



MaltaPost p.l.c.
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Co. Reg. No.: C22796 | VAT Reg. No.: MT15114134

COMPANY ANNOUNCEMENT

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

QUOTE

The Board of Directors of MaltaPost p.l.c. (the Company) has approved the attached Preliminary Statement of Annual Results as extracted from the Company's Financial Statements for the year ended 30 September 2014 that were audited by PricewaterhouseCoopers and approved by the Board of Directors on 9 December 2014. The Board resolved that these audited Financial Statements be submitted for approval of the shareholders at the forthcoming Annual General Meeting scheduled for 16 January 2015.

The Board of Directors further resolved to recommend for the approval of the Annual General Meeting:

1. The payment of a final ordinary net dividend of €0.04 per nominal €0.25 share.
2. The option to shareholders of receiving the dividend either in cash or by the issue of new shares. The Attribution Price, at which the number of new shares to be issued will be determined, has been established at €1.16 per nominal €0.25 share.

Shareholders on the Company's share register at the Central Securities Depository of the Malta Stock Exchange as at close of business on the 17 December 2014 will receive notice of the Annual General Meeting together with the Financial Statements for the financial year ended 30 September 2014.

The final dividend, if approved at the Annual General Meeting, will be paid on 30 January 2015 to shareholders on the Company's share register at the Central Securities Depository of the Malta Stock Exchange as at close of business on 17 December 2014.

UNQUOTE

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

Graham A. Fairclough
Company Secretary

9 December 2014

The following figures are extracted from the audited Financial Statements of MaltaPost p.l.c. for the financial year ended 30 September 2014. These Financial Statements were prepared in accordance with the Companies Act 1995, audited by PricewaterhouseCoopers and approved by the Directors on 9 December 2014.

Review of performance

MaltaPost performed soundly during the financial year ended 30 September 2014 registering positive results despite a rising cost-base that is inherently linked to its Universal Service Obligations.

- Profit before tax increased by 37.5% to €2.74m (2013: €1.99m);
- Turnover increased by 9.6% to €23.72m (2013: €21.64m). Volume increases in the parcel sector contributed positively to the increase in revenues. Whereas the decrease in traditional Letter Mail volumes continued in line with international industry trends, the revision of certain tariffs as from January 2014 helped mitigate the cost of providing a service in this declining sector.
- Expenses increased by 6.6% to €21.19m (2013: €19.88m) mainly as a result of a higher spend related to cross-border mail delivery and staff costs;
- Cost to income ratio stood at 89.3% (2013: 91.8%);
- Total assets increased by 1.2% to €30.78m (2013: €30.43m);
- Shareholders funds increased by 9.5% to €18.22m (2013: €16.63m);

Outlook

MaltaPost remains focused on securing a reasonable share of the growing parcels market, while enhancing and consolidating a diversified portfolio of services to counter the irreversible decline in Letter Mail volumes. Consequently, the Company continues to invest in resources and by keeping abreast of consumer trends so as to maintain high service levels.

While more remunerative and diversified revenue streams are being identified, the high fixed cost base of the Universal Service Obligation needs to be re-evaluated so as to ensure its long-term sustainability.

The Board of Directors believes that the Company should remain focused on pursuing its diversification strategy so to provide an efficient and affordable portfolio of products that exceeds customer expectations, while also enhancing shareholder value. The Board also registered its appreciation of staff commitment and dedication as well as customer support.

MaltaPost p.l.c.
Preliminary Statement of Annual Results
For the year ended 30 September 2014

Statement of Financial Position
At 30 September 2014

	2014	2013
	€'000	€'000
		(restated) ¹
ASSETS		
Non-current assets		
Property, plant and equipment	11,795	10,320
Available-for-sale financial assets	3,282	2,598
Deferred income tax asset	335	394
Total non-current assets	15,412	13,312
Current assets		
Inventories	653	602
Trade and other receivables	6,893	5,319
Current income tax asset	376	513
Available-for-sale financial assets	-	465
Deposits with financial institutions	1,645	1,500
Cash and cash equivalents	5,805	8,714
Total current assets	15,372	17,113
Total assets	30,784	30,425
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	8,820	8,554
Share premium	4,310	3,439
Other reserves	132	114
Retained earnings	4,956	4,526
Total equity	18,218	16,633
Non-current liabilities		
Provision for liabilities and charges	1,592	1,547
Current liabilities		
Trade and other payables	10,974	12,245
Total liabilities	12,566	13,792
Total equity and liabilities	30,784	30,425

¹ the comparative financial information has been restated upon adoption of IAS 19 (revised 2011) 'Employee Benefits' as explained in note 1.1 to the Financial Statements.

