MaltaPost p.l.c.

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ANNUAL REPORT
2016

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Chairman's statement to the members

For the financial year ending September 2016 MaltaPost registered a pre-tax profit of €2.93 million. Although this was less than the figure for the previous financial year, in the present circumstances, this is considered to be satisfactory. Earnings per Share were maintained at €0.06c while Return on Equity attributable to shareholders stood at a healthy 10%.

A final net dividend of €0.04 per nominal 25 cent share is being proposed for approval by the shareholders. This is to be distributed either in new shares or in cash at the option of each shareholder.

Shareholders' Funds now stand at €22.22 million, enabling the Company to continue its investment programme directed towards enhancing existing services as well as introducing new ones. The year-on-year decline in Letter Mail volumes continues unabated and therefore, diversification of our portfolio of services becomes even more relevant so as to compensate for the loss of revenue from such traditional mail operations. We remain resolute in our commitment to meet the needs of the community. We shall also continue to strengthen our retail branch network as well as expand the current range of service offerings including financial services, where we continue to see opportunities.

Our strategy includes strong focus on the e-commerce and logistics market so as to meet the demands of on-line business and the consequential rise in both local and cross-border parcel distribution. This year the Company introduced the EasiPik parcel locker service, which offers 24/7 availability for the collection of packets and parcels from a number of secure lockers conveniently located around the Islands.

While providing comprehensive and efficient postal services within the scope of the Universal Service Obligations we are seeking to implement a diversification strategy. The costs involved in providing these traditional postal services remain material and this issue is accentuated by the continued year-on-year shrinkage in Letter Mail volumes. We continue to liaise closely with the Malta Communications Authority regarding this matter in order to maintain the longer term sustainability of the Universal Service Obligations in an environment where the postal rates in Malta remain the lowest in the EU.

During the year we continued to strengthen our management team so as to both ensure a continuous improvement in the Company's services and processes as well as to drive our various diversification initiatives. We remain committed to be the trusted postal and logistics provider of a range of efficient and affordable quality services. We shall continue in our endeavors to retain the confidence and trust of our customers, to deliver a fair return to our shareholders and to provide a secure and rewarding workplace for our staff team.

Postal administrations worldwide are facing challenges mainly brought about by continued advances in technology. Malta is not immune to the same challenges and your Board is certainly mindful of this reality. This evolving scenario will spur us into remaining creative by increasing efficiency and by identifying new opportunities for new investment and further areas for growth.

The inauguration of the Malta Postal Museum during the year stands in confirmation of the Company's sensitivity towards its corporate social responsibility. The Museum seeks to preserve and place on public view the outstandingly rich and diverse heritage that Malta and Gozo have been blessed with.

In conclusion I commend and thank the staff and the management team for the hard work and commitment throughout the year, my fellow Directors for their insight and valued contribution at all times as well as our customers for their continued trust and loyalty, and you, the shareholders, for your continued support.

Our achievements so far reinforce this Board`s confidence in MaltaPost`s future. It is only by understanding the needs of our customers and responding effectively that we can ensure the Company`s future prospects remain bright.

Joseph Said
Chairman

Chief Executive Officer's Review of operations

REVIEW OF BUSINESS

The Company recorded a satisfactory performance for the financial year ending 30 September 2016. Pre-tax profit amounted to €2.9 million compared to €3.4 million in the previous year. Earnings per share were maintained at €0.06.

Revenue grew by 8.6% to €27.9 million. Postal Revenue represented circa 86% with the balance derived from non-postal services such as document management, bill collection and financial services.

Consistent volume growth was recorded in international mail services, registered, parcel and packet mail activities mainly related to e-commerce. Financial services, retail operations and document management services also contributed to the increase in revenue. However, this increase was partially set off by the continued decline in Letter Mail volumes. Total expenses rose by 11.8% to €25.2 million mainly stemming from increased direct mail costs and staff related expenses.

While the traditional mail business remains the largest revenue segment, the continued decline in Letter Mail volumes remains persistent and unavoidable. We have responded to this by strengthening our position in other business lines both locally and internationally. It is indeed this challenge to the viability of the traditional letter mail activity that has influenced our strategy of innovation and diversification in recent years. We continued to actively seek and develop opportunities presented by e-commerce, international mail services, financial services and document management services.

OPERATIONAL PERFORMANCE

We continued to streamline the Company's operations. Despite on-going transformation, the experience of high staff turnover in delivery and the increase in delivery points, we continued to meet and exceed most of our Quality of Service targets. Service performance levels that are subject to independent measurement are set by both the Malta Communications Authority and the Universal Postal Union.

We remain one of Malta's largest private sector employers with a workforce of 651. The labour-intensive services provided complemented by the various initiatives for growth and diversification required continued investment in human resources to ensure high quality service across all fronts. Our programme of continuous staff development focuses on the understanding of the Company's values and objectives and aligning these with the expectations of our customers.

Together with Malta College of Arts Science and Technology we launched a course leading to a Diploma in Postal Services. This is intended to provide a new source of trained postal staff members.

PROJECTS AND NEW SERVICES

The programme to upgrade our outlets while replacing those that are inadequate or not suitably located continued. New outlets were opened in Floriana and Valletta.

To further facilitate and enhance the experience provided to our e-commerce clients we invested in alternative delivery systems and established a nationwide automated parcel locker network, EasiPik. Initially this is being provided as a premium 'always open' service for SendOn clients.

An innovative financial product, the PostaPay card was launched in collaboration with MasterCard® and Lombard Bank. This card may be used anywhere, including online and also allows for cash withdrawals and is supported by 3D Secure.

CORPORATE SOCIAL RESPONSIBILITY

The postal service remains a key player in the economic and social life of the country. We therefore have a historical responsibility towards society that is deeply embedded in our ethos. To this effect, this year, we inaugurated the Malta Postal Museum, to safeguard and promote Malta's postal heritage.

The Company also supported the Community Chest Fund,

Chief Executive Officer's Review of operations

Id-Dar tal-Providenza, Inspire, Puttinu Cares, Caritas and a number of other NGOs, as well as various social and cultural activities.

We also hosted placements of young workers under the national Youth Guarantee Programme and the Pathway Scheme.

OUTLOOK

We continue to pursue a strategy of diversification and believe that we possess the ability to turn challenges into opportunities. Innovation is key to remaining relevant and competitive in all our markets. We are well positioned for the future with capabilities to build on our infrastructure, service expertise, customer footfall and our brand. The success of our innovation depends on our leveraging and maximising on these assets.

We see several opportunities to generate additional revenue streams particularly in logistics and related support services, driven by the continued growth in e-commerce.

The delivery of the traditional mail service under the Universal Service Obligation is one of our core competencies. However, volume decline across the world has prompted a variety of responses at the structural level. We plan of course to continue providing this service. However, it continues to be a loss-making operation and is cross-subsidised by other unrelated commercial activities. It is incumbent on us to ensure that the specification of the USO is still relevant to our customers and satisfies their needs and that it remains viable for many years to come. We intend to actively engage with the regulatory authority, among other stakeholders, to ensure that the country has a sustainable service which meets the current and future needs and expectations of customers.

We also have a responsibility to manage the other aspects of our business in a manner which is not overburdened by the losses generated by the traditional mail service. It is indeed the challenges presented by the traditional Letter Mail activity that will continue to drive our efforts towards innovation and diversification over the coming years.

To further improve our customers' experience, we will continue to provide reliable and competitively priced services together with a growing range of customised solutions. Focus will also continue on process improvement, technical innovation and new consumer initiatives, coupled with the required capital investment to provide a sustainable platform for future growth while ensuring a sustainable satisfactory return to all our stakeholders.

The positive track record of these past years reinforces our confidence and capability towards sustained achievement while keeping customers in the forefront of everything we do.

The progress registered over recent years complemented by this year's positive results is a credit to our dedicated and loyal staff members, led by a professional management team and backed by the insight and advice of the Chairman and Board of Directors throughout the year.

Joseph Gafa'
Chief Executive Officer

Directors' report

For the year ended 30 September 2016

The Directors present their annual report and the audited financial statements of MaltaPost p.l.c. for the year ended 30 September 2016.

PRINCIPAL ACTIVITIES

The Company is Malta's leading postal services company, being the sole licensed Universal Service Provider of postal service on the Maltese Islands. It is regulated by the Malta Communications Authority and is listed on the Malta Stock Exchange.

REVIEW OF BUSINESS

A review of the business of the Company for the year ended 30 September 2016 is provided in the Chairman's Statement and the Chief Executive Officer's Review of Operations.

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 to €1,479,464 (2015: €1,452,269).

CAPITAL

As at the Annual General Meeting of 15 January 2016, the Authorised Share Capital of the Company was fourteen million euro (€14,000,000) made up of fifty six million (56,000,000) ordinary shares of a nominal value of €0.25 each. The Issued and Fully Paid Up Share Capital was nine million, seventy six thousand, six hundred and eighty two euro (€9,076,682) made up of thirty six million, three hundred and six thousand, seven hundred and twenty eight (36,306,728) ordinary shares of a nominal value of €0.25 each, all of one class.

On 12 February 2016, six hundred and seventy nine thousand eight hundred and seventy two (679,872) ordinary shares of €0.25 each were admitted to listing on the Malta Stock Exchange. This addition was in respect of the scrip dividend approved at the last Annual General Meeting. The Issued and Fully Paid Up Share Capital is now therefore made up of thirty six million nine hundred and eighty six thousand six hundred (36,986,600) ordinary shares of €0.25 each all of which carry the same voting rights. Equity attributable to shareholders at 30 September 2016 stood at €22.2 million (2015: €20.4 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
Aurelio Theuma
David Attard
Eugenio Farrugia (appointed 1 October 2016)
Julius Bozzino (resigned 1 October 2016)

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. All Directors except a Managing Director, shall retire from office once at least in each three (3) years, but shall be eligible for re-election.

