



COMPANY ANNOUNCEMENT

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

QUOTE

The Board of Directors of MaltaPost p.l.c. approved the audited financial statements for the financial year ended 30 September 2016 and resolved that these statements be submitted for approval at the forthcoming Annual General Meeting to be held on 27 January 2017. The attached Preliminary Statement of annual results is being published in terms of the Listing Rules.

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

1. The payment of a final gross dividend of €0.0615 (net dividend of €0.04) per nominal €0.25 share.
2. 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 €1.85 per nominal €0.25 share.

The final dividend, if approved at the Annual General Meeting, will be paid on 27 February 2017 to shareholders on the Company's share register at the Central Securities Depository of the Malta Stock Exchange as at close of business on 28 December 2016.

Shareholders on the Company's share register at the Central Securities Depository of the Malta Stock Exchange, as at close of business on 28 December 2016 will receive notice of the Annual General Meeting together with the Financial Statements for the financial year ended 30 September 2016.

UNQUOTE

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

Graham A. Fairclough
Company Secretary

6 December 2016

These financial statements have been extracted from the Annual Report of MaltaPost p.l.c. for the financial year ended 30 September 2016, audited by PricewaterhouseCoopers and approved by the Board of Directors on 6 December 2016. They were prepared in accordance with the provisions of the Companies Act, 1995, and International Financial Reporting Standards as adopted by the EU.

Review of performance

MaltaPost recorded a satisfactory performance for the financial year under review. Pre-tax profit amounted to €2.93m compared to €3.38m in the previous year. This was due to the year's increase in operating costs not being fully matched by a corresponding increase in revenue.

- Growth in revenue of 8.6% to €27.92m (2015: €25.70m) was registered mainly through activities related to e-commerce. Financial services, retail operations and document management services also contributed to the increase in revenue. However, this increase was partially offset by declining traditional mail volumes, which remain a persistent dampening feature.
- Total expenses increased by 11.8% to €25.15m (2015: €22.50m) primarily as a result of an increase in direct mail costs and staff related expenses;
- Cost to income ratio stood at 90.0% (2015: 87.5%);
- Total assets increased by 3.4% to €36.33m (2015: €35.13m);
- Shareholders' funds rose by 9.0% to €22.22m (2015: €20.39m).

Outlook

In line with trends in the international postal services industry, we continue to pursue a diversification strategy predominantly by increasing our focus on logistics and related support services. The Company is to continue investing in infrastructure and processes so as to ensure commercial and operational efficiencies that meet service level expectations while also maintaining the growth in e-commerce business.

We will also continue strengthening our retail branch network, both by ensuring adequate geographical reach as well as expanding the current range of service offerings including financial services, which we continue to see as another driver of growth. Two new outlets, in Valletta and Floriana, were opened during the financial year. The Company also inaugurated the Malta Postal Museum, an initiative that is intended to preserve and promote Malta's postal heritage.

The continued unavoidable decline in traditional letter mail volumes and the resultant financial burden of the Universal Service Obligations remain a core issue for the Company. To fulfil such obligations in a commercially viable manner, we require a regulatory model that effectively supports the future sustainability of the Universal Service. It is indeed the viability of the traditional letter mail business that will continue to drive our efforts towards innovation and diversification over the coming years.

As we continue to plan for sustainable future growth and be proactive in respect of identifying investment opportunities, the positive track record of these past years reinforces the confidence of the Board of Directors in MaltaPost's future to the mutual benefit of all stakeholders.

MaltaPost p.l.c.
Preliminary Statement of Annual Results
For the year ended 30 September 2016

Statement of Financial Position
At 30 September 2016

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

Income Statement
For the year ended 30 September 2016

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

Statement of Comprehensive Income
For the year ended 30 September 2016

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

Statement of Changes in Equity
For the year ended 30 September 2016

	Attributable to equity shareholders				
	Share capital €'000	Share premium €'000	Other reserves €'000	Retained earnings €'000	Total €'000
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	-	-	894	-	894
Income tax relating to revaluation of land and buildings	-	-	(777)	-	(777)
Available-for-sale financial assets: Gains from changes in fair value	-	-	199	-	199
Remeasurement of defined benefit obligations	-	-	(117)	-	(117)
Total other comprehensive income	-	-	199	-	199
Total comprehensive income	-	-	199	2,189	2,388
Transactions with owners					
Allotment of shares	257	934	-	-	1,191
Dividends	-	-	-	(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	-	-	78	-	78
Remeasurement of defined benefit obligations	-	-	(74)	-	(74)
Total other comprehensive income	-	-	4	-	4
Total comprehensive income	-	-	4	2,063	2,067
Transactions with owners					
Allotment of shares	170	1,054	-	-	1,224
Dividends	-	-	-	(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

Statement of Cash Flows
For the year ended 30 September 2016

	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
	4,168	4,215
Cash flows from operating activities	(935)	(448)
Income tax paid		
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