



## 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. approved the audited financial statements for the financial year ended 30 September 2017 and resolved that these statements be submitted for approval at the forthcoming Annual General Meeting to be held on 9 February 2018. The attached Preliminary Statement of annual results is being published in terms of the Listing Rules.

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

1. The payment of a final Gross Dividend of €0.0615 (Net: €0.04) per nominal €0.25 share.
2. Shareholders shall receive the Dividend either by direct transfer or by cheque.

The Dividend, if approved at the Annual General Meeting, will be paid on 9 March 2018 to shareholders on the Company's share register at the Central Securities Depository of the Malta Stock Exchange as at close of business on 9 January 2018.

Shareholders on the Company's share register at the Central Securities Depository of the Malta Stock Exchange, as at close of business on 9 January 2018 will receive notice of the Annual General Meeting together with the Financial Statements for the financial year ended 30 September 2017.

### UNQUOTE

A handwritten signature in black ink, appearing to read "Graham A. Fairclough". The signature is written over a horizontal line and is somewhat stylized.

Graham A. Fairclough  
Company Secretary

11 December 2017

These financial statements have been extracted from the Annual Report of the MaltaPost p.l.c. Group (the Group) for the financial year ended 30 September 2017, audited by PricewaterhouseCoopers and approved by the Board of Directors on 11 December 2017. They were prepared in accordance with the provisions of the Companies Act, 1995, and International Financial Reporting Standards as adopted by the EU.

### *Review of Financial Performance and Commentary*

The Group ended its financial year 30 September 2017, with a profit before tax of €3.1 million, a 4.1% increase over the previous year (€2.9 million). The key indicators for the Company's performance follow:

- Growth of services related to international mail, parcels business and document management, contributed to higher revenue of €38.4 million (2016: €28.0 million);
- Foreign direct mail costs increased in line with revenue and together with increases in staff costs resulted in higher expenditure of €35.5 million (2016: €25.1 million);
- Cost to income ratio stood at 92.1% (2016: 89.5%);
- Total assets increased to €41.5 million (2016: €36.3 million);
- Shareholders' funds reached €23.6 million (2016: €22.2 million).

### **Outlook**

During FYE2017, MaltaPost remained focused on its core business while also seeking to implement its diversification strategy. It continued to seek new opportunities so as to ensure sustainable growth while remaining the trusted postal and logistics operator offering a comprehensive product portfolio.

The constant decline in Letter Mail business coupled with the Universal Service Obligations continue to weigh heavily on profitability. These, together with availability of suitable delivery staff also pose challenges. Consequently, further investment in technical resources together with cost-efficiency measures were implemented, resulting in operational and customer service enhancement. The impact of these measures is reflected in the financial results.

Notwithstanding these challenges the Group continues to move ahead while providing a satisfactory return to its shareholders, a quality service to its customers and fair and reasonable working conditions to all its staff. The Board of Directors remains confident of the Company's prospects while continuing to drive its efforts towards further diversification and improvement of its core services.

**MaltaPost p.l.c.**  
**Preliminary Statement of Annual Results for year ended 30 September 2017**

**Statements of financial position**

	Group		Company	
	As at 30 September			
	2017 €'000	2016 €'000	2017 €'000	2016 €'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	14,390	13,771	14,390	13,771
Investment in subsidiary	-	-	1	1
Available-for-sale financial assets	3,613	4,156	3,613	4,156
Deferred tax asset	611	338	611	338
<b>Total non-current assets</b>	<b>18,614</b>	<b>18,265</b>	<b>18,615</b>	<b>18,266</b>
<b>Current assets</b>				
Inventories	758	799	758	799
Trade and other receivables	11,272	6,926	11,272	6,926
Deposits with financial institutions	2,014	1,550	2,014	1,550
Cash and cash equivalents	8,854	8,787	8,827	8,786
<b>Total current assets</b>	<b>22,898</b>	<b>18,062</b>	<b>22,871</b>	<b>18,061</b>
<b>Total assets</b>	<b>41,512</b>	<b>36,327</b>	<b>41,486</b>	<b>36,327</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Share capital	9,414	9,247	9,414	9,247
Share premium	7,367	6,298	7,367	6,298
Other reserves	(20)	335	(20)	335
Retained earnings	6,879	6,345	6,878	6,345
<b>Total equity</b>	<b>23,640</b>	<b>22,225</b>	<b>23,639</b>	<b>22,225</b>
<b>Non-current liabilities</b>				
Deferred tax liability	777	777	777	777
Provision for liabilities and charges	2,047	1,646	2,047	1,646
<b>Total non-current liabilities</b>	<b>2,824</b>	<b>2,423</b>	<b>2,824</b>	<b>2,423</b>
<b>Current liabilities</b>				
Trade and other payables	14,819	11,370	14,794	11,370
Current tax liability	229	309	229	309
<b>Total current liabilities</b>	<b>15,048</b>	<b>11,679</b>	<b>15,023</b>	<b>11,679</b>
<b>Total liabilities</b>	<b>17,872</b>	<b>14,102</b>	<b>17,847</b>	<b>14,102</b>
<b>Total equity and liabilities</b>	<b>41,512</b>	<b>36,327</b>	<b>41,486</b>	<b>36,327</b>