The composition of Officers and Senior Management is further shown in the section 'Company Information'. Further information is also given in the 'Statement of Compliance with the Principles of Good Corporate Governance'.

Directors' report

For the year ended 30 September 2016

DIRECTORS' STATEMENT OF RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required by the Maltese 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 controls 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 Maltese 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 2016 are included in the Annual Report 2016, 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 2016, 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 DISCLOSURES

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

Directors' report

For the year ended 30 September 2016

LISTING RULES DISCLOSURES - *continued*

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) any agreements between the Company and its Directors or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid.

The exercise of any share buy back option by the Directors requires the passing of an extraordinary resolution.

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.

The only shareholder holding 5% or more of the Issued Share Capital of the Company is Redbox Limited which owned 70.3% as at 30 September 2016 and 15 November 2016.

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, Qormi Road,
Marsa, MTP 1001
Malta

6 December 2016

The Board of Directors of MaltaPost p.l.c. have carried out a review of the Company's compliance with the Code of Principles of Good Corporate Governance (the 'Principles') during the period under review, as specified in Appendix 5.1 to Chapter 5 of the Malta Financial Services Authority Listing Rules. The following report highlights the extent to which the Code has been adopted, as well as the reasons for any departure from the Code.

Although compliance with the Code is not mandatory, the Board of Directors of MaltaPost p.l.c. firmly believes that adoption of the Principles ensures the required standards of accountability, transparency and probity, all of which go to safeguard the very best interests of all the Company's stakeholders.

A. COMPLIANCE WITH THE CODE

PRINCIPLE 1: THE BOARD

The Board of Directors is composed of the Chairman and four (4) Directors, three (3) of whom are non-executive. Four (4) of the Directors are employed with the ultimate parent Company. While the Board of Directors is elected by the shareholders at every Annual General Meeting, the Chairman is elected by the Directors from amongst themselves during the first Board Meeting following the Annual General Meeting. Any Director (other than an alternate Director) may in writing appoint any person who is approved by the majority of the Directors, to be his alternate to act in his place at any meeting of the Directors at which he is unable to be present.

The main responsibility of the Board is to set the strategic direction of the Company and to provide the necessary oversight to ensure adherence to the agreed strategies.

In so doing the Board delegates certain responsibilities to a number of Board committees, notably the Audit and Risk Committee and Remuneration Committee, details of which appear hereunder.

The Directors possess the necessary skills and competencies to enable them to discharge their responsibilities with integrity, honesty, prudence and professionalism.

PRINCIPLE 2: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The post of Chairman and that of Chief Executive Officer are held by different individuals. The separation of roles is meant to differentiate between the role of the Chairman as the leader of the Board of Directors and that of the Chief Executive Officer who is responsible for the execution of the agreed strategies as well as the day-to-day management of the Company.

PRINCIPLE 3: COMPOSITION OF THE BOARD

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

	First appointment date
Joseph Said	18 August 2006
David Stellini	1 December 2004
Aurelio Theuma	8 October 2007
David Attard	16 January 2015
Eugenio Farrugia	1 October 2016
Julius Bozzino (resigned 1 October 2016)	8 March 2011

Joseph Said is an Executive Director of the ultimate controlling shareholder, while David Attard, Julius Bozzino and Aurelio Theuma are employees of the ultimate controlling shareholder. These relationships are not considered necessarily conducive to the creation of a conflict of interest such as to jeopardise exercise of these Directors' free judgement. David Stellini is considered to be an independent Director of the Company and in determining independence or otherwise, the Board has taken into consideration the relevant Code provisions.

It is considered that the experience, skills and competencies of the members of the Board are sufficient to ensure the proper functioning of the Board.

In terms of Principle 3.4, all the Directors have confirmed in writing that they:

(a) maintain in all circumstances their independence of analysis, decision and action;

(b) do not seek or accept any unreasonable advantages that could be considered as compromising their independence;

(c) clearly express their opposition in the event that they find that a decision of the Board may harm the Company.

PRINCIPLE 4: RESPONSIBILITIES OF THE BOARD

The Board of Directors is responsible for the formulation of the agreed strategy as well as the monitoring of its implementation by management, within the confines of all the applicable rules and regulations.

In so doing, the Board is responsible for:

(a) devising the appropriate strategies of the Company with a view to maximising value;

(b) approving Business Plans which are consonant with approved strategies and monitoring the execution of such plans on a regular basis;

(c) approving Risk Management Plans which are appropriate to the business and monitoring the application of mitigating factors;

(d) ensuring that internal control systems are in place and function appropriately. Although the relative systems are designed to mitigate all the risks in accordance with best practice, they cannot completely eliminate the possibility of material error or fraud;

(e) appointing the Company's Executive Officers, monitoring their performance, approving their compensation as well as ensuring that succession plans are in place;

(f) putting in place a policy to ensure that the Company communicates effectively with shareholders, other stakeholders and the public generally;

(g) putting in place procedures that the Company and its employees maintain the highest standards of corporate conduct and ethical standards.

PRINCIPLE 5: BOARD MEETINGS

Seven (7) Board meetings were held during the period under review and attendance by Board members was as follows:

	Attended
Julius Bozzino	1 (out of 1)
Eugenio Farrugia as alternate to Julius Bozzino	6 (out of 6)
Joseph Said	7
David Stellini	6
Aurelio Theuma	7
David Attard	7

Both strategic and operational issues are featured in the agenda of Board meetings and the appropriate supporting papers are circulated to each Board member well ahead of the meeting to ensure adequate time for preparation for deliberation at Board meetings. All Board members are given the opportunity of expressing their opinion on all agenda items. Minutes of all Board meetings are prepared immediately after each meeting and circulated amongst all Board members.

PRINCIPLE 6: INFORMATION AND PROFESSIONAL DEVELOPMENT

While the training of management and staff is an on-going process, the Directors are regularly updated with all the relevant information which is considered necessary for the proper discharge of their duties and responsibilities. Furthermore, all Company Directors have direct access to the Company Secretary who is at their disposal and who ensures that the appropriate information flows are maintained at all times. Additionally and in terms of the Company's statute, the Directors are entitled to seek independent professional advice on any aspect of their duties at the Company's expense.

On first joining the Board, each Director is provided with a dossier containing information pertaining to a Director's duties and responsibilities together with relevant legislation including the Malta Financial Services Authority Listing Rules.

PRINCIPLE 7: EVALUATION OF BOARD'S PERFORMANCE

The Company Secretary arranged for a 'Board Effectiveness Questionnaire' to be completed by each Board member and the findings were analysed by him in liaison with the Chairman. The questionnaire focused mainly upon the effectiveness of the Board during the period under review.

PRINCIPLE 8: COMMITTEES

The following committees have been established by the Board of Directors, each having their own Terms of Reference with direct reporting lines to the Board.

AUDIT COMMITTEE AND RISK MANAGEMENT COMMITEE

TThe Listing Rules of the Malta Financial Services Authority provide for the establishment of an Audit and Risk Committee, the main functions of which include the monitoring of the financial reporting process, the soundness of the Company's internal control systems as well as the scrutiny and approval of related party transactions in order to ensure that the 'arm's length' principle is observed at all times. The management of the relationship of the external auditors with the Company also falls within the scope of the Audit and Risk Committee's Terms of Reference.

The Audit and Risk Committee is made up of three (3) Non-Executive Directors, viz Aurelio Theuma (Chairman), David Stellini and Eugenio Farrugia as an alternate to Julius Bozzino.

In terms of Listing Rule 5.118, David Stellini is considered by the Board to be independent given that he is free from any business, family or other relationship with the Company or its management in a manner that may create a conflict of interest such as to impair his judgement. The Company Secretary acts as secretary to the Audit and Risk Committee.

During the period under review the Audit and Risk Committee met six (6) times. While the external auditors are invited to attend, the Head of Internal Audit attends these meetings in terms of Listing Rule 5.131. It is within the discretion of the Audit and Risk Committee members to invite any other official of the Company to attend any Committee meeting as they deem fit.

REMUNERATION COMMITTEE

The report by the Remuneration Committee in terms of Code Provision 8.A.4 is presented on pages 16 and 17. The Chief Executive Officer attends the Remuneration Committee meetings when requested to do so and the Company Secretary acts as secretary to this Committee.

PRINCIPLES 9 AND 10: RELATION WITH SHAREHOLDERS AND WITH THE MARKET AND INSTITUTIONAL SHAREHOLDERS

The Company is cognisant of the importance of maintaining effective and on-going dialogue with its shareholders as well as the market generally. It does so by issuing company announcements and press releases from time to time on matters which are considered important and which may affect the Company in any way. The announcement of the half-yearly, as well as the annual results together with the interim Directors' statements are uploaded on the Company's website and that of the Malta Stock Exchange as are all the other company announcements issued.

The Company also communicates with its members through the Annual General Meeting during which shareholders are requested to consider the Annual Report and Accounts, the declaration of a dividend (if any), the election of Directors, Directors' remuneration, the appointment of external auditors and the Board's authorisation to set the auditors' fees. Extraordinary General Meetings are held as and when necessary in conformity with both the Company's statute as well as the Companies Act 1995.

All Directors attend the General Meetings and are available to answer questions if necessary.

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.

