Report of the Management Board of
Österreichische Post Aktiengesellschaft (Austrian Post)
Vienna, Commercial Register Number FN 180219 d,
on the
authorisation of the Management Board,
upon approval by the Supervisory Board,
to issue new shares, with this to exclude rights of subscription
(TOP 9 - Authorised Capital 2015)

All members of the Management Board submit the following report of the Management Board of Austrian Post, whose headquarters are in Vienna, in accordance with Section 170 Para 2 Austrian Stock Corporation Act (AktG) and with Section 153 Para 4 P 2 AktG, to the Annual General Meeting of Austrian Post on April 15, 2015.

1. Austrian Post's headquarters are in Vienna. Its corporate address is 1030 Vienna, Haidingergasse 1. The company is entered into the Commercial Register of the Commercial Court of Vienna under the number FN 180219 d. The company has issued 67,552,638 non-par value bearer shares (non-par value shares) equipped with voting rights. The company's share capital currently amounts to EUR 337,763,190.00.
2. The Management Board of the company intends to propose the passing of the following resolution to the Annual General Meeting convening on April 15, 2015. The resolution applies to TOP 9:
   a) Authorisation of the Management Board
      aa) provided that the Supervisory Board so approve, the increasing of the share capital, in accordance with Section 169 AktG, from the current nominal amount of EUR 337,763,190.00 by a further EUR 33,776,320.00 through the issuance of up to a further 6,755,264 new, ordinary bearer shares (non-par value shares) in exchange for cash and/or contributions in kind. This can be undertaken in two or more tranches. The Management Board is also authorised to set the price and conditions of issuance and the other stipulations of the increase in capital to be performed. This requires the approval of the Supervisory Board. Such an issuance, in accordance with lit c (ii), can also contain a favorable price of issuance, as compared to the price prevailing on markets. When offering such, to be adhered to are the limits placed by Section 8a Para 1 AktG,
      bb) should such apply, the new shares are to be offered for procurement by shareholders, with this to adhere to the direct right of subscription codified in Section 153 Para 6 AktG,
      cc) provided that the Supervisory Board so approve, the shareholders' right of subscription is to be excluded in cases in which

(i) the increase in capital results from contributions in kind, meaning that the shares are to be issued for purposes of acquiring companies, operations, parts thereof, or stakes in one or more than one company located in or outside Austria, or

(ii) the shares are to be issued to employees, senior managers and members of the Management Board of the company or of one affiliated with it in conjunction with an employee participation programme or with a stock option programme and/or for purposes of issuance to a private foundation constituted to enable employee participation,

(iii) to except peak amounts from the rights of subscription held by shareholders, or

(iv) to satisfy an over-allotment option held by a bank of issuance.

[Authorised Capital 2015]

The Supervisory Board is authorised to resolve the alterations in the Articles of Association resulting from the issuance of shares from the authorised capital.

3. In view of the option extant to exclude the rights of subscription when availing itself of the authorised capital, the Management Board, in accordance with Section 170 Para 2 AktG and Section 153 Para 4 P 2 AktG, is required to submit to the Annual General Meeting a written report on the reason for the exclusion of subscription rights.

4. The Management Board of the company is entitled to issue shares from the authorised capital. This issuance can be in exchange for cash or considerations in kind. It can take place with or without the exclusion of rights of subscription. All such moves require the approval by the Supervisory Board. Such approval is also required for the Management Board's setting of the price and conditions of issuance and of the other stipulations involved in the conducting of the increase in capital.

5. The authorised capital amounts to up to EUR 33,776,320.00. It can be availed upon in one or more than one tranche in the period expiring on 14.04.2020. A total of 6,755,264 new non-par value shares can be issued from the authorised capital. The new authorised capital proposed [Authorised Capital 2015] has a lower volume – coming to some 10 % of the share capital – than that of the authorised capital resolved upon by the Annual General Meeting on March 3, 2006. The latter amounted to 50 % of the share capital. It expired on March 17, 2010.

   Opportunities for growth arising for Austrian Post could be availed upon by deploying an authorised capital, as such is customarily used by markets as an instrument imparting the requisite flexibility. This capital could be employed to acquire other companies or stakes in such.

A significant reason for the Management Board's proposing the creation of a new authorised capital is its providing a way to enable employees, senior managers and members of the Management Board of the company or of one affiliated with it to participate in such. This is to be accomplished through the issuance of shares, with this to be done directly or indirectly via a private foundation set up to enable employee participation.

In order to achieve this and in view of the fact that the extant approved capital expired on March 17, 2010, a new Authorised Capital 2015 is to be created. This capital is to have a greater range of ways of employment, a lower volume – of around 10% – and a new term.

