

COMPANY ANNOUNCEMENT

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

QUOTE

The Board of Directors of MaltaPost p.l.c. (the "Company") has approved the attached Preliminary Statement of Annual Results as extracted from the Company's Financial Statements for the year ended 30 September 2012 that were audited by PwC and approved by the Board of Directors on 4 December 2012. The Board resolved that these audited Financial Statements be submitted for the approval of the shareholders at the forthcoming Annual General Meeting scheduled for the 10 January 2013.


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

- The payment of a final ordinary net dividend of €0.04 per nominal €0.25 share
- The option to shareholders of receiving the dividend either in cash or by the issue of new shares. The Attribution Price, at which the number of new shares to be issued will be determined, has been established at €0.70 per nominal €0.25 share.

Shareholders on the Company's share register at the Central Securities Depository of the Malta Stock Exchange, as at close of business on the 11 December 2012 will receive notice of the Annual General Meeting together with the Financial Statements for the financial year ended 30 September 2012.

The final dividend, if approved at the Annual General Meeting, will be paid on the 17 January 2013 to shareholders on the Company's share register at the Central Securities Depository of the Malta Stock Exchange as at close of business on the 11 December 2012.

UNQUOTE



Graham A. Fairclough
Company Secretary

The following has been extracted from the audited Financial Statements of MaltaPost p.l.c. for the financial year ended 30 September 2012. These Financial Statements were prepared in accordance with the Companies' Act, 1995, audited by PwC and approved by the Directors on 4 December 2012.

Review of performance

This year's figures were particularly affected by changes in the framework set by the Universal Postal Union (UPU), establishing inter-operator fees in respect of international mail. Furthermore, in the absence of a fair pricing structure, systematic deficits in the domestic mail business resulted. Notwithstanding this, the Company still achieved satisfactory results without compromising quality and levels of service. The financial performance is expected to improve in the forthcoming period following the recent decision by the Malta Communications Authority (MCA) in respect of a revised price control mechanism setting fair postal tariffs.

- Profit before tax decreased by 32.3% to €2.06m (2011: €3.05m);
- Turnover decreased by 1.3% to €21.12m (2011: €21.40m). The Company's income remains characterised by a decline in traditional mail volumes and a growth in the packets business generated through e-commerce. This growth was reduced by the negative impact of changes in the tariff structure as established by UPU and which amounted to €1.71m;
- Expenses increased by 2.6% to €19.12m (2011: €18.64m) mainly as a result of higher cross-border tariffs;
- Net finance income decreased by 77.3% to €65k (2011: €286k);
- Cost to Income Ratio stood at 90.5% (2011: 87.1%);
- Total Assets increased by 5.2% to €28.97m (2011: €27.48m);
- Shareholders funds increased by 7.2% to €15.58m (2011: €14.53m).

Outlook

The recent MCA decision establishing a new price control mechanism should serve to ensure sustainability of Universal Postal Service Obligations, even though the revised tariffs will remain the lowest in the European Union. That said, MaltaPost is determined to maintain its high quality of service albeit in a market that is soon to be liberalised.

The Company is also set on seeking alternative sources of revenue. As part of our stated strategy, we plan to enter the insurance market, subject to the necessary regulatory approval(s), and, in the coming months, will be creating the necessary structures so as to ensure the provision of a freestanding and special-purpose vehicle to carry on this activity. We shall also be increasing investment to enhance our diversified portfolio of services, principally targeting document management, archiving and hybrid mail activities.

Both the Board of Directors as well as the Management strongly believe that such services will ensure that MaltaPost maintains its leading edge in the postal industry while still continuing to provide a Universal Postal Service and offer satisfactory benefits to all stakeholders.

MaltaPost p.l.c.
Preliminary Statement of Annual Results
For the year ended ended 30 September 2012

Statement of Financial Position
At 30 September 2012

	2012	2011
	€'000	€'000
ASSETS		
Non-current assets		
Intangible asset	45	124
Property, plant and equipment	10,163	9,164
Available-for-sale financial assets	2,385	3,521
Deferred income tax asset	388	390
Total non-current assets	<u>12,981</u>	13,199
Current assets		
Inventories	635	538
Trade and other receivables	5,013	9,200
Current income tax assets	799	542
Available-for-sale financial assets	412	242
Deposits with financial institutions	3,000	-
Cash and cash equivalents	6,133	3,755
Total current assets	<u>15,992</u>	14,277
Total assets	<u>28,973</u>	<u>27,476</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	8,172	7,920
Share premium	2,752	2,014
Other reserves	94	98
Retained earnings	4,557	4,497
Total equity	<u>15,575</u>	14,529
Non-current liabilities		
Provision for liabilities and charges	1,503	1,663
Borrowings	-	3,464
Total non-current liabilities	<u>1,503</u>	5,127
Current liabilities		
Trade and other payables	11,895	7,227
Borrowings	-	536
Financial liabilities at fair value through profit or loss	-	57
Total current liabilities	<u>11,895</u>	7,820
Total liabilities	<u>13,398</u>	12,947
Total equity and liabilities	<u>28,973</u>	<u>27,476</u>