Income Statement
For the year ended 30 September 2014

	2014	2013
	€'000	€'000 (restated) ¹
Revenue	23,723	21,638
Employee benefits expense	(11,314)	(10,952)
Depreciation and amortisation expense	(723)	(956)
Other expenses	(9,156)	(7,972)
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Operating profit	2,530	1,758
Finance income	206	231
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Profit before tax	2,736	1,989
Tax expense	(937)	(692)
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Profit for the year	1,799	1,297
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Earnings per share	€0.05	€0.04

Statement of Comprehensive Income
For the year ended 30 September 2014

	2014	2013
	€'000	€'000 (restated) ¹
Comprehensive income		
Profit for the year	1,799	1,297
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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	151	39
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurements of defined benefit obligations	(133)	(39)
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Total other comprehensive income for the year	18	-
	<hr/>	<hr/>
Total comprehensive income for the year	1,817	1,297

¹ the comparative financial information has been restated upon adoption of IAS 19 (revised 2011) 'Employee Benefits' as explained in note 1.1 to the Financial Statements.

**Statement of Changes in Equity
At 30 September 2014**

	Attributable to equity shareholders				Total €'000
	Share capital €'000	Share premium €'000	Other reserves €'000	Retained earnings €'000	
Balance at 1 October 2012					
- As previously reported	8,172	2,752	94	4,557	15,575
- Effect of change in accounting policy upon adoption of IAS 19 (revised)		-	20	(20)	-
- As restated ¹	8,172	2,752	114	4,537	15,575
Comprehensive income					
Profit for the year (restated) ¹	-	-	-	1,297	1,297
Other comprehensive income (restated)¹					
Available-for-sale financial assets:					
Gains from changes in fair value	-	-	39	-	39
Remeasurements of defined benefit obligations	-	-	(39)	-	(39)
Total other comprehensive income (restated) ¹	-	-	-	-	-
Total comprehensive income (restated) ¹	-	-	-	1,297	1,297
Transactions with owners					
Allotment of shares	382	687	-	-	1,069
Dividends	-	-	-	(1,308)	(1,308)
Total transactions with owners	382	687	-	(1,308)	(239)
Balance at 30 September 2013 (restated)¹	8,554	3,439	114	4,526	16,633

¹ the comparative financial information has been restated upon adoption of IAS 19 (revised 2011) 'Employee Benefits' as explained in note 1.1 to the Financial Statements.

Statement of Changes in Equity - continued
At 30 September 2014

	Attributable to equity shareholders				Total €'000
	Share capital €'000	Share premium €'000	Other reserves €'000	Retained earnings €'000	
Balance at 1 October 2013 (restated) ¹	8,554	3,439	114	4,526	16,633
Comprehensive income					
Profit for the year	-	-	-	1,799	1,799
Other comprehensive income					
Available-for-sale financial assets:					
Gains from changes in fair value	-	-	151	-	151
Remeasurements of defined benefit obligations	-	-	(133)	-	(133)
Total other comprehensive income	-	-	18	-	18
Total comprehensive income			18	1,799	1,817
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 30 September 2014	8,820	4,310	132	4,956	18,218

¹ the comparative financial information has been restated upon adoption of IAS 19 (revised 2011) 'Employee Benefits' as explained in note 1.1 to the Financial Statements.

Statement of Cash Flows
For the year ended 30 September 2014

	2014	2013
	€'000	€'000
Cash flows from operating activities		
Cash from customers	22,440	22,104
Cash paid to suppliers and employees	(20,762)	(18,974)
Cash flows attributable to funds collected on behalf of third parties	(1,768)	(306)
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Cash flows from operating activities	(90)	2,824
Income tax paid	(743)	(409)
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Net cash (used in)/generated from operating activities	(833)	2,415
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Cash flows from investing activities		
Finance income	212	229
Purchase of property, plant and equipment	(1,866)	(1,098)
Purchase of financial assets	(638)	(640)
Proceeds on maturity/disposal of financial assets	578	411
Placement of deposits with financial institutions	(145)	(1,500)
Proceeds from maturity of deposits with financial institutions	-	3,000
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Net cash (used in)/generated from investing activities	(1,859)	402
	<hr/>	<hr/>
Cash flows from financing activities		
Dividends paid	(217)	(236)
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Net cash used in financing activities	(217)	(236)
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Net movement in cash and cash equivalents	(2,909)	2,581
Cash and cash equivalents at beginning of year	8,714	6,133
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Cash and cash equivalents at end of year	5,805	8,714
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