,104
	<hr/>	<hr/>
Other comprehensive income		
Fair value movement on available-for-sale financial assets	(26)	(159)
	<hr/>	<hr/>
Total comprehensive income for the financial period	476	945
	<hr/>	<hr/>

Statement of Changes in Equity
For the six months ended 31 March 2012 (Unaudited)

	Attributable to equity shareholders			
	Share capital €'000	Other reserves €'000	Retained earnings €'000	Total €'000
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 movement on available-for-sale financial assets	-	(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
Balance at 1 October 2011	7,920	2,112	4,497	14,529
Comprehensive income				
Profit for the financial period	-	-	502	502
Other comprehensive income				
Fair value movement on available-for-sale financial assets	-	(26)	-	(26)
Total comprehensive income	-	(26)	502	476
Transactions with owners				
Increase in share capital	252	-	-	252
Allotment of shares	-	737	-	737
Dividends	-	-	(1,267)	(1,267)
Total transactions with owners	252	737	(1,267)	(278)
Balance at 31 March 2012	8,172	2,823	3,732	14,727

Statement of Cash Flows
For the six months ended 31 March 2012

	01-Oct-11 to 31-Mar-12 €'000 Unaudited	01-Oct-10 to 31-Mar-11 €'000 Unaudited
Cash flows from operating activities		
Cash received from customers	51,558	55,444
Cash paid to suppliers and employees	(48,367)	(54,023)
	<hr/>	<hr/>
Cash flows generated from operating activities	3,191	1,421
Income tax paid	(251)	(311)
	<hr/>	<hr/>
Net cash generated from operating activities	2,940	1,110
	<hr/>	<hr/>
Cash flows from investing activities		
Finance income	130	215
Purchase of property, plant and equipment	(936)	(913)
Proceeds on maturity/disposal of financial assets	971	1,360
	<hr/>	<hr/>
Net cash generated from investing activities	165	662
	<hr/>	<hr/>
Cash flows from financing activities		
Repayment of borrowings	(1,307)	-
Finance cost	(80)	-
Dividends paid	(275)	(201)
	<hr/>	<hr/>
Net cash used in financing activities	(1,662)	(201)
	<hr/>	<hr/>
Net movement in cash and cash equivalents	1,443	1,571
	<hr/>	<hr/>
Cash and cash equivalents at beginning of financial period	3,755	4,302
	<hr/>	<hr/>
Cash and cash equivalents at end of financial period	5,198	5,873
	<hr/>	<hr/>

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 2012, 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 the Listing Rules.



Joseph Gafa'
Chief Executive Officer



Independent auditor's report

To the Board of Directors of MaltaPost p.l.c.

Report on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim statement of financial position of MaltaPost p.l.c. as at 31 March 2012, the related condensed income statement and statements of comprehensive income, changes in equity and cash flows for the six-month period then ended ('the interim financial information'). The directors are responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34 'Interim Financial Reporting'). Our responsibility is to express a conclusion on this interim financial information 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 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

167 Triq il-Merkanti
Valletta
Malta

A handwritten signature in blue ink, appearing to read 'F. Axisa'.

Fabio Axisa
Partner

8 May 2012
