



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 11 May 2017, the Board approved the attached Unaudited Condensed Interim Financial Statements for the six month period ended 31 March 2017.

These Unaudited Interim Financial Statements for the period ended 31 March 2017, are available for viewing and download from the Company's website www.maltapost.com

UNQUOTE

A handwritten signature in blue ink, appearing to read "G. Fairclough", with a long horizontal line extending to the left.

Graham A. Fairclough
Company Secretary

11 May 2017

Review of Performance

For the six months ended 31st March 2017, MaltaPost registered a profit before tax of €1.82 million - an increase of 10.0% over the same period in the previous year.

These results emphasise the strong financial fundamentals of the company and the general achievement of its objectives.

The key indicators for the period being:

- Growth of services related to international mail, registered mail, SendOn and parcels business, which contributed to higher revenue of €17.65 million (2016: €14.02 million);
- Costs directly related to the higher level of operational activities as well as staff costs resulted in a higher expenses charge of €15.90 million (2016: €12.44 million);
- Cost to Income ratio rose to 90.1% (2016: 88.7%)
- Total Assets increased by 8.6% to €39.44 million (2016: €36.33 million)
- Shareholders' funds reached €23.12 million (2016: €22.23 million) up by 4.0% .

Outlook

MaltaPost shall continue to leverage on and maximise the business potential of its infrastructure, brand and expertise. It also remains well positioned to proceed with its diversification strategy.

We shall continue providing a Letter Mail service as part of our Universal Service Obligation even though volumes are declining, thus impacting the financial viability of this service. We believe that our efforts to develop new revenue streams, particularly in logistics and related support services, will adequately compensate for the negative impact of the Letter Mail service. These operational areas are driven by our continued growth in e-commerce via initiatives such as our SendOn and our e-fulfillment services.

The Directors are confident that the positive trend will continue throughout the financial year and look forward to continued healthy growth in business activity.

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 2017 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 2016, 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 2016, 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 2016 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 2017 and 30 September 2016, 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.

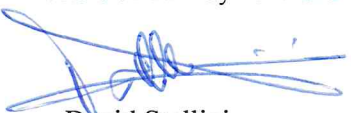
MaltaPost p.l.c.
Preliminary Statement of Half yearly Results
For the six months ended 31 March 2017

Condensed Interim Statement of Financial Position
As at 31 March 2017

	31 Mar 17 €'000 Unaudited	30 Sep 16 €'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	14,197	13,771
Investment in Subsidiary	1	1
Available-for-sale financial assets	3,611	4,156
Deferred income tax asset	320	338
Total non-current assets	<u>18,129</u>	<u>18,266</u>
Current assets		
Inventories	766	799
Trade and other receivables	9,072	6,926
Deposits with financial institutions	1,550	1,550
Cash and cash equivalents	9,926	8,786
Total current assets	<u>21,314</u>	<u>18,061</u>
Total assets	<u>39,443</u>	<u>36,327</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	9,414	9,247
Share premium	7,367	6,298
Other reserves	287	335
Retained earnings	6,052	6,345
Total equity	<u>23,120</u>	<u>22,225</u>
Non-current liabilities		
Deferred income tax liability	777	777
Provision for liabilities and charges	1,484	1,646
Total non-current liabilities	<u>2,261</u>	<u>2,423</u>
Current liabilities		
Trade and other payables	13,316	11,370
Current tax liability	746	309
Total current liabilities	<u>14,062</u>	<u>11,679</u>
Total liabilities	<u>16,323</u>	<u>14,102</u>
Total equity and liabilities	<u>39,443</u>	<u>36,327</u>

The condensed interim financial statements were approved by the Board of Directors on 11 May 2017 and were signed by:


