



COMPANY ANNOUNCEMENT

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

Interim Directors' Statement

QUOTE

MaltaPost p.l.c. announces that during the period commencing 1 April 2012 up to the date of this Announcement, no material events and/or transactions have taken place that would have an impact on the financial performance of the Company, such that would require specific mention, disclosure or announcement pursuant to the applicable Listing Rules.

Considerable increase in direct mail costs related to developments in international tariffs regulated by the Universal Postal Union (UPU) adversely impacted the Company's international revenue streams. During this reporting period, the Company continued working closely with its regulator, the Malta Communications Authority (MCA), to ensure the adoption of a fair regulatory approach to its public tariffs. Increase in costs must necessarily be balanced by realistic tariffs.

As a result of the above, turnover figures are marginally lower than those for the same period last year and, concurrently, operating costs have risen considerably, thereby resulting in lower profitability levels on normal trading activity when compared to the same period last year.

International traffic registered an increase in revenue despite being negatively impacted by the change in tariff structure as determined by the UPU. However, the local letter service remains a loss-making activity as the rates currently charged render the service commercially unviable.

Traditional mail volumes remained on the decline. However, this was compensated by an increase in the amount of international mail processed and a volume growth over the previous year in the parcels and packets sector.

The Company continued to invest and enhance the range of ancillary services provided in order to complement existing ones. It also endeavors to further expand its non-core activities. Concurrently, the Company has also continued with its branch upgrading programme.

The Directors believe that the trend in the decline in profitability that was reported for the six months ended 31 March 2012 will be reflected in the second half of the financial year. Furthermore, the Board believes that this trend will continue, and may even accelerate, until the regulatory framework within which the Company operates is definitively and adequately revised. This will allow the Company to plan and invest for the long-term economic viability of offering a Universal Postal Service in the Maltese Islands and fulfilling its vital and essential role in the community – a role it is happy to continue to carry out, providing it can be justified commercially.

UNQUOTE

A handwritten signature in black ink, appearing to read "G. Fairclough", with a horizontal line underneath.

Graham A. Fairclough
Company Secretary

17 August 2012