



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 2013 that were audited by PwC and approved by the Board of Directors on 6 December 2013. The Board resolved that these audited Financial Statements be submitted for approval of the shareholders at the forthcoming Annual General Meeting scheduled for 15 January 2014.

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

1. The payment of final ordinary net dividend of Euro 0.04 per nominal Euro 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 Euro 1.07 per nominal Euro 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 16 December 2013 will receive notice of the Annual General Meeting together with the Financial Statements for the financial year ended 30 September 2013.

The final dividend, if approved at the Annual General Meeting, will be paid on 25 January 2014 to shareholders on the Company's share register at the Central Securities Depository of the Malta Stock Exchange as at close of business on 16 December 2013.

UNQUOTE

A handwritten signature in black ink, appearing to read "Graham A. Fairclough", written over a series of horizontal lines.

Graham A. Fairclough
Company Secretary

The following has been extracted from the audited Financial Statements of MaltaPost p.l.c. for the financial year ended 30 September 2013. These Financial Statements were prepared in accordance with the Companies Act 1995, audited by PwC and approved by the Directors on 6 December 2013.

Review of performance

For the financial year ended 30 September 2013, MaltaPost delivered a satisfactory performance despite the challenges faced by the postal industry and economic uncertainties. The change in inter operator fees for cross border mail brought about by the revised Universal Postal Union (UPU) framework, have again left their mark on the Company's results.

Profit before tax decreased by 5.4% to €1.95m (2012: €2.06m). This performance was achieved notwithstanding one-off gains registered during the previous financial year.

- Turnover increased by 2.5% to €21.64m (2012: €21.12m). Business generated through e-commerce registered an increase over the corresponding period last year while traditional mail volumes declined in line with global trends;
- Expenses increased by 4.2% to €19.92m (2012: €19.12m) mainly as a result of higher labour costs while other operating costs have been contained;
- Cost to income ratio stood at 92.1% (2012: 90.5%);
- Total assets increased by 5.0% to €30.43m (2012: €28.97m);
- Shareholders funds increased by 6.8% to €16.63m (2012: €15.58m);

Outlook

As the national postal service provider the Company is driven by the regulatory obligation to provide a Universal Service mail network. As technology determines the way people and business communicate, the traditional letter mail volumes will continue to decline, impacting the overall financial sustainability of such a Universal Service.

The combined result of e-substitution and e-commerce has significantly impacted the overall financial landscape of postal operators across the globe. MaltaPost is no exception to this and has therefore directed its focus towards a variety of alternative product offerings and service models. The Company continued with its strategy to leverage its assets focusing mainly on the delivery network and a trained staff complement. This will strengthen its diversification policy and facilitate the creation of ancillary lines of business, not least financial services, document management and hybrid mail. This course of action, also adopted by other foreign postal operators, is considered to be the most effective response to counter the impact of declining traffic volumes in the traditional postal market.

As MaltaPost evolves and adapts to the changing technological environment and preferences of its customers through product and service diversification, the Directors are confident that the Company shall remain a major contributor to the social and economic fabric of the Islands by continuing to provide an affordable and efficient portfolio of services.

MaltaPost p.l.c.
Preliminary Statement of Annual Results
For the year ended ended 30 September 2013

Statement of Financial Position
At 30 September 2013

	2013	2012
	€'000	€'000
ASSETS		
Non-current assets		
Intangible asset	-	45
Property, plant and equipment	10,320	10,163
Available-for-sale financial assets	2,598	2,385
Deferred income tax asset	394	388
Total non-current assets	13,332	12,981
Current assets		
Inventories	602	635
Trade and other receivables	5,319	5,013
Current income tax asset	513	799
Available-for-sale financial assets	465	412
Deposits with financial institutions	1,500	3,000
Cash and cash equivalents	8,714	6,133
Total current assets	17,113	15,992
Total assets	30,425	28,973
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	8,554	8,172
Share premium	3,439	2,752
Other reserves	133	94
Retained earnings	4,507	4,557
Total equity	16,633	15,575
Non-current liabilities		
Provision for liabilities and charges	1,547	1,503
Current liabilities		
Trade and other payables	12,245	11,895
Total liabilities	13,792	13,398
Total equity and liabilities	30,425	28,973