## Income statements

	Group		Company	
	Year ended 30 September			
	2017	2016	2017	2016
	€'000	€'000	€'000	€'000
<b>Revenue</b>	<b>38,438</b>	27,916	<b>38,441</b>	27,916
Employee benefits expense	<b>(13,830)</b>	(12,333)	<b>(13,531)</b>	(12,333)
Depreciation and amortisation expense	<b>(789)</b>	(849)	<b>(789)</b>	(849)
Other expenses	<b>(20,910)</b>	(11,968)	<b>(21,214)</b>	(11,968)
<b>Operating profit</b>	<b>2,909</b>	2,766	<b>2,907</b>	2,766
Finance income	<b>145</b>	168	<b>145</b>	168
<b>Profit before tax</b>	<b>3,054</b>	2,934	<b>3,052</b>	2,934
Tax expense	<b>(1,041)</b>	(871)	<b>(1,040)</b>	(871)
<b>Profit for the year</b>	<b>2,013</b>	2,063	<b>2,012</b>	2,063
<b>Earnings per share</b>	<b>€0.05</b>	€0.06		

## Statements of comprehensive income

	Group		Company	
	Year ended 30 September			
	2017 €'000	2016 €'000	2017 €'000	2016 €'000
<b>Comprehensive income</b>				
Profit for the year	<b>2,013</b>	2,063	<b>2,012</b>	2,063
<b>Other comprehensive income</b>				
<i>Items that may be subsequently reclassified to profit or loss</i>				
Available-for-sale financial assets: (Losses)/gains from changes in fair value	<b>(132)</b>	78	<b>(132)</b>	78
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of defined benefit obligations	<b>(528)</b>	(74)	<b>(528)</b>	(74)
<i>Income tax relating to components of other comprehensive income:</i>				
Reameasurements of defined benefit obligations	<b>305</b>	-	<b>305</b>	-
Total other comprehensive income for the year	<b>(355)</b>	4	<b>(355)</b>	4
<b>Total comprehensive income for the year</b>	<b>1,658</b>	2,067	<b>1,657</b>	2,067

## Statements of changes in equity

Group	Attributable to equity shareholders				
	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
<b>Comprehensive income</b>					
Profit for the year	-	-	-	2,063	2,063
<b>Other comprehensive income</b>					
Available-for-sale financial assets:					
Gains from changes in fair value	-	-	78	-	78
Remeasurements of defined benefit obligations	-	-	(74)	-	(74)
Total other comprehensive income	-	-	4	-	4
Total comprehensive income	-	-	4	2,063	2,067
<b>Transactions with owners</b>					
Allotment of shares	170	1,054	-	-	1,224
Dividends	-	-	-	(1,452)	(1,452)
Total transactions with owners	170	1,054	-	(1,452)	(228)
<b>Balance at 30 September 2016</b>	<b>9,247</b>	<b>6,298</b>	<b>335</b>	<b>6,345</b>	<b>22,225</b>