PRINCIPLE 11: CONFLICTS OF INTEREST

While Directors are aware of their duty and responsibility to act in the best interests of the Company at all times, policies and procedures are in place to ensure that Directors effectively manage any conflicts of interest, whether actual or potential, in the best interest of the Company. Specifically the Company's Memorandum and Articles of Association regulate the behaviour of a Director in the event of a potential conflict of interest.

Furthermore, the Company's Code of Conduct for Securities Transactions sets out the obligations of a Director when it comes to dealing in any of the Company's securities.

The Directors' interest in the Share Capital of the Company as at 30 September 2016 was as follows:

	Shares held
Julius Bozzino	2,842 Ordinary Shares
Aurelio Theuma	2,646 Ordinary Shares
Eugenio Farrugia	511 Ordinary Shares

Joseph Said, who is a Director of the Company, is also a director of the following companies, which as at 30 September 2016 had the following shareholding in the Company:

	Shares held
Safaco Limited	43,798 Ordinary Shares
First Gemini p.l.c.	35,572 Ordinary Shares

In addition, Joseph Said has a minority shareholding in Safaco Limited.

PRINCIPLE 12: CORPORATE SOCIAL RESPONSIBILITY

Fully conscious of the responsibility towards the society in which it operates, MaltaPost p.l.c. not only encourages healthy and balanced life styles for its employees, but also seeks to promote environment friendly initiatives particularly those which reduce the Company's overall carbon footprint. Significant investment has been made in this area and the intention is to continue with this investment.

The Company also encourages and promotes philanthropic initiatives towards disadvantaged groups and the intention is to continue in this direction.

MaltaPost p.l.c., therefore, is not only committed to be in full compliance with its legal obligations in this regard, but to go well beyond this in pursuit of its social obligations.

B. NON-COMPLIANCE WITH THE CODE

PRINCIPLE 4: RESPONSIBILITIES OF THE BOARD

Code Provision 4.2.7 provides for the development of a succession policy for the future composition of the Board. Given that it is the prerogative of the shareholders of MaltaPost p.l.c. to elect directors to represent them and this in accordance with the Company's Memorandum and Articles of Association, it has not been considered appropriate to develop a succession policy for the future composition of the Board.

PRINCIPLE 8: NOMINATION COMMITTEE

This Principle provides for a Nomination Committee to cater for a formal and transparent procedure for the appointment of new directors to the Board. Such a committee has not been set up given that it is the prerogative of the shareholders of the Company, in accordance with the relative Memorandum and Articles of Association, to appoint directors to the Board.

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 point five per cent (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.

PRINCIPLE 9: RELATIONS WITH SHAREHOLDERS AND WITH THE MARKET

Code Provision 9.3 provides for procedures to be in place to resolve conflicts between minority shareholders and controlling shareholders. The Memorandum and Articles of Association of the Company do not provide for a procedure to resolve such conflicts.

C. INTERNAL CONTROL

The Board of Directors have set up the required organisational structures in order to effectively manage and control the operational risks which the Company undertakes in its day to day operations. It is understood that whereas these risks may be mitigated by the adoption of various control systems, such risks cannot be completely eliminated. Therefore, reasonable and not absolute assurances can be given against material losses, error or fraud.

The more important structures which are in place to consolidate the internal control mechanisms are the Internal Audit Department, the Audit and Risk Committee as well as the Compliance and Risk Management functions.

The Company's system of internal control includes:

(a) the Company operates through an Executive Committee led by the Chief Executive Officer with clear reporting lines and delegation of authority. Through the Executive Committee 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 Executive Committee is responsible to identify and evaluate key risks applicable to their areas of business. A member of this same Board assists the Board of Directors 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 and Risk 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.

Approved by the Board of Directors on 6 December 2016 and signed on its behalf by:

Joseph Said	David Stellini
Chairman	Director

Remuneration Report

For the year ended 30 September 2016

1. MEMBERSHIP AND TERMS OF REFERENCE

The following non-executive Directors of MaltaPost p.l.c. make up the Remuneration Committee: Messrs. Aurelio Theuma (Chairman), David Stellini and Eugenio Farrugia as alternate to Julius Bozzino. The Remuneration Committee is tasked with putting together a Remuneration Policy which ensures that MaltaPost p.l.c. attracts, retains and motivates the appropriate calibre of Directors, Senior Executives and Management in the formulation and execution of the Company's strategies and policies. Furthermore, the Remuneration Committee recommends remuneration packages for all Directors and Senior Management.

2. MEETINGS

During the financial year ended 30 September 2016 the Remuneration Committee met to discuss the following matters:

(a) Contracts of employment for Chief Officers and Managers
(b) Proposed Salaries and Discretionary Bonuses
(c) Remuneration Committee – Terms of Reference

3. REMUNERATION POLICY - DIRECTORS

The last Annual General Meeting approved the amount of thirty thousand euro (€30,000) as the aggregate amount by way of Directors' Remuneration.

None of the Directors has any service contracts with the Company, and none is entitled to share options, profit sharing, pension benefits or any other remuneration. It is confirmed that no other fees were payable to any of the Directors during the year under review.

Four (4) of the Directors are employees of the ultimate controlling shareholder of MaltaPost p.l.c.

In terms of Code Provision 8.A.5 of the Malta Financial Services Authority Listing Rules, the total emoluments received by Directors for the financial year 2015/2016 are specified below:

FIXED REMUNERATION	VARIABLE REMUNERATION	SHARE OPTIONS	OTHERS
€29,976	None	None	None

Directors' emoluments paid for financial year 2015/2016 were as follows:

Joseph Said	€ 13,976
Aurelio Theuma	€ 4,000
David Attard	€ 4,000
David Stellini	€ 4,000
Julius Bozzino	€ 1,666
Eugenio Farrugia	€ 2,334
Total	€ 29,976

4. REMUNERATION POLICY - SENIOR EXECUTIVES

All references to 'Senior Executives' in this report refer specifically to the Chief Executive Officer and the Chief Officers of MaltaPost p.l.c.

It falls within the Terms of Reference of the Remuneration Committee to recommend to the Board of Directors the appropriate remuneration packages for Senior Executives. In so doing the Committee is mindful of the need to attract, retain and motivate Senior Executives with the qualities and attributes which enable them to discharge their obligations professionally and with utmost integrity. The Remuneration Committee also seeks to maintain a sense of fairness and consistency in its recommendations. In this connection it is to be mentioned that there were no material changes to the remuneration policy for Senior Executives during the financial year ended 30 September 2016.

The contracts of all Senior Officers specify their remuneration packages, none of which provide for profit sharing or share options, supplementary pensions or other pension benefits. All Senior Executives are on indefinite contracts of employment.

Annual salary increases may be awarded to Chief Officers but such increases are not directly related to performance. A discretionary annual bonus, however, is payable to the Chief Officers following an assessment of their performance during the previous financial year.

The Board of Directors and Chief Executive Officer agree upon pre-set quantitative and qualitative objectives for the Chief Executive Officer and a discretionary annual bonus is payable to him based on the attainment of these objectives. The Remuneration Committee considers the linkage between the fixed remuneration and the discretionary annual bonus to be appropriate.

In terms of Code Provision 8.A.5 of the Malta Financial Services Authority Listing Rules, the total emoluments received by Senior Executives during the financial year 2015/2016 are as detailed below:

FIXED REMUNERATION	VARIABLE REMUNERATION	SHARE OPTIONS	OTHERS
€261,091	€17,500	None	See below*

*Senior Executives are covered by a group life assurance scheme and are entitled to health insurance, communication expenses as well as the use of company car or car allowance.

Company information

Vision Statement

To be recognised as Malta's leading Logistics Company whilst actively driving diversification and reform to sustain continuous growth. The Company shall be customer-focused, financially and commercially strong, whilst continuously adapting to change.

Mission Statement

To exceed customers' expectations by providing high quality, cost-effective services whilst ensuring that shareholder value is enhanced and the aspirations of staff are realised.

Number of shareholders at 30 September 2016 analysed by range:

Range	Total shareholders	Shares
1 - 500	138	24,854
501 - 1000	78	52,943
1001 - 5000	1,616	4,035,219
5001 and over	205	32,873,584
Total	**2,037**	**36,986,600**

Number of shareholders at 15 November 2016 analysed by range:

Range	Total shareholders	Shares
1 - 500	137	24,701
501 - 1000	74	51,048
1001 - 5000	1,619	4,039,833
5001 and over	205	32,871,018
Total	**2,035**	**36,986,600**

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

Company Registration Number: C22796

Registered Office

305, Qormi Road, Marsa MTP 1001, Malta

(+356) 2122 4421 | (+356) 2122 6368 (Fax) | info@maltapost.com | www.maltapost.com

Company information

Registered shareholders with five per cent (5%) or more of the share capital of the Company:

	30 September 2016	15 November 2016
Redbox Limited	70.3%	70.3%

Board of Directors
Joseph Said (Chairman)
David Attard
Julius Bozzino
David Stellini
Aurelio Theuma

Company Secretary
Graham A. Fairclough

Company information

Management

Joseph Gafa`	Chief Executive Officer
Ronald Bonnici	Chief Human Resources Officer
Carmen Ellul	Chief Financial Officer
Pierre Montebello	Chief Officer - Information Systems and Strategic Projects
Adrian Vassallo	Chief Operating Officer
Mark Vella	Chief Commercial Officer
Ray Briffa	Consultant Retail Operations
Edwin Abdilla	Head Mail Services
Moses Azzopardi	Head Operational Systems
Josianne Bongailas	Delivery Area Manager - North and Gozo
Lara Bugeja	Malta Postal Museum Curator
Adrian Buttigieg	Head Courier Operations
Christian Calleja	Head Risk and Compliance
Antoinette Camilleri	Head Corporate Office
Stefania Camilleri	Head Human Resources
Robert Cassar	Head Business Relations
Charles Cilia	Head Logistics and E-Commerce Services
Neville Chappell	Head Finance
John Cremona	Head Support Services
Paul Curmi	Head Document Management Services Xewkija Facility
Rodney Ellul	Delivery Area Manager - Central and South
Rosanne Farrugia	Retail Area Manager - Central and South
Vincent Farrugia	Head Corporate Security
Joseph Formosa	Head Process
Etienne Gatt	Head IT Operations
Albert Gouder	Head Retail Network
Daniel Magri	Retail Area Manager - North and Gozo
Joswill Micallef	Head Business Software Applications
Claudette Pace	Head Document Management Services
Patrick Polidano	Head Quality Assurance
Mary Grace Simpson	Head Philately
Yolande Spiteri	Head Customer Experience
Paul Ellul Sullivan	Head Operating Procedures
Antonio Tufigno	Head Legal
Joseph Zammit	Head Internal Audit

Independent auditor's report

To the shareholders of MaltaPost p.l.c.