Income Statement
For the year ended 30 September 2013

	2013	2012
	€'000	€'000
Revenue	21,638	21,118
Employee benefits expense	(10,991)	(10,431)
Depreciation and amortisation expense	(956)	(917)
Other expenses	(7,972)	(7,773)
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Operating profit	1,719	1,997
Finance income	231	201
Finance expense	-	(136)
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Profit before tax	1,950	2,062
Tax expense	(692)	(735)
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Profit for the year	1,258	1,327
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Earnings per share	€0.04	€0.04

Statement of Comprehensive Income

	2013	2012
	€'000	€'000
Comprehensive income		
Profit for the year	1,258	1,327
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Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Fair valuation of available-for-sale financial assets:		
Net changes in fair value arising during the year	39	20
Reclassification adjustments		
- net amount reclassified to profit or loss upon disposal	-	(24)
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Total other comprehensive income	30	(4)
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Total comprehensive income for the year	1,297	1,323

Statement of Changes in Equity
For the year ended 30 September 2013

	Attributable to equity shareholders				Total €'000
	Share capital €'000	Share premium €'000	Other reserves €'000	Retained earnings €'000	
Balance at 1 October 2011	7,920	2,014	98	4,497	14,529
Comprehensive income					
Profit for the year	-	-	-	1,327	1,327
Other comprehensive income					
<i>Items that may be reclassified to profit or loss</i>					
Fair valuation of available-for-sale financial assets:					
Net changes in fair value arising during the year	-	-	20	-	20
Reclassification adjustments - net amount reclassified to profit or loss upon disposal	-	-	(24)	-	(24)
Total other comprehensive income	-	-	(4)	-	(4)
Total comprehensive income	-	-	(4)	1,327	1,323
Transactions with owners					
Allotment of shares	252	738	-	-	990
Dividends	-	-	-	(1,267)	(1,267)
Total transactions with owners	252	738	-	(1,267)	(277)
Balance at 30 September 2012	8,172	2,752	94	4,557	15,575
Balance at 1 October 2012	8,172	2,752	94	4,557	15,575
Comprehensive income					
Profit for the year	-	-	-	1,258	1,258
Other comprehensive income					
<i>Items that may be reclassified to profit or loss</i>					
Fair valuation of available-for-sale financial assets:					
Net changes in fair value arising during the year	-	-	39	-	39
Total other comprehensive income	-	-	39	-	39
Total comprehensive income	-	-	39	1,258	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	8,554	3,439	133	4,507	16,633

Statement of Cash Flows
For the year ended 30 September 2013

	2013	2012
	€'000	€'000
Cash flows from operating activities		
Cash from customers	22,104	24,106
Cash paid to suppliers and employees	(18,974)	(16,884)
Cash flows attributable to funds collected on behalf of third parties	(306)	3,981
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Cash flows from operating activities	2,824	11,203
Income tax paid	(409)	(990)
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Net cash generated from operating activities	2,415	10,213
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Cash flows from investing activities		
Finance income	229	190
Purchase of property, plant and equipment	(1,098)	(1,585)
Purchase of financial assets	(640)	-
Proceeds on maturity/disposal of financial assets	411	971
Placement of deposits with financial institutions	(1,500)	(3,000)
Proceeds from maturity of deposits with financial institutions	3,000	-
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Net cash generated from/(used in) investing activities	402	(3,424)
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Cash flows from financing activities		
Finance cost	-	(136)
Repayment of borrowings	-	(4,000)
Dividends paid	(236)	(275)
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Net cash used in financing activities	(236)	(4,411)
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Net movement in cash and cash equivalents	2,581	2,378
Cash and cash equivalents at beginning of year	6,133	3,755
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Cash and cash equivalents at end of year	8,714	6,133
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