



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 2014, the Board approved the attached Unaudited Condensed Interim Financial Statements for the six month period ended 31 March 2014.

These Unaudited Interim Financial Statements for the period ended 31 March 2014, are available for viewing and download from the Company's website www.maltapost.com

UNQUOTE

A handwritten signature in black ink, appearing to read "G. Fairclough", written over several horizontal lines.

Graham A. Fairclough
Company Secretary

Review of Performance

During the period under review, MaltaPost delivered a satisfactory result against a backdrop of a challenging and highly competitive postal market.

For the six months ended 31 March 2014, the Company registered a profit before tax of €1.2 million (2013: €1.0 million).

- Turnover increased by 3.8% to €11.7 million (2013: €11.3 million) as the decline of traditional mail was mitigated by the review in certain tariffs that came into effect in January 2014. Also, initiatives taken by the Company brought about an increase in parcel deliveries thereby compensating for the reducing letter mail volumes;
- Expenses were contained at €10.6 million (2013: €10.4 million). This was primarily due to higher staff and transport costs, which were offset by a decrease in depreciation and amortisation. Consequently cost to income ratio decreased to 90.2% when compared to 92.1% for the corresponding period last year;
- Shareholders' funds increased by 3.5% to €17.2 million (2013: €16.6 million).

Outlook

The postal sector continues to evolve as a result of declining volumes and increased competition in the parcel business market. While committed to improve efficiency and to contain costs, the decline in revenue from the core letter mail activity is a reality and in order to ensure the fulfillment of a sustainable Universal Service, MaltaPost needs to be equitably remunerated for its work in this sector.

We remain on the lookout for opportunities that add further value to our product offering in both the business and the consumer segments. Consequently we continue to focus on investment in infrastructure, operations and processes that optimise our network.

Looking ahead, we believe that the Company is well positioned to meet the challenges and demands that will inevitably arise from the dynamic postal market and is committed to ensuring that it remains the trusted postal and logistics operator of an efficient and affordable service.

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 2014 and have been reviewed in terms of ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The half-yearly results are being published in terms of Chapter 5 of the Listing Rules of the Malta Financial Services Authority.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 30 September 2013, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU.

Accounting policies

The accounting policies applied are consistent with those of the annual financial statements of MaltaPost p.l.c. for the year ended 30 September 2013, as described in those financial statements. Adoption of new standards, amendments and interpretations to existing standards that are mandatory for the Company's accounting period beginning on 1 October 2013 did not result in changes to the Company's accounting policies.

Fair values of financial assets and liabilities

The Company's financial instruments which are measured at fair value comprise the Company's available-for-sale financial assets. The Company is required to disclose fair value measurements by level of the following fair value measurement hierarchy for financial instruments that are measured in the statement of financial position at fair value:

- 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 assets either directly i.e. as prices, or indirectly i.e. derived from prices (Level 2).
- Inputs for the asset that are not based on observable market data i.e. unobservable inputs (Level 3)

As at 31 March 2014 and 30 September 2013, available-for-sale investments were valued using Level 1 inputs in view of the listing status of the assets and accordingly no transfers between different levels of the fair value hierarchy have occurred.

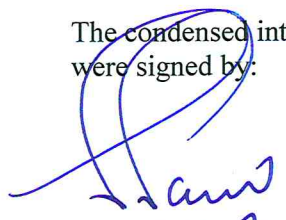
The fair values of all the Company's other financial assets and liabilities that are not measured at fair value are considered to approximate their respective carrying values due to their short-term nature.

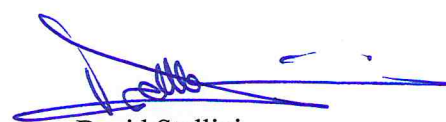
MaltaPost p.l.c.
Preliminary Statement of Half yearly Results
For the six months ended 31 March 2014

Condensed Interim Statement of Financial Position
As at 31 March 2014

	31 Mar 14 €'000 Unaudited	30 Sep 13 €'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	10,416	10,320
Available-for-sale financial assets	2,703	2,598
Deferred income tax asset	350	394
Total non-current assets	13,469	13,312
Current assets		
Inventories	556	602
Trade and other receivables	5,574	5,319
Current income tax asset	342	513
Available-for-sale financial assets	673	465
Deposits with financial institutions	1,500	1,500
Cash and cash equivalents	7,800	8,714
Total current assets	16,445	17,113
Total assets	29,914	30,425
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	8,820	8,554
Share premium	4,310	3,439
Other reserves	146	133
Retained earnings	3,946	4,507
Total equity	17,222	16,633
Non-current liabilities		
Provision for liabilities and charges	1,639	1,547
Current liabilities		
Trade and other payables	11,053	12,245
Total liabilities	12,692	13,792
Total equity and liabilities	29,914	30,425