Report on the Financial Statements for the year ended 30 September 2016

We have audited the financial statements of MaltaPost p.l.c. on pages 24 to 59 which comprise the statement of financial position as at 30 September 2016 and the statements of income, comprehensive income, changes in equity and 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 2016 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 for the year ended 30 September 2016

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.

Independent auditor's report - *continued*

To the shareholders of MaltaPost p.l.c. - *continued*

Report on other legal and regulatory requirements for the year ended 30 September 2016 - *continued*

Report on the statement of compliance with the principles of good corporate governance - continued
The Listing Rules also require the auditor to include a report on the Statement of Compliance prepared by the Directors.

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 15 has been properly prepared in accordance with the requirements of the Listing Rules issued by the Malta Listing Authority.

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.

- 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

78, Mill Street,
Qormi, QRM 3101
Malta

F Axisa

Fabio Axisa
Partner

6 December 2016

MaltaPost p.l.c.

FINANCIAL STATEMENTS

30 September 2016

2016

Statement of financial position

	Notes	As at 30 September 2016 €'000	As at 30 September 2015 €'000
ASSETS			
Non-current assets			
Property, plant and equipment	4	**13,771**	13,323
Investment in subsidiary	5	**1**	-
Available-for-sale financial assets	6	**4,156**	3,781
Deferred tax asset	7	**338**	311
Total non-current assets		**18,266**	17,415
Current assets			
Inventories	8	**799**	680
Trade and other receivables	9	**6,926**	8,483
Deposits with financial institutions	10	**1,550**	1,550
Cash and cash equivalents	11	**8,786**	6,998
Total current assets		**18,061**	17,711
Total assets		**36,327**	35,126
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	12	**9,247**	9,077
Share premium	12	**6,298**	5,244
Other reserves	13	**335**	331
Retained earnings		**6,345**	5,734
Total equity		**22,225**	20,386
Non-current liabilities			
Deferred tax liability	7	**777**	777
Provision for liabilities and charges	14	**1,646**	1,637
Total non-current liabilities		**2,423**	2,414
Current liabilities			
Trade and other payables	15	**11,370**	11,980
Current tax liability		**309**	346
Total current liabilities		**11,679**	12,326
Total liabilities		**14,102**	14,740
Total equity and liabilities		**36,327**	35,126

The notes on pages 28 to 59 are an integral part of these financial statements.
The financial statements on pages 24 to 59 were authorised for issue by the Board on 6 December 2016 and were signed on its behalf by:

Joseph Said
Chairman

David Stellini
Director

Income statement

	Notes	Year ended 30 September	
		2016	2015
		€'000	€'000
Revenue	16	**27,916**	25,705
Employee benefits expense	17	**(12,333)**	(11,534)
Depreciation and amortisation expense	17	**(849)**	(960)
Other expenses	17	**(11,968)**	(10,010)
Operating profit		**2,766**	3,201
Finance income	19	**168**	181
Profit before tax		**2,934**	3,382
Tax expense	20	**(871)**	(1,193)
Profit for the year		**2,063**	2,189
Earnings per share	22	**€0.06**	€0.06

Statement of comprehensive income

	Notes	Year ended 30 September	
		2016	2015
		€'000	€'000
Comprehensive income			
Profit for the year		**2,063**	2,189
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Available-for-sale financial assets:			
Gains from changes in fair value	6	**78**	199
Items that will not be reclassified to profit or loss			
Surplus arising on revaluation of land and buildings	4	**-**	894
Income tax relating to revaluation of land and buildings	7	**-**	(777)
Remeasurements of defined benefit obligations	14	**(74)**	(117)
Total other comprehensive income for the year		**4**	199
Total comprehensive income for the year		**2,067**	2,388

The notes on pages 28 to 59 are an integral part of these financial statements.

Statement of changes in equity

	Notes	Share capital €'000	Share premium €'000	Other reserves €'000	Retained earnings €'000	Total €'000
		Attributable to equity shareholders				
Balance at 1 October 2014		8,820	4,310	132	4,956	18,218
Comprehensive income						
Profit for the year		-	-	-	2,189	2,189
Other comprehensive income						
Surplus arising on revaluation of land and buildings	4	-	-	894	-	894
Income tax relating to revaluation of land and buildings	7	-	-	(777)	-	(777)
Available-for-sale financial assets: Gains from changes in fair value	6	-	-	199	-	199
Remeasurements of defined benefit obligations	14	-	-	(117)	-	(117)
Total other comprehensive income		-	-	199	-	199
Total comprehensive income		-	-	199	2,189	2,388
Transactions with owners						
Allotment of shares	12	257	934	-	-	1,191
Dividends	23	-	-	-	(1,411)	(1,411)
Total transactions with owners		257	934	-	(1,411)	(220)
Balance at 30 September 2015		**9,077**	**5,244**	**331**	**5,734**	**20,386**
Balance at 1 October 2015		9,077	5,244	331	5,734	20,386
Comprehensive income						
Profit for the year		-	-	-	2,063	2,063
Other comprehensive income						
Available-for-sale financial assets: Gains from changes in fair value	6	-	-	78	-	78
Remeasurements of defined benefit obligations	14	-	-	(74)	-	(74)
Total other comprehensive income		-	-	4	-	4
Total comprehensive income		-	-	4	2,063	2,067
Transactions with owners						
Allotment of shares	12	170	1,054	-	-	1,224
Dividends	23	-	-	-	(1,452)	(1,452)
Total transactions with owners		170	1,054	-	(1,452)	(228)
Balance at 30 September 2016		**9,247**	**6,298**	**335**	**6,345**	**22,225**

The notes on pages 28 to 59 are an integral part of these financial statements.

Statement of cash flows

	Year ended 30 September	
	2016	2015
	€'000	€'000
Cash flows from operating activities		
Cash from customers	**29,999**	25,563
Cash paid to suppliers and employees	**(25,946)**	(21,695)
Cash flows attributable to funds collected on behalf of third parties	**115**	347
Cash from operating activities	**4,168**	4,215
Income tax paid	**(935)**	(448)
Net cash generated from operating activities	**3,233**	3,767
Cash flows from investing activities		
Finance income	**185**	178
Purchase of property, plant and equipment	**(1,100)**	(2,326)
Purchase of financial assets	**(533)**	(303)
Proceeds from disposals/redemptions of financial assets	**231**	-
Maturity of deposits with financial institutions	**-**	95
Net cash used in investing activities	**(1,217)**	(2,356)
Cash flows from financing activities		
Dividends paid	**(228)**	(218)
Net cash used in financing activities	**(228)**	(218)
Net movement in cash and cash equivalents	**1,788**	1,193
Cash and cash equivalents at beginning of year	**6,998**	5,805
Cash and cash equivalents at end of year	**8,786**	6,998

The notes on pages 28 to 59 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. In view of the immaterial financial figures attributable to the performance and financial position of the Company's subsidiary, consolidated financial statements covering the Company and its subsidiary undertaking have not been drawn up. The financial statements are prepared under the historical cost convention, as modified by the fair valuation of the land and buildings class within property, plant and equipment and available-for-sale financial assets.

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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(a) Standards, interpretations and amendments to published standards effective in 2016

In 2016, the Company adopted new standards, amendments and interpretations to existing standards that are mandatory for the Company's accounting period beginning on 1 October 2015. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in changes to the Company's accounting policies.

(b) 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 2015. 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, except as disclosed below.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Under IFRS 9 there is a new expected credit loss model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Company is yet to assess IFRS 9's full impact.

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.

1.3 Property, plant and equipment

All property, plant and equipment is initially recorded at historical cost.

Land and buildings are subsequently shown at fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are carried out on a regular basis such that the carrying amount of property does not differ materially from that which would be determined using fair values at the end of the reporting period. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

All other property, plant and equipment is subsequently stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Borrowing costs which are incurred for the purpose of acquiring or constructing a qualifying asset are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway. Capitalisation of borrowing costs is ceased once the asset is substantially complete, and is suspended if the development of the asset is suspended.

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.

1. Summary of significant accounting policies - *continued*

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same individual asset are charged in other comprehensive income and debited against the revaluation reserve directly in equity; all other decreases are charged to profit or loss. Any subsequent increases are recognised in profit or loss up to the amount previously charged to profit or loss, and then reflected in other comprehensive income and shown as a revaluation reserve.

