



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 10 May 2016, the Board approved the attached Unaudited Condensed Interim Financial Statements for the six month period ended 31 March 2016.

These Unaudited Interim Financial Statements for the period ended 31 March 2016, are available for viewing and download from the Company's website www.maltapost.com

UNQUOTE



Graham A. Fairclough
Company Secretary

10 May 2016

Review of Performance

MaltaPost registered a profit before tax of €1.7 million for the six months ended 31 March 2016 (2015: €2.5 million). The results for this half-year are in line with projections as one-off items recorded in the six months ending March 2015 were not repeated in the period under review.

- A growth in turnover of 5.1% contributed to a higher revenue of €14.0 million (2015: €13.3 million). The increase resulted mainly from international mail services, registered mail and parcels activities, which continued to record consistent growth. Financial services, retail operations and other ancillary services also contributed to this growth.
- Expenses increased to €12.4 million (2015: €10.9 million). This is primarily due to costs related to increased activity, staff costs and the impact of the one-off items referred to previously.
- Cost to Income ratio increased to 88.8% (2015: 81.7%)
- Total Assets grew by 3.2% to €36.2 million (2015: €35.1 million)
- Shareholders' funds increased by 4.5% to €21.3 million (2015: €20.4 million).

Outlook

Faced with the continued decline in revenue from traditional Letter Mail and bearing in mind the financial burden of our increasing fixed costs to comply with its Universal Service Obligations in respect of local collection and deliveries the Company remains firmly committed to its strategy of diversification.

Encouraged by the growing e-commerce market, we continue to focus on expanding our logistics operations so as to support consumer demand via innovative products and services backed by enhanced efficiency levels.

Following a public call for tenders the Company was awarded a contract to provide document management services which activity is expected to contribute healthily to its revenue diversification efforts.

To facilitate customer access to our services, we opened a new branch in SmartCity last December and shall also be opening two further outlets before the end of this financial year. The Malta Postal Museum, which is set to play an important part in safeguarding and promoting Malta's postal heritage, is also to be opened during this financial year.

All these initiatives naturally require continued investment, primarily in human resources and technology, which we are confident, will lead to enhanced performance.

We continue to look forward to the exciting and challenging times ahead and are confident that our various initiatives will translate into improved returns, while further enhancing customer experience.

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 2016 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 2015, 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 2015, 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 2015 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 2016 and 30 September 2015, 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 2016

Condensed Interim Statement of Financial Position
As at 31 March 2016

	31 Mar 16 €'000 Unaudited	30 Sep 15 €'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	13,477	13,323
Available-for-sale financial assets	3,928	3,781
Deferred tax asset	370	311
Total non-current assets	17,775	17,415
Current assets		
Inventories	708	680
Trade and other receivables	9,122	8,483
Deposits with financial institutions	1,550	1,550
Cash and cash equivalents	7,081	6,998
Total current assets	18,461	17,711
Total assets	36,236	35,126
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	9,247	9,077
Share premium	6,298	5,244
Other reserves	373	331
Retained earnings	5,389	5,734
Total equity	21,307	20,386
Non-current liabilities		
Deferred tax liability	777	777
Provision for liabilities and charges	1,642	1,637
Total non-current liabilities	2,419	2,414
Current liabilities		
Trade and other payables	11,544	11,980
Current tax liability	966	346
Total current liabilities	12,510	12,326
Total liabilities	14,929	12,566
Total equity and liabilities	36,236	35,126

The condensed interim financial statements were approved by the Board of Directors on 10 May 2016 and were signed by:


Joseph Said
Chairman


David Stellini
Director

Condensed Interim Income Statement
For the six months ended 31 March 2016

	01 Oct 15 to 31 Mar 16 €'000 Unaudited	01 Oct 14 to 31 Mar 15 €'000 Unaudited
Revenue	14,019	13,343
Employee benefits expense	(6,350)	(5,834)
Depreciation and amortization expense	(421)	(408)
Other expenses	(5,672)	(4,662)
Operating profit	1,576	2,439
Finance income	80	88
Profit before tax	1,656	2,527
Tax expense	(548)	(884)
Profit for the financial period	1,108	1,643
Earnings per share	€0.03	€0.05

Condensed Interim Statement of Comprehensive Income

	01 Oct 15 to 31 Mar 16 €'000 Unaudited	01 Oct 14 to 31 Mar 15 €'000 Unaudited
Comprehensive income		
Profit for the financial period	1,108	1,643
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	51	394
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurements of defined benefit obligations	(9)	(290)
Total other comprehensive income for the financial period	42	104
Total comprehensive income for the financial period	1,150	1,747

Condensed Interim Statement of Changes in Equity
For the six months ended 31 March 2016 (Unaudited)

	Share capital €'000	Share premium €'000	Other reserves €'000	Retained earnings €'000	Total €'000
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
Balance at 1 October 2015	9,077	5,244	331	5,734	20,386
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

Condensed Interim Statement of Cash Flows
For the six months ended 31 March 2016

	01 Oct 15 to 31 Mar 16 €'000 Unaudited	01 Oct 14 to 31 Mar 15 €'000 Unaudited
Cash flows from operating activities		
Cash from customers	13,554	11,421
Cash paid to suppliers and employees	(13,414)	(11,731)
Cash flows attributable to funds collected on behalf of third parties	618	966
Cash from operating activities	758	656
Net income tax refunded	13	125
Net cash generated from operating activities	771	781
Cash flows from investing activities		
Finance income	105	107
Purchase of property, plant and equipment	(469)	(492)
Purchase of financial assets	(98)	(303)
Proceeds from maturity of deposits with financial institutions	1,000	1,000
Placements of deposits with financial institutions	(1,000)	(1,000)
Net cash used in investing activities	(462)	(688)
Cash flows from financing activities		
Dividends paid	(226)	(218)
Net cash used in financing activities	(226)	(218)
Net movement in cash and cash equivalents	83	(125)
Cash and cash equivalents at beginning of financial period	6,998	5,805
Cash and cash equivalents at end of financial period	7,081	5,680

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 2016, 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 2016, 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

10 May 2016

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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.