 Joseph Said
 Chairman


 David Stellini
 Director

**Condensed Interim Income Statement
For the six months ended 31 March 2017**

	01 Oct 16 to 31 Mar 17 €'000 Unaudited	01 Oct 15 to 31 Mar 16 €'000 Unaudited
Revenue	17,647	14,019
Employee benefits expense	(6,798)	(6,350)
Depreciation expense	(370)	(421)
Other expenses	(8,733)	(5,672)
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Operating profit	1,746	1,576
Finance income	72	80
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Profit before tax	1,818	1,656
Tax expense	(630)	(548)
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Profit for the financial period	1,188	1,108
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Earnings per share	€0.03	€0.03
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Condensed Interim Statement of Comprehensive Income

	01 Oct 16 to 31 Mar 17 €'000 Unaudited	01 Oct 15 to 31 Mar 16 €'000 Unaudited
Comprehensive income		
Profit for the financial period	1,188	1,108
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Other comprehensive income		
<i>Items that may be subsequently reclassified to profit or loss</i>		
Available-for-sale financial assets: (Loss) / gains from changes in fair value	(110)	51
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurements of defined benefit obligations	62	(9)
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Total other comprehensive income for the period	(48)	42
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Total comprehensive income for the financial period	1,140	1,150
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Condensed Interim Statement of Changes in Equity
For the six months ended 31 March 2017 (Unaudited)

	Share capital €'000	Share premium €'000	Other reserves €'000	Retained earnings €'000	Total €'000
Balance at 1 October 2015	9,077	5,244	331	5,734	20,386
Comprehensive income					
Profit for the financial period	-	-	-	1,108	1,108
Other comprehensive income					
Available-for-sale financial assets:					
Gains from changes in fair value	-	-	51	-	51
Remeasurements of defined benefit obligations	-	-	(9)	-	(9)
Total comprehensive income	-	-	42	1,108	1,150
Transactions with owners					
Allotment of shares	170	1,054	-	-	1,224
Dividends	-	-	-	(1,453)	(1,453)
Total transactions with owners	170	1,054	-	(1,453)	(229)
Balance at 31 March 2016	9,247	6,298	373	5,389	21,307
Balance at 1 October 2016	9,247	6,298	335	6,345	22,225
Comprehensive income					
Profit for the financial period	-	-	-	1,188	1,188
Other comprehensive income					
Available-for-sale financial assets:					
Losses from changes in fair value	-	-	(110)	-	(110)
Remeasurements of defined benefit obligations	-	-	62	-	62
Total comprehensive income	-	-	(48)	1,188	1,140
Transactions with owners					
Allotment of shares	167	1,069	-	-	1,236
Dividends	-	-	-	(1,481)	(1,481)
Total transactions with owners	167	1,069	-	(1,481)	(245)
Balance at 31 March 2017	9,414	7,367	287	6,052	23,120

**Condensed Interim Statement of Cash Flows
For the six months ended 31 March 2017**

	01 Oct 16 to 31 Mar 17 €'000 Unaudited	01 Oct 15 to 31 Mar 16 €'000 Unaudited
Cash flows from operating activities		
Cash from customers	14,858	13,554
Cash paid to suppliers and employees	(14,204)	(13,414)
Cash flows attributable to funds collected on behalf of third parties	(304)	618
	350	758
Cash from operating activities	(176)	13
Net income tax refunded /(paid)		
Net cash generated from operating activities	174	771
Cash flows from investing activities		
Finance income	90	105
Disposal / (purchase) of property, plant and equipment	686	(469)
Purchase of financial assets	(1)	(98)
Proceeds from maturity of deposits	435	1,000
Placements of deposits with financial institutions	-	(1,000)
Net cash used in investing activities	1,210	(462)
Cash flows from financing activities		
Dividends paid	(244)	(226)
Net cash used in financing activities	(244)	(226)
Net movement in cash and cash equivalents	1,140	83
Cash and cash equivalents at beginning of financial period	8,786	6,998
Cash and cash equivalents at end of financial period	9,926	7,081

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 2017, 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 2017, 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

A handwritten signature in blue ink that reads 'FAxisa'.

Fabio Axisa
Partner

11 May 2017

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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.