An external, independent valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Company's property portfolio i.e. land and buildings at periodical intervals. The fair values are based on market values, being the estimated amount or price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Land is not depreciated as it is deemed to have an indefinite life. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful life. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The rates of depreciation used for the current and comparative periods are as follows:

	%
Buildings	1
Furniture and fittings	15
Equipment	20 – 25
Motor vehicles	25
Improvements to premises:	
Property leased out from Government	Up to 2028
Property leased out from other third parties	Over the period of the lease agreements
MaltaPost p.l.c. owned properties	Over 15 years

Assets in the course of construction and archives are not depreciated.

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1.5).

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve relating to the asset are transferred to retained earnings.

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

1.4 Financial assets

1.4.1 Classification

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

(a) Loans and receivables

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 (or the normal operating cycle of the business if longer) after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables principally comprise 'trade and other receivables', 'deposits with financial institutions' and 'cash and cash equivalents' in the statement of financial position (Notes 1.7 and 1.8).

(b) Available-for-sale financial assets

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 rates, 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.

1.4.2 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 the trade-date – the date on which the Company commits to purchase or sell the asset. Investments 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. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. 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.

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

1.4 Financial assets - *continued*

1.4.2 Recognition and measurement - *continued*

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.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are reclassified to profit or loss as a reclassification adjustment.

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.

1.4.3 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.

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

1.4 Financial assets - *continued*

1.4.3 Impairment - *continued*

(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 carrying amount of the asset 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.

(b) Assets classified as available-for-sale

For debt securities, the Company uses the criteria referred to in (a) above. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence 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 removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments are not reversed through profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

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

1.6 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of postal stationery and inventories for resale is determined by a weighted average basis, and other inventory items by a first-in first-out method. The cost of inventories comprises 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.

1.7 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 in accordance with accounting policy 1.4.3. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. 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 in profit or loss.

1.8 Cash and cash equivalents and deposits with financial institutions

Cash and cash equivalents and deposits with financial institutions 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 and deposits held at call with banks, whereas deposits which exceed the three month term are classified and presented as deposits with financial institutions

1.9 Share capital and share premium

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. When shares are issued at a premium, the difference between the proceeds and the share's par value is recognised in a share premium reserve.

1.10 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. 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 other 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. Summary of significant accounting policies - *continued*

1.11 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.

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

1.12 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently carried 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.

1.13 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.

The Company has agreements in place with third parties to collect, through the Company's outlet network, amounts due to these third parties owed by their customers. Any amounts collected in respect of these agreements are retained by the Company until settlement with the respective third parties, during which time the Company is exposed to the risks and rewards emanating from the amounts collected. Such amounts are therefore presented within assets with a corresponding liability towards the third party presented within trade and other payables.

1.14 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.

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

1.14 Current and deferred tax - *continued*

Deferred income 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 income 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 income 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.

1.15 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 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 liability recognised in the statement of financial position is the present value of the defined benefit obligation at the end of the reporting period. A defined benefit obligation is calculated annually using the projected unit credit method. The present value of a defined benefit obligation is determined by discounting the estimated future cash outflows using interest rate yields of Government bonds that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in profit or loss.

1.16 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 administrators. Revenue is recognised as follows:

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

1.16 Revenue recognition - *continued*

- income from sale of stamps, commissions earned on postal and non-postal transactions and from foreign inbound 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.

Other income is recognised as follows:

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

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

1.17 Government grants

Grants from Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

1.18 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 (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

1.19 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.

1.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

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

1.21 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. 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 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 Company's functional currency. The Company is exposed to foreign exchange risk arising primarily from the Company's sales and purchases attributable to its postal activities, a part of which are denominated in 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 main exposure to foreign currencies analysing the exposure of assets and liabilities by foreign currency, focusing on invoiced amounts:

	2016	2015
	€'000	€'000
Financial assets		
Trade receivables		
SDR	**1,470**	2,731
Cash and cash equivalents		
USD	**373**	127
Financial liabilities		
Trade payables		
SDR	**(1,141)**	(1,906)
Net exposure to foreign currency risk	**702**	952

Management does not deem the Company's exposure to foreign currencies to be significant. Accordingly, foreign exchange risk is not considered material, taking cognisance of exchange differences on the net financial position exposures. 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 periods is not deemed necessary since the Directors are of the opinion that the net impact would be insignificant. Also foreign exchange risk attributable to future transactions is not deemed to be significant.

(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 in view of the nature and terms of the instruments highlighted above. 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 investments, as well as credit exposures to customers, focusing on invoiced amounts, 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:

	2016 €'000	2015 €'000
Available-for-sale financial assets - debt securities (Note 6)	**4,156**	3,781
Loans and receivables:		
Trade and other receivables (Note 9)	**7,024**	8,661
Deposits with financial institutions (Note 10)	**1,550**	1,550
Cash and cash equivalents (Note 11)	**8,786**	6,998
	21,516	20,990

The maximum exposure to credit risk at the reporting date as reflected by the carrying amount of financial investments, credit exposures to customers and cash and cash equivalents is disclosed in the table above and the respective notes to the financial statements.

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 effected in cash. The Company monitors the performance of its 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 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.

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.

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

2.1 Financial risk factors - *continued*

(b) Credit risk - *continued*

The Company banks solely with high quality financial institutions. The Company's financial investments comprise listed sovereign debt securities having a carrying amount to €2.4 million (2015: €2.2 million) with a credit rating of A, as well as by listed debt securities issued by corporates having a carrying amount of €0.1 million (2015: €0.1 million) with a credit rating of BBB. The remaining investments in listed debt instruments issued by local corporates with a carrying amount of €1.7 million (2015: €1.5 million) are unrated. Credit risk in respect of financial instruments is considered to be limited, also in view of the fact that all such investments are listed on the Malta Stock Exchange.

As at 30 September 2016 the Company was exposed to concentration of credit risk with 50% (2015: 42%) of its trade receivables being attributable to four (2015: four) postal administrators. The Company assesses the credit quality of these administrators by taking into account financial position, performance and other factors. No losses from non-performance or default are expected in this respect.

As at 30 September 2016, the Company had trade receivables amounting to €4,299,000 (2015: €5,204,000) which were fully performing whilst trade receivables amounting to €817,000 (2015: €1,252,000) were past due but not impaired. These dues related to a number of independent parties for whom there is no recent history of default. Trade receivable amounting to €672,000 (2015: €734,000) were overdue by three months, whereas €145,000 (2015: €518,000) were overdue by nine months.

Impairment losses

The Company had impairment provisions amounting to €98,542 (2015: €178,509) at year end in respect of trade receivables that were overdue. As disclosed above, other overdue trade receivables amounted to €817,000 (2015: €1,252,000) but were not impaired. All other trade receivables reflect current balances.

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

	2016	2015
	€'000	€'000
At 1 October	**178**	180
Movement in provision	**(80)**	(2)
At 30 September	**98**	178

The Company does not hold collateral as security in respect of all its financial 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 trade and other payables (Note 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.

2. Financial risk management - *continued*

2.1 Financial risk factors - *continued*

(c) Liquidity risk - *continued*

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, where deemed applicable.

The Company's liquidity risk is not deemed material in view of the matching of cash inflows and outflows arising from expected maturities of financial instruments, coupled with the Company's borrowing facilities that it can access to meet liquidity needs. The Company's trade and other payables are entirely repayable within one year from the end of the reporting period.

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. 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.

2.3 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	
	2016	2015
	€'000	€'000
Assets		
Available-for-sale financial assets		
- Debt securities	**4,156**	3,781

2. Financial risk management - *continued*

2.3 Fair values of financial instruments - *continued*

The fair value of the Company's available-for-sale financial assets which are 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.

The carrying amounts of cash and cash equivalents, term placements, receivables (net of impairment provisions) and payables are assumed to approximate their fair values in view of the short term nature of the instruments.

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.

The Company's land and buildings class of property, plant and equipment is fair valued on the basis of professional advice, which considers current market prices for the properties. Fair valuation of property requires the extensive use of judgement and estimates.

In the opinion of the Directors, the accounting estimates and judgements made in the course of preparing these financial statements, which have been highlighted above, are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

The Directors also draw attention to the fact that there are no assumptions and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Property, plant and equipment

	Land and buildings €'000	Improvements to leasehold properties €'000	Fixtures, furniture and fittings €'000	Equipment €'000	Motor vehicles €'000	Total €'000
At 1 October 2014						
Cost	10,579	741	6,597	5,035	154	23,106
Accumulated depreciation	(2,250)	(266)	(4,424)	(4,288)	(83)	(11,311)
Net book amount	8,329	475	2,173	747	71	11,795
Year ended 30 September 2015						
Opening net book amount	8,329	475	2,173	747	71	11,795
Additions	745	260	582	184	-	1,771
Assets written-off	(1,678)	-	-	-	-	(1,678)
Depreciation	(76)	(97)	(368)	(389)	(30)	(960)
Depreciation released on assets written off	1,501	-	-	-	-	1,501
Revaluation of land and buildings						
- Effect on cost	113	-	-	-	-	113
- Effect on accumulated depreciation	781	-	-	-	-	781
Closing net book amount	9,715	638	2,387	542	41	13,323
At 30 September 2015						
Cost	9,715	968	7,179	5,219	154	23,235
Accumulated depreciation	-	(330)	(4,792)	(4,677)	(113)	(9,912)
Net book amount	9,715	638	2,387	542	41	13,323
Year ended 30 September 2016						
Opening net book amount	9,715	638	2,387	542	41	13,323
Additions	76	109	348	764	-	1,297
Depreciation	(66)	(67)	(292)	(398)	(26)	(849)
Closing net book amount	**9,725**	**680**	**2,443**	**908**	**15**	**13,771**
At 30 September 2016						
Cost or valuation	9,791	1,077	7,527	5,983	154	24,532
Accumulated depreciation	(66)	(397)	(5,084)	(5,075)	(139)	(10,761)
Net book amount	**9,725**	**680**	**2,443**	**908**	**15**	**13,771**

4. Property, plant and equipment - *continued*

Property, plant and equipment include assets relating to the Company's postal museum as follows:

	Carrying amount €'000
At 30 September 2016	
Land and buildings	1,053
Other assets, including artefacts and exhibits	1,242
Net book amount	**2,295**

Assets written off relate to assets which are no longer in use and for which no future use was envisaged.

