



## COMPANY ANNOUNCEMENT

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

### QUOTE

At a meeting of the Board of Directors of MaltaPost p.l.c. held on 9 May 2013, the Board approved the attached Unaudited Condensed Interim Financial Statements for the six month period ended 31 March 2013.

These Unaudited Interim Financial Statements for the period ended 31 March 2013, are available for viewing and download from the Company's website [www.maltapost.com](http://www.maltapost.com)

### UNQUOTE

A handwritten signature in blue ink, consisting of several horizontal strokes and a stylized 'G' or 'F' shape.

Graham A. Fairclough  
Company Secretary

### Basis of preparation

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting, have been extracted from the Company's unaudited accounts for the six months ended 31 March 2013 and have been reviewed in terms of ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The accounting policies used in preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2012. The half-yearly results are being published in terms of Chapter 5 of the Listing Rules of the Malta Financial Services Authority.

### Review of Performance

Overall economic conditions remained subdued during the six months under review. Nonetheless, results of the Company indicate an improvement in performance over the corresponding period last year. The negative impact on revenues and costs brought about by changes in the inter-operator fees set by the Universal Postal Union has been somewhat compensated for by an increase in certain tariffs.

Traditional mail volumes remain on the decline due to the negative impact of e-substitution which has been partly set off by a continued increase in parcel business generated through e-commerce.

For the six months ended 31 March 2013, the Company registered an increase in profit before tax of 27.5% to €1.0 million compared to €0.8 million for the corresponding period last year. Other key indicators underlying these interim financial results are as follows:

- Turnover increased by 2.5% to €11.3 million (2012: €11.0 million). Traditional mail volumes registered a marginal decrease. The decline in volumes was partly mitigated by the review in tariffs of certain services effective mid-November 2012;
- Expenses increased marginally by 1.4% to €10.4 million (2012: €10.3 million);
- Net finance income increased to €125k (2012: €36k);
- Cost to Income ratio stood at 87.6% (2012: 87.9%);
- Shareholders' funds increased by 2.9% to €16.0 million (2012: €15.6 million).

### **Outlook**

The highly competitive market calls for the Company to expand and diversify its portfolio of services. The introduction of 'SendOn' towards the end of the last financial year proved to be successful and is expected to be followed by other enhanced services that complement the growing e-commerce market.

As announced the Company shall enter the insurance sector once the necessary regulatory approvals are issued.

The process of finalising the necessary investment for the expansion of services in connection with document management and hybrid mail is set to be largely completed within the current financial year.

Whereas the pressure on costs will be partly mitigated by the increase in certain tariffs effective from 1 April 2013, the letter mail sector remains challenging both financially as well as operationally. It is therefore a priority for MaltaPost to enhance its product offering as well as diversify its operations while creating alternative revenue streams. This will ensure that the Company remains a robust postal operator providing a service that is affordable as well as efficient.

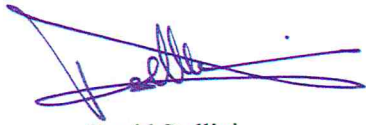
MaltaPost p.l.c.  
Preliminary Statement of Half yearly Results  
For the six months ended 31 March 2013

Condensed Interim Statement of Financial Position  
As at 31 March 2013

	31 Mar 13 €'000 Unaudited	30 Sep 12 €'000 Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible asset	6	45
Property, plant and equipment	9,922	10,163
Available-for-sale financial assets	1,940	2,385
Deferred income tax asset	434	388
<b>Total non-current assets</b>	<u>12,302</u>	<u>12,981</u>
<b>Current assets</b>		
Inventories	575	635
Trade and other receivables	6,831	5,013
Current income tax asset	313	799
Available-for-sale financial assets	917	412
Deposits with financial institutions	-	3,000
Cash and cash equivalents	6,036	6,133
<b>Total current assets</b>	<u>14,672</u>	<u>15,992</u>
<b>Total assets</b>	<u>26,974</u>	<u>28,973</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	8,554	8,172
Share premium	3,439	2,752
Other reserves	130	94
Retained earnings	3,908	4,557
<b>Total equity</b>	<u>16,031</u>	<u>15,575</u>
<b>Non-current liabilities</b>		
Provision for liabilities and charges	1,539	1,503
<b>Current liabilities</b>		
Trade and other payables	9,404	11,895
<b>Total liabilities</b>	<u>10,943</u>	<u>13,398</u>
<b>Total equity and liabilities</b>	<u>26,974</u>	<u>28,973</u>

The condensed interim financial statements were authorised for issue by the Board of Directors on 9 May 2013 and were signed by:

  
Joseph Said  
Chairman

  
David Stellini  
Director

**Condensed Interim Income Statement  
For the six months ended 31 March 2013**

	01 Oct 12 to 31 Mar 13 €'000 Unaudited	01 Oct 11 to 31 Mar 12 €'000 Unaudited
<b>Revenue</b>	11,299	11,023
Employee benefits expense	(5,617)	(5,390)
Depreciation and amortisation expense	(513)	(581)
Other expenses	(4,278)	(4,292)
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<b>Operating profit</b>	891	760
Net finance income	125	36
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<b>Profit before tax</b>	1,016	796
Tax expense	(359)	(294)
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<b>Profit for the financial period</b>	657	502
	<hr/>	<hr/>
<b>Earnings per share</b>	€0.02	€0.02