## Statements of changes in equity - continued

Group	Attributable to equity shareholders				
	Share capital €'000	Share premium €'000	Other reserves €'000	Retained earnings €'000	Total €'000
Balance at 1 October 2016	9,247	6,298	335	6,345	22,225
<b>Comprehensive income</b>					
Profit for the year	-	-	-	2,013	2,013
<b>Other comprehensive income</b>					
Available-for-sale financial assets:					
Losses from changes in fair value	-	-	(132)	-	(132)
Remeasurements of defined benefit obligations	-	-	(223)	-	(223)
Total other comprehensive income	-	-	(355)	-	(355)
Total comprehensive income	-	-	(355)	2,013	1,658
<b>Transactions with owners</b>					
Allotment of shares	167	1,069	-	-	1,236
Dividends	-	-	-	(1,479)	(1,479)
Total transactions with owners	167	1,069	-	(1,479)	(243)
<b>Balance at 30 September 2017</b>	<b>9,414</b>	<b>7,367</b>	<b>(20)</b>	<b>6,879</b>	<b>23,640</b>

## Statements of changes in equity - continued

Company	Attributable to equity shareholders				
	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
<b>Comprehensive income</b>					
Profit for the year	-	-	-	2,063	2,063
<b>Other comprehensive income</b>					
Available-for-sale financial assets:					
Gains from changes in fair value	-	-	78	-	78
Remeasurements of defined benefit obligations	-	-	(74)	-	(74)
Total other comprehensive income	-	-	4	-	4
Total comprehensive income	-	-	4	2,063	2,067
<b>Transactions with owners</b>					
Allotment of shares	170	1,054	-	-	1,224
Dividends	-	-	-	(1,452)	(1,452)
Total transactions with owners	170	1,054	-	(1,452)	(228)
<b>Balance at 30 September 2016</b>	<b>9,247</b>	<b>6,298</b>	<b>335</b>	<b>6,345</b>	<b>22,225</b>



## Statements of changes in equity - continued

Company	Attributable to equity shareholders				
	Share capital €'000	Share premium €'000	Other reserves €'000	Retained earnings €'000	Total €'000
Balance at 1 October 2016	9,247	6,298	335	6,345	22,225
<b>Comprehensive income</b>					
Profit for the year	-	-	-	2,012	2,012
<b>Other comprehensive income</b>					
Available-for-sale financial assets:					
Losses from changes in fair value	-	-	(132)	-	(132)
Remeasurements of defined benefit obligations	-	-	(223)	-	(223)
Total other comprehensive income	-	-	(355)	-	(355)
Total comprehensive income	-	-	(355)	2,012	1,657
<b>Transactions with owners</b>					
Allotment of shares	167	1,069	-	-	1,236
Dividends	-	-	-	(1,479)	(1,479)
Total transactions with owners	167	1,069	-	(1,479)	(243)
<b>Balance at 30 September 2017</b>	<b>9,414</b>	<b>7,367</b>	<b>(20)</b>	<b>6,878</b>	<b>23,639</b>

## Statements of cash flows

	Group		Company	
	Year ended 30 September			
	2017 €'000	2016 €'000	2017 €'000	2016 €'000
<b>Cash flows from operating activities</b>				
Cash from customers	31,974	29,999	31,974	29,999
Cash paid to suppliers and employees	(31,629)	(25,945)	(31,656)	(25,946)
Cash flows attributable to funds collected on behalf of third parties	2,498	115	2,498	115
Cash from operating activities	2,843	4,169	2,816	4,168
Income tax paid	(1,088)	(935)	(1,088)	(935)
<b>Net cash generated from operating activities</b>	<b>1,755</b>	<b>3,234</b>	<b>1,728</b>	<b>3,233</b>
<b>Cash flows from investing activities</b>				
Finance income	158	185	158	185
Purchase of property, plant and equipment	(1,545)	(1,100)	(1,545)	(1,100)
Purchase of financial assets	(27)	(533)	(27)	(533)
Proceeds from disposals/redemptions of financial assets	435	231	435	231
Maturity of deposits with financial institutions	(464)	-	(464)	-
<b>Net cash used in investing activities</b>	<b>(1,443)</b>	<b>(1,217)</b>	<b>(1,443)</b>	<b>(1,217)</b>
<b>Cash flows from financing activities</b>				
Dividends paid	(244)	(228)	(244)	(228)
<b>Net cash used in financing activities</b>	<b>(244)</b>	<b>(228)</b>	<b>(244)</b>	<b>(228)</b>
<b>Net movement in cash and cash equivalents</b>	<b>68</b>	<b>1,789</b>	<b>41</b>	<b>1,788</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>8,786</b>	<b>6,998</b>	<b>8,786</b>	<b>6,998</b>
<b>Cash and cash equivalents at end of year</b>	<b>8,854</b>	<b>8,787</b>	<b>8,827</b>	<b>8,786</b>