Fair valuation of property

The Company's land and buildings within property, plant and equipment were revalued on 30 September 2015 by an independent firm of property valuers having appropriate recognised professional qualifications and experience in the location and category of the property being valued. The Directors have reviewed the carrying amounts of the properties as at 30 September 2016, on the basis of the assessments carried out by the independent property valuers. No adjustments to the carrying amounts were deemed necessary during the current financial year.

Valuations were made on the basis of open market value taking cognisance of the specific location of the properties, the size of the sites together with their development potential, the availability of similar properties in the area, and whenever possible, having regard to recent market transactions for similar properties in the same location.

As at 30 September 2015, the carrying values of the properties, classified within property, plant and equipment, have been adjusted to the valuations and the net resultant adjustment comprised an increase of €894,535 in the carrying values for the Company to reflect the property's estimated open market value on an individual asset level. This increase was recognised in other comprehensive income as a property revaluation reserve within shareholders' equity.

The Company is required to analyse non-financial assets carried at fair value by level of the fair value hierarchy within which the recurring fair value measurements are categorised in their entirety (Level 1, 2 or 3). The different levels of the fair value hierarchy have been defined as fair value measurements using:

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

4. Property, plant and equipment - *continued*

Fair valuation of property - continued

The Company's land and buildings, within property, plant and equipment, comprises the head office, mail delivery hubs and retail outlets. All the recurring property fair value measurements at 30 September 2015 use significant unobservable inputs and are accordingly categorised within Level 3 of the fair valuation hierarchy.

The Company's policy is to recognise transfers into and out of fair value hierarchy levels as of the beginning of the reporting period. There were no transfers between different levels of the fair value hierarchy during the year ended 30 September 2016.

A reconciliation from the opening balance to the closing balance of land and buildings for recurring fair value measurements categorised within Level 3 of the value hierarchy, is reflected in the table above. The movement reflects changes in fair value, additions and depreciation charge.

Valuation processes

The valuations of the properties will be performed regularly on the basis of valuation reports prepared by independent and qualified valuers. These reports are based on both:

- information provided by the Company which is derived from the Company's financial systems and is subject to the Company's overall control environment; and
- assumptions and valuation models used by the valuers – the assumptions are typically market related. These are based on professional judgement and market observation.

The information provided to the valuers, together with the assumptions and the valuation models used by the valuers, are reviewed by the Chief Financial Officer (CFO). This includes a review of fair value movements. When the CFO considers that the valuation report is appropriate, the valuation report is recommended to the Audit Committee. The Audit Committee considers the valuation report as part of its overall responsibilities.

At the end of every reporting period, the CFO will assess whether any significant changes or developments have been experienced since the last external valuation. This is supported by an assessment performed by the independent firm of property valuers. The CFO reports to the Audit Committee on the outcome of this assessment.

Valuation techniques

The external valuations of the Level 3 property have been performed using an adjusted sales comparison approach for the land component and the replacement cost approach for the buildings component.

In view of a limited number of similar sales in the local market, the valuations have predominantly been performed using unobservable inputs. The significant input to the adjusted sales comparison approach is generally a sales price per square metre related to transactions in comparable properties located in proximity to the Company's property, with significant adjustments for differences in the size, age, exact location and condition of the property. The significant input to the replacement cost approach is the estimated development costs per square metre.

4. Property, plant and equipment - *continued*

Information about fair value measurements using significant unobservable inputs (Level 3)

At 30 September 2016 and 2015

Description by class based on highest and best use	**Fair value €'000**	**Valuation technique**	**Significant unobservable input**	**Range of unobservable inputs (weighted average) €**
Current use as office premises, retail outlets and mail delivery hubs	**9,715**	Adjusted sales comparison approach	Sales price per square metre	300 - 12,600 (750)
		Replacement cost approach	Development costs per square metre	200 - 600 (250)

The Company's improvements to premises not owned by the Company, with a carrying amount of €680,000 (2015: €638,000) have not been included in the analysis above.

The higher the sales price per square metre or the development costs per square metre, the higher the resultant fair valuation.

The highest and best use of the Company's properties is equivalent to their current use.

If the land and buildings were stated on the historical cost basis, the carrying amounts would be as follows:

	2016 €'000	2015 €'000
At 30 September	**8,831**	8,821

5. Investment in subsidary

	2016	2015
	€'000	€'000
Additions	**1**	-
Cost and carrying amount at 30 September	**1**	-

The carrying amount of the investment at 30 September 2016 is equivalent to the cost of investment. The subsidiary at 30 September 2016 is shown below:

Subsidiary	**Registered office**	**Percentage of shares held**		**Nature of business**
		2016	2015	
Tanseana Limited	305, Qormi Road, Marsa MTP 1001, Malta	100%	-	Document management services

6. Available-for-sale financial assets

Financial instruments, other than loans and receivables, are summarised in the table below:

	2016	2015
	€'000	€'000
Available-for-sale:		
Non-current	**4,156**	3,781

	2016	2015
Financial assets classified as available-for-sale:	**€'000**	€'000
Year ended 30 September		
Opening carrying amount	**3,781**	3,282
Additions	**533**	303
Disposals/redemptions	**(233)**	-
Net fair value movements (Note 13)	**78**	199
Amortisation	**(3)**	(3)
Closing carrying amount	**4,156**	3,781
At 30 September		
Amortised Cost	**3,595**	3,298
Accumulated fair value gains	**561**	483
Carrying amount	**4,156**	3,781

6. **Available-for-sale financial assets** - *continued*

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 3% to 7% (2015: 3% to 7%). The weighted average effective interest rate as at 30 September 2016 was 5% (2015: 5%).

As at 30 September 2015, available-for-sale financial assets amounting to €407,393 were held as security against third party balances.

7. **Deferred tax assets and liabilities**

Deferred taxes are calculated on all temporary differences under the liability method and are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The principal tax rate used is 35% (2015: 35%), with the exception of deferred taxation on the fair valuation of non-depreciable property, which is computed on the basis applicable to disposals of immovable property i.e. tax effect of 8% of the transfer value, amounting to €777,000 as at 30 September 2016 (2015: €777,000).

The balance at 30 September represents temporary differences attributable to:

	2016	2015
	€'000	€'000
Assets		
Depreciation of property, plant and equipment	**284**	306
Provisions	**54**	98
Other	**-**	(93)
At end of year	**338**	311
Liabilities		
Fair valuation of land and buildings	**(777)**	(777)
At end of year	**(777)**	(777)

7. Deferred tax assets and liabilities - *continued*

The movement in the Company's deferred tax assets and liabilities during the year is as follows:

	2016	2015
	€'000	€'000
Assets		
At beginning of year	**311**	335
Credit/(charge) to profit or loss (Note 20)	**27**	(24)
At end of year	**338**	311
Liabilities		
Charge to other comprehensive income (Note 13)	**(777)**	(777)
At end of year	**(777)**	(777)
Net deferred tax liability	**(439)**	(466)

The recognised deferred tax assets and liabilities are expected to be recovered or settled principally after more than twelve months from the end of the reporting period. The deferred tax assets and liabilities reflected in other comprehensive income relate to fair valuation of land and buildings within property, plant and equipment (Note 13).

8. Inventories

	2016	2015
	€'000	€'000
Inventories for resale	**374**	301
Other inventory items	**261**	163
Stamps and postal stationery	**164**	216
	799	680

The cost of inventories recognised as expense is appropriately disclosed in Note 17 to the financial statements. There were no inventory write-downs during the current and preceding financial year.

9. Trade and other receivables

	2016 €'000	2015 €'000
Current		
Trade receivables - gross	**5,116**	6,456
Provision for impairment	**(98)**	(178)
Trade receivables - net	**5,018**	6,278
Prepayments and accrued income	**1,908**	2,205
	6,926	8,483

The Company's exposure to credit and currency risks together with impairment losses relating to trade and other receivables are disclosed in Note 2.

10. Deposits with financial institutions

	2016 €'000	2015 €'000
Term placements	**1,550**	1,550

Deposits with financial institutions comprise placements with a maturity of more than three months but less than one year.

11. Cash and cash equivalents

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

	2016 €'000	2015 €'000
Cash and balances with banks	**8,786**	6,998

Cash and cash equivalents as at 30 September 2016 and 2015 include amounts collected on behalf of third parties (Note 15).

12. Share capital

	2016 €'000	2015 €'000
Authorised		
56,000,000 ordinary shares of €0.25 each	**14,000**	14,000
Issued and fully paid up		
36,986,600 (2015: 36,306,728) ordinary shares of €0.25 each	**9,247**	9,077

By virtue of a resolution dated 6 December 2015 the Company's Directors approved the allotment of 679,872 ordinary shares of €0.25 each at a premium of €1.55 each (Note 23) as a scrip issue in lieu of dividends, thereby increasing the issued and fully paid up share capital to 36,986,600 shares of €0.25 each, resulting in a paid up share capital of €9,247,650.

By virtue of a resolution dated 9 December 2014 the Company's Directors approved the allotment of 1,026,318 ordinary shares of €0.25 each at a premium of €0.91 each (Note 23) as a scrip issue in lieu of dividends, thereby increasing the issued and fully paid up share capital to 36,306,728 shares of €0.25 each, resulting in a paid up share capital of €9,076,682.