**Condensed Interim Statement of Comprehensive Income  
For the six months ended 31 March 2013**

	01 Oct 12 to 31 Mar 13 €'000 Unaudited	01 Oct 11 to 31 Mar 12 €'000 Unaudited
<b>Comprehensive income</b>		
Profit for the financial period	657	502
	<hr/>	<hr/>
<b>Other comprehensive income</b>		
Fair value movement on available-for-sale financial assets	36	(26)
	<hr/>	<hr/>
<b>Total comprehensive income for the financial period</b>	693	476

**Condensed Interim Statement of Changes in Equity  
For the six months ended 31 March 2013 (Unaudited)**

	Attributable to equity shareholders				
	Share capital €'000	Share premium €'000	Other reserves €'000	Retained earnings €'000	Total €'000
Balance at 1 October 2011	7,920	2,014	98	4,497	14,529
<b>Comprehensive income</b>					
Profit for the financial period	-	-	-	502	502
Other comprehensive income					
Fair value movement on available-for-sale financial assets	-	-	(26)	-	(26)
<b>Total comprehensive income</b>	-	-	(26)	502	476
<b>Transactions with owners</b>					
Increase in share capital	252	-	-	-	252
Allotment of shares	-	738	-	-	738
Dividends	-	-	-	(1,267)	(1,267)
<b>Total transactions with owners</b>	252	738	-	(1,267)	(277)
<b>Balance at 31 March 2012</b>	<b>8,172</b>	<b>2,752</b>	<b>72</b>	<b>3,732</b>	<b>14,728</b>
Balance at 1 October 2012	8,172	2,752	94	4,557	15,575
<b>Comprehensive income</b>					
Profit for the financial period	-	-	-	657	657
Other comprehensive income					
Fair value movement on available-for-sale financial assets	-	-	36	-	36
<b>Total comprehensive income</b>	-	-	36	657	693
<b>Transactions with owners</b>					
Increase in share capital	382	-	-	-	382
Allotment of shares	-	687	-	-	687
Dividends	-	-	-	(1,306)	(1,306)
<b>Total transactions with owners</b>	382	687	-	(1,306)	(237)
<b>Balance at 31 March 2013</b>	<b>8,554</b>	<b>3,439</b>	<b>130</b>	<b>3,908</b>	<b>16,031</b>

**Condensed Interim Statement of Cash Flows**  
**For the six months ended 31 March 2013**

	01 Oct 12 to 31 Mar 13 €'000 Unaudited	01 Oct 11 to 31 Mar 12 €'000 Unaudited
<b>Cash flows from operating activities</b>		
Cash receipts from customers	9,383	8,978
Cash paid to suppliers and employees	(9,495)	(7,520)
Cash flows attributable to funds collected on behalf of third parties	(2,382)	1,733
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Cash flows (used in) / generated from operating activities	(2,494)	3,191
Net income tax refunded / (paid)	84	(251)
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<b>Net cash (used in) / generated from operating activities</b>	<b>(2,410)</b>	<b>2,940</b>
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<b>Cash flows from investing activities</b>		
Finance income	154	130
Purchase of property, plant and equipment	(582)	(936)
Purchase of financial assets	(437)	-
Proceeds on maturity / disposal of financial assets	412	971
Proceeds on maturity of deposits with financial institutions	3,000	-
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<b>Net cash generated from investing activities</b>	<b>2,547</b>	<b>165</b>
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<b>Cash flows from financing activities</b>		
Finance cost	-	(80)
Dividends paid	(234)	(275)
Repayment of borrowings	-	(1,307)
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<b>Net cash used in financing activities</b>	<b>(234)</b>	<b>(1,662)</b>
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<b>Net movement in cash and cash equivalents</b>	<b>(97)</b>	<b>1,443</b>
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<b>Cash and cash equivalents at beginning of financial period</b>	<b>6,133</b>	<b>3,755</b>
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<b>Cash and cash equivalents at end of financial period</b>	<b>6,036</b>	<b>5,198</b>
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I confirm that to the best of my knowledge:

- The condensed interim financial statements, prepared in accordance with IAS 34 give a true and fair view of the financial position as at 31 March 2013, financial performance and cash flows for the period then ended, and conform with the requirements of the accounting standards adopted for use in the EU for interim financial statements, including adopted IAS 34: *Interim Financial Reporting*; and
- The interim directors' report includes a fair review of the information required in terms of the Listing Rules.



Joseph Gafa'  
Chief Executive Officer





## Independent auditor's report

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

### Report on Review of Condensed Interim Financial Information

#### *Introduction*

We have reviewed the accompanying condensed interim statement of financial position of MaltaPost p.l.c. as at 31 March 2013, the related condensed income statement and statements of comprehensive income, changes in equity and cash flows for the six-month period then ended ('the interim financial information'). The directors are responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34 'Interim Financial Reporting'). Our responsibility is to express a conclusion on this interim financial information based on our review.

#### *Scope of review*

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

This report, including its conclusion, has been prepared for the Company for the purpose of the Listing Rules of the Malta Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 'Interim Financial Reporting'.

#### **PricewaterhouseCoopers**

78 Mill Street  
Qormi  
Malta

Fabio Axisa  
Partner

9 May 2013

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a) The maintenance and integrity of the MaltaPost p.l.c. website is the responsibility of the Directors of the Company; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the condensed interim financial information since this was initially presented on the website.

b) Legislation in Malta governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.