The condensed interim financial statements were approved by the Board of Directors on 9 May 2014 and were signed by:


 Joseph Said
 Chairman


 David Stellini
 Director

Condensed Interim Income Statement
For the six months ended 31 March 2014

	01 Oct 13 to 31 Mar 14 €'000 Unaudited	01 Oct 12 to 31 Mar 13 €'000 Unaudited
Revenue	11,727	11,299
Employee benefits expense	(5,757)	(5,540)
Depreciation and amortisation expense	(355)	(513)
Other expenses	(4,469)	(4,355)
Operating profit	1,146	891
Net finance income	86	125
Profit before tax	1,232	1,016
Tax expense	(424)	(359)
Profit for the financial period	808	657
Earnings per share	€0.02	€0.02

Condensed Interim Statement of Comprehensive Income

	01 Oct 13 to 31 Mar 14 €'000 Unaudited	01 Oct 12 to 31 Mar 13 €'000 Unaudited
Comprehensive income		
Profit for the financial period	808	657
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Fair valuation of available-for-sale financial assets:		
- Net changes in fair value arising during the period	13	36
Total comprehensive income for the financial period	821	693

Condensed Interim Statement of Changes in Equity
For the six months ended 31 March 2014 (Unaudited)

	Attributable to equity shareholders				
	Share capital €'000	Share premium €'000	Other reserves €'000	Retained earnings €'000	Total €'000
Balance at 1 October 2012	8,172	2,752	94	4,557	15,575
Comprehensive income					
Profit for the financial period	-	-	-	657	657
Other comprehensive income					
<i>Items that may be reclassified to profit or loss</i>					
Fair valuation of available-for-sale financial assets:					
- Net changes in fair value arising during the year	-	-	36	-	36
Total comprehensive income	-	-	36	657	693
Transactions with owners					
Allotment of shares	382	687	-	-	1,069
Dividends	-	-	-	(1,306)	(1,306)
Total transactions with owners	382	687	-	(1,306)	(237)
Balance at 31 March 2013	8,554	3,439	130	3,908	16,031
Balance at 1 October 2013	8,554	3,439	133	4,507	16,633
Comprehensive income					
Profit for the financial period	-	-	-	808	808
Other comprehensive income					
<i>Items that may be reclassified to profit or loss</i>					
Fair valuation of available-for-sale financial assets:					
- Net changes in fair value arising during the year	-	-	13	-	13
Total comprehensive income	-	-	13	808	821
Transactions with owners					
Allotment of shares	266	871	-	-	1,137
Dividends	-	-	-	(1,369)	(1,369)
Total transactions with owners	266	871	-	(1,369)	(232)
Balance at 31 March 2014	8,820	4,310	146	3,946	17,222

Condensed Interim Statement of Cash Flows
For the six months ended 31 March 2014

	01 Oct 13 to 31 Mar 14 €'000 Unaudited	01 Oct 12 to 31 Mar 13 €'000 Unaudited
Cash flows from operating activities		
Cash receipts from customers	10,331	9,383
Cash paid to suppliers and employees	(8,949)	(9,495)
Cash flows attributable to funds collected on behalf of third parties	(1,020)	(2,382)
Cash generated from / (used in) operating activities	362	(2,494)
Net income tax (paid) / refunded	(211)	84
Net cash generated from / (used in) operating activities	151	(2,410)
Cash flows from investing activities		
Finance income	110	154
Purchase of property, plant and equipment	(646)	(582)
Purchase of financial assets	(417)	(437)
Proceeds from maturity/disposal of financial assets	118	412
Proceeds from maturity of deposits with financial institutions	1,500	3,000
Placements of deposits with financial institutions	(1,500)	-
Net cash (used in) / generated from investing activities	(835)	2,547
Cash flows from financing activities		
Dividends paid	(230)	(234)
Net cash used in financing activities	(230)	(234)
Net movement in cash and cash equivalents	(914)	(97)
Cash and cash equivalents at beginning of financial period	8,714	6,133
Cash and cash equivalents at end of financial period	7,800	6,036

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 2014, 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 2014, the related condensed interim 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 2014

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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.