Income Statement
For the year ended 30 September 2012

	2012	2011
	€'000	€'000
Revenue	21,118	21,399
Employee benefits expense	(10,431)	(10,343)
Depreciation and amortisation expense	(917)	(916)
Other expenses	(7,773)	(7,379)
	<hr/>	<hr/>
Operating profit	1,997	2,761
Finance income	201	286
Finance costs	(136)	-
	<hr/>	<hr/>
Profit before tax	2,062	3,047
Tax expense	(735)	(1,119)
	<hr/>	<hr/>
Profit for the year	1,327	1,928
	<hr/>	<hr/>
Earnings per share	€0.04	€0.06

Statement of Comprehensive Income

	2012	2011
	€'000	€'000
Comprehensive income		
Profit for the year	1,327	1,928
	<hr/>	<hr/>
Other comprehensive income		
Fair value gain on available-for-sale financial assets	20	(100)
Transfer to profit or loss upon disposal of available-for-sale financial assets	(24)	(23)
	<hr/>	<hr/>
Total other comprehensive income for the year, net of tax	(4)	(123)
	<hr/>	<hr/>
Total comprehensive income for the year, net of tax	1,323	1,805

Statement of Changes in Equity
For the year ended 30 September 2012

	Attributable to equity shareholders				
	Share capital €'000	Share premium €'000	Other reserves €'000	Retained earnings €'000	Total €'000
Balance at 1 October 2010	7,643	1,272	221	3,792	12,928
Comprehensive income					
Profit for the year	-	-	-	1,928	1,928
Other comprehensive income					
Fair value loss on available-for-sale financial assets	-	-	(100)	-	(100)
Transfer to profit or loss upon disposal of available-for-sale financial assets	-	-	(23)	-	(23)
Total other comprehensive income, for the year	-	-	(123)	-	(123)
Total comprehensive income for the year	-	-	(123)	1,928	1,805
Transactions with owners					
Increase in share capital	277	742	-	-	1,019
Dividends	-	-	-	(1,223)	(1,223)
Total transactions with owners	277	742	-	(1,223)	(204)
Balance at 30 September 2011	7,920	2,014	98	4,497	14,529
Balance at 1 October 2011	7,920	2,014	98	4,497	14,529
Comprehensive income					
Profit for the year	-	-	-	1,327	1,327
Other comprehensive income					
Fair value gain on available-for-sale financial assets	-	-	20	-	20
Transfer to profit or loss upon disposal of available-for-sale financial assets	-	-	(24)	-	(24)
Total other comprehensive income for the year	-	-	(4)	-	(4)
Total comprehensive income for the year	-	-	(4)	1,327	1,323
Transactions with owners					
Increase in share capital	252	738	-	-	990
Dividends	-	-	-	(1,267)	(1,267)
Total transactions with owners	252	738	-	(1,267)	(277)
Balance at 30 September 2012	8,172	2,752	94	4,557	15,575

Statement of Cash Flows
For the year ended 30 September 2012

	2012	2011
	€'000	€'000
Cash flows from operating activities		
Cash from customers	24,106	19,536
Cash paid to suppliers and employees	(16,884)	(16,035)
Cash flows attributable to funds collected on behalf of customers	3,981	(610)
	<hr/>	<hr/>
Cash flows generated from operating activities	11,203	2,891
Income tax paid	(990)	(1,244)
	<hr/>	<hr/>
Net cash generated from operating activities	10,213	1,647
	<hr/>	<hr/>
Cash flows used in investing activities		
Finance income	190	299
Placement of deposits with financial institutions	(3,000)	-
Purchase of property, plant and equipment	(1,585)	(7,651)
Proceeds on maturity/disposal of financial assets	971	1,360
	<hr/>	<hr/>
Net cash used in investing activities	(3,424)	(5,992)
	<hr/>	<hr/>
Cash flows (used in)/generated from financing activities		
(Repayment)/increase in borrowings	(4,000)	4,000
Finance costs	(136)	-
Dividends paid	(275)	(202)
	<hr/>	<hr/>
Net cash (used in)/generated from financing activities	(4,411)	3,798
	<hr/>	<hr/>
Net movement in cash and cash equivalents	2,378	(547)
	<hr/>	<hr/>
Cash and cash equivalents at beginning of financial period	3,755	4,302
	<hr/>	<hr/>
Cash and cash equivalents at end of financial period	6,133	3,755
	<hr/>	<hr/>