Utilisation of the share premium account is governed by the requirements of Article 114 within the Companies' Act, Cap 386 of the laws of Malta.

13. Other reserves

	Property revaluation reserve €'000	Investment Fair value reserve €'000	Other reserve €'000	Total €'000
Balance at 1 October 2014	-	284	(152)	132
Available-for-sale financial assets:				
Gains from changes in fair value (Note 6)	-	199	-	199
Remeasurements of defined benefit obligations (Note 14)	-	-	(117)	(117)
Surplus arising on revaluation of land and buildings (Note 4)	894	-	-	894
Deferred tax liability on revalued land and buildings determined on the basis applicable to property disposals (Note 7)	(777)	-	-	(777)
Balance at 30 September 2015	**117**	**483**	**(269)**	**331**
Balance at 1 October 2015	117	483	(269)	331
Available-for-sale financial assets: Gains from changes in fair value (Note 6)	-	78	-	78
Remeasurements of defined benefit obligations (Note 14)	-	-	(74)	(74)
Balance at 30 September 2016	**117**	**561**	**(343)**	**335**

Property revaluation reserve

Subsequent to the Company's change in accounting policy during the year ended 30 September 2015 (Note 4), the revaluation reserve relates to fair valuation of the land and buildings component of property, plant and equipment, and the balance represents the cumulative net increase in fair value of such property, net of related deferred tax.

Investment fair value reserve

The fair value reserve represents changes in fair value of available-for-sale financial assets which are unrealised at financial reporting date. Upon disposal, realised fair value gains are reclassified to profit or loss as a reclassification adjustment.

Other reserve

The other reserve reflects the impact of actuarial gains and losses with respect to pension obligations (Note 14) recognised in other comprehensive income in accordance with the Company's accounting policy.

14. 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 scheme is a final salary defined benefit plan and is unfunded.

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

	2016 €'000	2015 €'000
Present value of unfunded obligation	**3,203**	3,070
Crystallised obligation	**(858)**	(734)
Fair value of obligation to be reimbursed by Government	**(699)**	(699)
Provision reflected in financial statements	**1,646**	1,637

The provision is principally non-current in nature.

The movement for the year is made up of:

	2016 €'000	2015 €'000
Charge to profit or loss	**(59)**	(49)
Charge to other comprehensive income (Note 13)	**(74)**	(117)
Crystallised obligation	**124**	121
	(9)	(45)

The amount recognised in profit or loss within 'employee benefits expense' is as follows:

	2016 €'000	2015 €'000
Interest cost	**(59)**	(49)

The amount recognised in other comprehensive income is as follows:

	2016 €'000	2015 €'000
Net actuarial losses - attributable to financial assumptions	**(74)**	(117)

In computing the provision, the Company used a discount rate of 1.43% (2015: 2.12%), whereas the future salary increases were based on inflation rates and past salary increases. Assumptions regarding future mortality experience are based on published mortality tables in Malta, which translate into an average life expectancy of 80 depending on age and gender of the beneficiaries.

These factors are deemed to be the key assumptions used in the computation of the liability. The sensitivity of the obligation to changes in the key assumptions is considered immaterial for disclosure purposes.

15. Trade and other payables

	2016 €'000	2015 €'000
Current		
Trade payables	**4,926**	4,131
Amounts collected on behalf of third parties	**1,638**	2,627
Other payables	**893**	842
Indirect taxes and social security	**306**	293
Accruals and deferred income	**3,607**	4,087
	11,370	11,980

The Company's exposures to currency and liquidity risks relating to trade and other payables are disclosed in Note 2.

16. Revenue

Revenue is analysed as follows:

	2016 €'000	2015 €'000
By activity		
Postal	**24,052**	22,410
Philatelic	**454**	484
Other	**3,410**	2,811
	27,916	25,705
By geographical segments		
Local	**21,982**	21,691
International	**5,934**	4,014
	27,916	25,705

The Company primarily operates in one segment that comprises the provision of postal and related retail services to customers, which activities are substantially subject to the same risks and returns. Accordingly, the presentation of segment information as required by IFRS 8, Operating segments, within these financial statements is not deemed applicable.

17. Expenses by nature

	2016 €'000	2015 €'000
Employee benefits expense (Note 18)	**12,333**	11,534
Depreciation (Note 4)	**849**	960
Foreign outbound mail	**6,306**	4,812
Property operating lease rentals	**210**	200
Motor vehicle lease rentals	**161**	136
Differences on exchange	**97**	(200)
Movement in provision for impairment of receivables (Note 9)	**(80)**	(2)
Other expenses	**5,274**	5,064
	25,150	22,504

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

	2016 €'000	2015 €'000
Annual statutory audit	**19**	19
Other assurance services	**14**	14
Tax advisory and compliance services	**1**	1
Other non assurances services	**33**	-
	67	34

18. Employee benefits expense

	2016 €'000	2015 €'000
Wages and salaries	**10,953**	10,321
Other staff costs	**406**	308
Movement in provision for liabilities and charges (Note 14)	**59**	49
Social security costs	**915**	856
	12,333	11,534

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

	2016	2015
Operational	**597**	580
Management	**35**	25
	632	605

19. Finance income

	2016 €'000	2015 €'000
Interest income from bank balance and debt securities	**168**	181

20. Tax expense

	2016 €'000	2015 €'000
Current tax expense	**898**	1,169
Deferred tax (credit)/charge (Note 7)	**(27)**	24
Tax expense	**871**	1,193

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

	2016 €'000	2015 €'000
Profit before tax	**2,934**	3,382
Tax at 35%	**1,027**	1,184
Tax effect of:		
Income taxed at different rates	**(34)**	(37)
Other differences	**(122)**	46
Tax expense	**871**	1,193

21. Directors' emoluments

	2016 €'000	2015 €'000
Directors' fees	**30**	30

The Company paid insurance premia of €6,402 (2015: €6,402) during the year, in respect of professional indemnity.

22. Earnings per share

Earnings per share is 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 and ranking for dividend during the year.

	2016	2015
Profit attributable to equity holders (€'000)	**2,063**	2,189
Weighted average number of ordinary shares in issue (thousands)	**36,787**	35,964
Earnings per share (basic and diluted)	**€0.06**	€0.06

23. Dividends

	2016 €'000	2015 €'000
Dividend on ordinary shares	**1,452**	1,411
€ 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 2016 is to be proposed. These financial statements do not reflect this final dividend of €1,479,464 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 2017.

24. Commitments

Operating lease commitments

The future minimum lease payments under non-cancellable operating leases, with respect to property and motor vehicles, mainly having a term of five years, are as follows:

	2016 €'000	2015 €'000
Current		
Within 1 year	**140**	167
Non-current		
Between 1 and 2 years	**120**	124
Between 2 and 5 years	**91**	159
	351	450

The Company is also committed to pay an annual licence fee of 0.75% of its total gross revenue from postal services within the scope of the universal services.

25 Related party transactions

Redbox Limited, the Company's immediate parent, is a subsidiary of Lombard Bank Malta p.l.c. All entities that are controlled by Lombard Bank Malta p.l.c. are considered by the Directors to be related parties. The major shareholders of Lombard Bank Malta p.l.c. are also considered 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 arm's length prices and is included with revenue. Disclosure of these amounts, which are not 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 Lombard Bank Malta p.l.c.:

	2016	2015
	€'000	€'000
Revenue from provision of services	**29**	28
Bank interest income	**11**	12
Purchases of goods and services	**147**	119

There were no year end balances with related parties arising from the above transactions.

Cash and cash equivalents include:

	2016	2015
	€'000	€'000
Term placements and bank balances held with Lombard Bank Malta p.l.c.	**3,629**	3,766

Key management personnel 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.

Five year summary
Accounting ratios

	01/10/15 to 30/09/16 %	01/10/14 to 30/09/15 %	01/10/13 to 30/09/14 %	01/10/12 to 30/09/13 %	01/10/11 to 30/09/12 %
Gross profit margin	**24.01**	28.15	25.19	24.58	24.62
Operating profit margin	**9.91**	12.45	10.66	8.12	9.46
Operating profit to total assets	**7.61**	9.11	8.22	5.78	6.89
Operating profit to capital employed	**12.45**	15.70	13.89	10.57	12.82
Profit before tax to total equity	**13.20**	16.59	15.02	11.96	13.24
Profit after tax to total equity	**9.29**	10.74	9.87	7.80	8.52

	30/09/16	30/09/15	30/09/14	30/09/13	30/09/12
Shares in issue of €0.25 each (thousands)	**36,987**	36,307	35,280	34,218	32,689

Net assets per share (€ cents)	**60**	56	52	49	48
Earnings per share (€ cents)	**6**	6	5	4	4

Financial highlights in major currencies

	USD 000's	GBP 000's
For the year ended 30 September 2016		
Revenue	31,123	24,156
Gross profit	7,520	5,800
Operating profit	3,104	2,393
Profit before tax	3,292	2,539
Net profit after tax	2,315	1,785
At 30 September 2016		
Total assets less current liabilities	27,648	21,322
Total equity	24,933	19,228

Per share

	USD	GBP
Earnings	0.07	0.05
Net asset value	0.67	0.52

At currency rates of exchange ruling on 30 September 2016:

USD 1.1219 = EUR 1

GBP 0.8652 = EUR 1

MaltaPost p.l.c.

