



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 12 May 2015, the Board approved the attached Unaudited Condensed Interim Financial Statements for the six month period ended 31 March 2015.

These Unaudited Interim Financial Statements for the period ended 31 March 2015, are available for viewing and download from the Company's website www.maltapost.com

UNQUOTE

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

Graham A. Fairclough
Company Secretary

12 May 2015

Review of Performance

MaltaPost achieved positive results during the six months ended 31 March 2015.

For the period under review, the Company recorded a profit before tax of €2.5 million (2014: €1.2 million).

- Turnover increased by 13.8% to €13.3 million (2014: €11.7 million). Volume growth in international mail services, registered mail, parcel and packets business were the main contributors to the increase in turnover. The revision of certain tariffs with effect from 1 January 2014 also contributed towards mitigating part of the impact of decreasing Letter Mail volumes.
- Expenses were contained at €10.9 million (2014: €10.6 million). The Cost to Income ratio decreased to 81.7% when compared to 90.2% for the corresponding period last year. Higher staff costs and depreciation were mitigated by write-backs of certain operational expenses, which may not be repeated in the second half of the year.
- Shareholders' funds increased by 14.5% to €19.7 million (2014: €18.2 million).

Outlook

As Letter Mail volumes keep on declining, we persevere in our commitment to pursue growth opportunities in other key business and consumer areas, particularly in logistics related to e-commerce, document management and financial services. We also remain conscious of our role as the national Universal Service provider, with the onerous obligations it brings, and seek to fulfill these in a commercially viable manner.

Our strategy entails re-aligning and streamlining our operations to contain costs while continuing to diversify our product range. This is supported by our ongoing investment to upgrade our branch network to enhance the customer experience and offer new products and services.

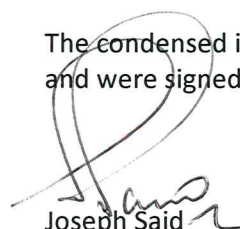
We are confident that these challenges will be met successfully. However this positive trend in profitability is expected to taper off in the coming months due to a number of seasonal factors and the one-off write-backs of previously accrued expenses. The Board of Directors expect that the increase in profit for the period under review may not be entirely reproduced in the financial results for the full year.

MaltaPost p.l.c.
Preliminary Statement of Half yearly Results
For the six months ended 31 March 2015

Condensed Interim Statement of Financial Position
As at 31 March 2015

	31 Mar 15	30 Sep 14
	€'000	€'000
	Unaudited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment	12,444	11,795
Available-for-sale financial assets	3,605	3,282
Deferred income tax asset	323	335
Total non-current assets	16,372	15,412
Current assets		
Inventories	709	653
Trade and other receivables	9,509	6,893
Current income tax asset	-	376
Available-for-sale financial assets	233	-
Deposits with financial institutions	1,645	1,645
Cash and cash equivalents	5,680	5,805
Total current assets	17,776	15,372
Total assets	34,148	30,784
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	9,077	8,820
Share premium	5,244	4,310
Other reserves	236	132
Retained earnings	5,188	4,956
Total equity	19,745	18,218
Non-current liabilities		
Provision for liabilities and charges	1,727	1,592
Current liabilities		
Trade and other payables	12,676	10,974
Total liabilities	14,403	12,566
Total equity and liabilities	34,148	30,784

The condensed interim financial statements were approved by the Board of Directors on 12 May 2015 and were signed by:


 Joseph Said
 Chairman


 David Stellini
 Director

Condensed Interim Income Statement
For the six months ended 31 March 2015

	01 Oct 14 to 31 Mar 15 €'000 Unaudited	01 Oct 13 to 31 Mar 14 €'000 Unaudited
Revenue	13,343	11,727
Employee benefits expense	(5,834)	(5,757)
Depreciation and amortisation expense	(408)	(355)
Other expenses	(4,662)	(4,469)
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Operating profit	2,439	1,146
Finance income	88	86
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Profit before tax	2,527	1,232
Tax expense	(884)	(424)
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Profit for the financial period	1,643	808
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Earnings per share	€0.05	€0.02

Condensed Interim Statement of Comprehensive Income

	01 Oct 14 to 31 Mar 15 €'000 Unaudited	01 Oct 13 to 31 Mar 14 €'000 Unaudited
Comprehensive income		
Profit for the financial period	1,643	808
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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	394	13
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurements of defined benefit obligations	(290)	-
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Total other comprehensive income for the year	104	13
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Total comprehensive income for the financial period	1,747	821

**Condensed Interim Statement of Changes in Equity
For the six months ended 31 March 2015 (Unaudited)**

	Attributable to equity shareholders				
	Share capital €'000	Share premium €'000	Other reserves €'000	Retained earnings €'000	Total €'000
Balance at 1 October 2013	8,554	3,439	114	4,526	16,633
Comprehensive income					
Profit for the financial period	-	-	-	808	808
Other comprehensive income					
Available-for-sale financial assets:					
Gains from changes in fair value	-	-	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	127	3,965	17,222
Balance at 1 October 2014	8,820	4,310	132	4,956	18,218
Comprehensive income					
Profit for the financial period	-	-	-	1,643	1,643
Other comprehensive income					
Available-for-sale financial assets:					
Gains from changes in fair value	-	-	394	-	394
Remeasurements of defined benefit obligations	-	-	(290)	-	(290)
Total comprehensive income	-	-	104	1,643	1,747
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 31 March 2015	9,077	5,244	236	5,188	19,745

Condensed Interim Statement of Cash Flows
For the six months ended 31 March 2015

	01 Oct 14 to 31 Mar 15 €'000 Unaudited	01 Oct 13 to 31 Mar 14 €'000 Unaudited
Cash flows from operating activities		
Cash from customers	11,421	10,331
Cash paid to suppliers and employees	(11,731)	(8,949)
Cash flows attributable to funds collected on behalf of third parties	966	(1,020)
Cash from operating activities	656	362
Net income tax refunded /(paid)	125	(211)
Net cash generated from operating activities	781	151
Cash flows from investing activities		
Finance income	107	110
Purchase of property, plant and equipment	(492)	(646)
Purchase of financial assets	(303)	(417)
Proceeds from maturity/disposal of financial assets	-	118
Proceeds from maturity of deposits with financial institutions	1,000	1,500
Placements of deposits with financial institutions	(1,000)	(1,500)
Net cash used in investing activities	(688)	(835)
Cash flows from financing activities		
Dividends paid	(218)	(230)
Net cash used in financing activities	(218)	(230)
Net movement in cash and cash equivalents	(125)	(914)
Cash and cash equivalents at beginning of financial period	5,805	8,714
Cash and cash equivalents at end of financial period	5,680	7,800

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 2015 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 2014, 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 2014, 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 2014 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 2015 and 30 September 2014, 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.

Statement pursuant to Listing Rules issued by the Listing Authority

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 2015, 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 2015, 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

12 May 2015

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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.