SUPPLEMENTARY INFORMATION

30 September 2016

2016

Supplementary information

MaltaPost p.l.c. Post Offices

HEAD OFFICE - MARSA
305, Qormi Road,
Marsa, MTP 1001

BIRKIRKARA
58, Valley Road,
Birkirkara, BKR 9013

BIRŻEBBUĠA
48, Żarenu Dalli Street,
Birżebbuġa, BBG 1522

BORMLA
Block 14, Fuq San Pawl,
Bormla, BML 1910

FLORIANA
San Kalċidonju Square,
Floriana, FRN 1520

GĦAJNSIELEM
J. F. De Chambrai Street,
Għajnsielem, GSM 1051

GĦARB
Visitation Street,
Għarb, GRB 1044

GŻIRA
21, Meme' Scicluna Square,
Gżira, GZR 1120

ĦAMRUN
18, Old Railway Street,
Ħamrun, ĦMR 1900

KALKARA
SmartCity Malta,
Building SCM 01 Level G,
Ricasoli, Kalkara, SCM 1001

LIJA
2, Mikielang Borġ Street,
Lija, LJA 1440

LUQA
11, Dun Ġulju Muscat Street,
Luqa, LQA 1450

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

MELLIEĦA
100, New Mill Street,
Mellieħa, MLĦ 1107

MOSTA
Civic Centre, Constitution Street,
Mosta, MST 9059

MSIDA
University Campus,
Msida, MSD 2080

NADUR
13, North Street,
Nadur, NDR 1220

NAXXAR
Civic Centre, 21st September Avenue,
Naxxar, NXR 1018

PAOLA
Civic Centre, Antoine de Paule Square,
Paola, PLA 1266

PIETA'
Gwardamanġa Hill,
Pieta', PTA 1310

QORMI
343, Victory Street,
Qormi, QRM 2504

RABAT
Civic Centre,St. Rita Street,
Rabat, RBT 1001

SAN ĠWANN
95, Naxxar Road,
San Ġwann, SGN 9031

ST. PAUL'S BAY
6, Dolmen Street,
Buġibba, St.Paul's Bay SPB 2400

511, St. Paul Street,
St. Paul's Bay, SPB 3416

ST. JULIANS
Paceville Avenue,
Paceville, St. Julians, STJ 3103

SLIEMA
118, Manwel Dimech Street,
Sliema, SLM 1055

39, Sir Adrian Dingli Street,
Sliema, SLM 1055

SWIEQI
Civic Centre, G. Bessiera Street,
Swieqi, SWQ 2261

VALLETTA
Dar Annona, Castille Square,
Valletta, VLT 1060

75, Old Bakery Street,
Valletta, VLT 1458

Malta Postal Museum,
135, Archbishop Street,
Valletta, VLT 1444

25, South Street,
Valletta, VLT 1102

VICTORIA
5, Sir Adrian Dingli Street,
Victoria, VCT 1441

XAGĦRA
132, Race Course Street,
Xaghra, XRA 2013

ŻABBAR
Civic Centre, Convent Street,
Żabbar, ZBR 1351

ŻEBBUĠ
Sciortino Street,
Żebbug, ZBG 1962

ŻEJTUN
37, St. Lucian Street,
Żejtun, ZTN 1834

ŻURRIEQ
8, St. Catherine Street,
Żurrieq, ZRQ 1088

MOBILE POST OFFICE

Supplementary information

MaltaPost p.l.c. Sub-Post Offices

ATTARD
76, Higher Grades Stationery,
Kananea Street,
Attard, ATD 2703

BIRGU
Step In,
Victory Square,
Birgu, BRG 1300

BIRKIRKARA
84, Landau Stationery,
Dun Gejtanu Mannarinu Street,
Birkirkara, BKR 9085

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

D Spiral Stationery,
Victory Street,
Birkirkara, BKR 2691

DINGLI
6, Welcome Bazaar,
Frenċ Abela Square,
Dingli, DGL 1081

FGURA
Happy Kids Stationery,
St. Thomas Street,
Fgura, FGR 1608

FLORIANA
Future Focus,
9, L-Imħażen Street,
Floriana, FRN 1118

GĦARGĦUR
Aquavel,
St. Bartholomew Street,
Għargħur, GHR 1014

GĦASRI
Kunsill Lokali Għasri,
6, Dun Karm Caruana Street,
Għasri, GSR 1021

GĦAXAQ
4, Marchams,
Wesgħa Bir id-Deheb,
Għaxaq, GXQ 1651

GUDJA
CND Stationery
144, Tower Avenue,
Gudja, GDJ 1704

GŻIRA
85/87, Squire Bookshop,
Manwel De Vilhena Street,
Gżira, GZR 1016

IKLIN
Iklin Stationery,
89, Ċensu Busuttil Street,
Iklin, IKL 1201

KALKARA
68, Troy DVD Rentals,
Archbishop Gonzi Square,
Kalkara, KKR 1510

KERĊEM
Kerċem Local Council,
Orvieto Square,
Kerċem, KCM 1360

MARSASCALA
Needz Stationery,
Vajrita Street,
Marsascala, MSK 3325

MELLIEĦA
Tunny Net Souvenir Shop,
Marfa Road,
Mellieħa, MLH 9063

51, G. Borġ Olivier Street,
Mellieħa, MLH 1024

MQABBA
12, Alessio's Old Cottage,
Parish Street,
Mqabba, MQB 1511

QRENDI
Papel Stationery,
Triq is-Salvatur,
Qrendi, QRD 1701

SAN ĠWANN
6, S.G.S.,
Feliċ Borg Street,
San Ġwann, SGN 2040

SAN LAWRENZ
22A, San Lawrenz Local Council,
Our lady of Sorrows Street,
San Lawrenz, SLZ 1261

SANTA LUĊIJA
Willand Bargain Store,
Dun M. Mifsud Street,
Santa Luċija, SLC 1441

SANTA VENERA
C@C,
Fleur-De-Lys Junction,
Santa Venera, SVR 1580

SLIEMA
7, Malton,
Ċensu Scerri Street, Tigne,
Sliema, SLM 3062

ST. PAUL'S BAY
Paul's Arcade,
Kaħli Street,
St. Paul's Bay, SPB 3015

TARXIEN
16/17, Forex,
Market Square,
Tarxien, TXN 1951

TA' XBIEX
Fleet Stationery,
Testaferrata Street,
Ta' Xbiex, XBX 1402

Supplementary information

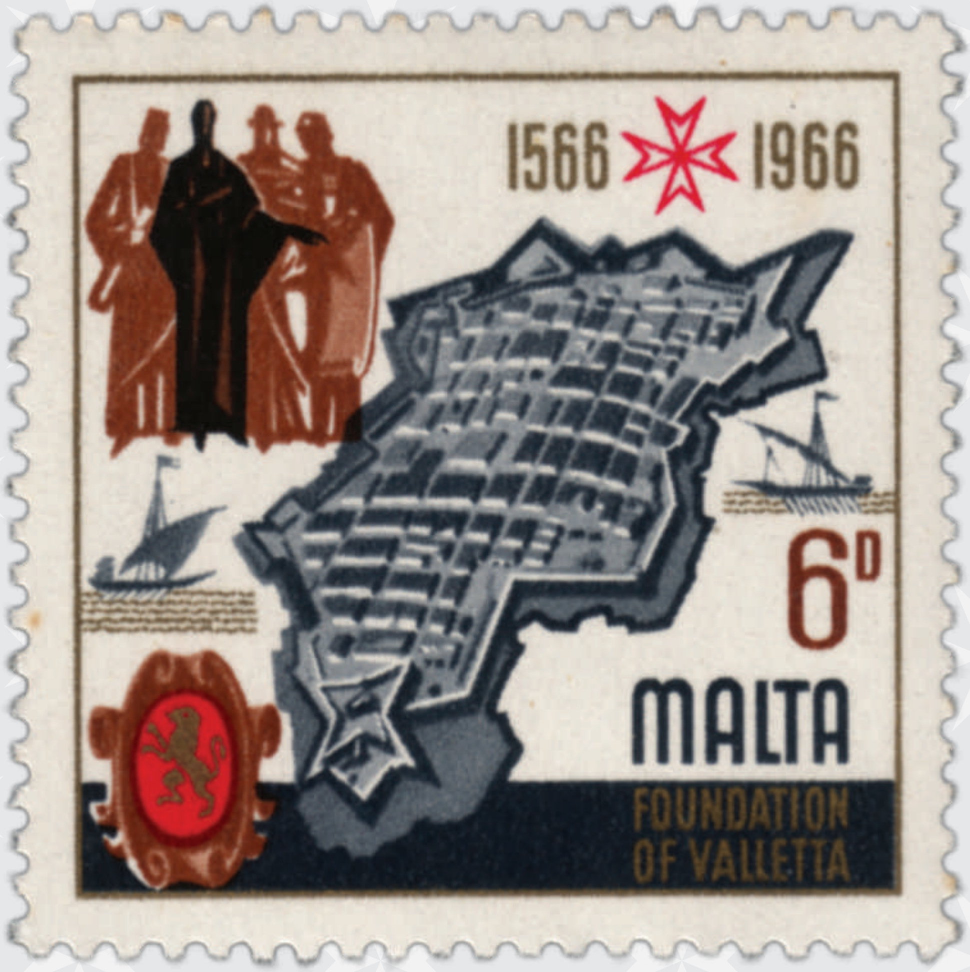
Collection of postal articles from public letterboxes is held as follows (exceptions may apply as announced to the public in agreement with the Malta Communications Authority):

- 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 (+356) 2122 4421.

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 year under review, customer complaints accounted for 0.0028% of all mail items handled.



4th Centenary - Foundation of Valletta
1566 - 1966
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Printer: State Printing Works, Vienna