6. New shares can be issued from the authorised capital, with this to include the exclusion of subscription rights, in cases in which the sale of the shares will yield the consideration required for the acquisition of companies, operations, parts thereof, and stakes in one or more than one company in or outside Austria.

Austrian Post can encounter opportunities to register further growth. These may arise in Austria or abroad, and can be in extant or new fields of business and markets, with the latter requiring entering and development. This growth can also ensue from the acquisition of other companies, operations or parts thereof. Viewed legally, such acquisitions of other companies, operations or parts thereof, or certain assets (and liabilities) of a company, operations or parts thereof fulfill the forms of so-called “asset deals” or, in the case of the purchasing of stakes in a company, of “share deals”. Both forms of purchases of corporations and of operations (or parts thereof) will be summarized and referred to in the following elucidations to be “corporate acquisitions”.

In cases of corporate acquisitions, the consideration paid can take the forms of money or of shares of the company making the purchase. Undertaking the latter can be in the interests of both Austrian Post (the purchaser) and of the seller. An acquisition of a company taking the form of a seller's consigning the company (or stakes in it) to Austrian Post, and receiving for this consideration new shares – in this case, emanating from the authorised capital – will cause the share capital and thus the equity of Austrian Post to increase. The payment of cash to purchase a company gives rise to an outflow of liquidity on the part of the purchaser. This does not occur in the case of a company's being acquired for consideration. The company acquiring (Austrian Post) another in this way will not register an outflow of liquidity, but, rather, an increase in equity. Cases may arise in which strategy dictates that it is necessary and appropriate to enable the seller of the company to take a minor stake in Austrian Post, or in which the seller demands a participation in the company in exchange for the sale.

An acquisition of a company taking the form of the provision of consideration and the exclusion of the rights of subscription held by the other shareholders in the company is generally viewed as being an appropriate justification for the imposition of such an exclusion. Austrian Post's potential for growth gives rise to an interest on its part in enabling the acquisition of companies through the provision of consideration and through the exclusion of the rights of procurement, as such conserves the company's liquidity. The authorised capital enables the company to display the requisite speed and flexibility when conducting such transactions.

The exclusion of subscription rights is required by the fact that it is the only way for the company to acquire another without suffering a loss of liquidity and through the provision of consideration for such a transaction, and by sellers' often only being prepared to consent to a transferring of a company or of stakes in it in cases in which they receive a participation in the company whose value is equivalent to the former. Austrian Post foresees the possibility of strategic or organizational reasons making it necessary to incorporate the seller into the Group by the former's becoming a shareholder in it. The acquisition of a company through the provision of consideration entails the seller's (and in-kind contributor's) being able to attain the participation striven for only upon its receiving new shares. This is because a seller wants to achieve a (expressed as a percentage) participation in Austrian Post that corresponds to the relationship between its in-kind contribution and the corporate value of Austrian Post, and that outfits it with the corresponding quantity of voting rights (and thus rights of participation in decisions) in the company.

The exclusion of the rights of subscription is in the final analysis appropriate, as it facilitates the attaining of the special interest shown by Austrian Post in the acquisition in the company involved or in stakes in it. The safeguarding of the interests of the legacy shareholders is ensured by the appropriately-sized granting of shares in cases of acquisitions of companies, with this generally occurring subsequent to the performance of a valuation of the latter. An acquisition of a company through the provision of consideration taking the form of the issuance of new shares emanating from the authorised capital entails the value of the company to be incorporated into the group's (or of stakes in it) being compared to that of Austrian Post. The resulting ratio governs the in-kind contributor's receipt of the shares in Austrian Post issued for this purpose. In a further consideration, the previous shareholders will in the future partake of the profits earned by the company to be acquired. As a rule, these earnings are set to rise. This increase is due to the realization of synergies arising between the company acquired and Austrian Post.

The term of the authorised capital is five years. This does not enable the specification at this point in time of the details of the price of issuance of the new shares provided to the sellers of companies. This is because the price depends on the performance of Austrian Post and of its stock. The cases depicted here do not require the granting of an authorisation's being accompanied by a specification of the price of issuance. The legacy shareholders will be informed of the price of issuance in the following way. The Management Board is required to publish a further report upon the issuance of new shares emanating from the authorised capital and comprising an exclusion of the rights of subscription. This is to occur within two weeks at the latest after the passing of the resolution by the Supervisory Board establishing its consent to the issuance of shares emanating from authorised capital. This publishing is an application of the thrusts of Section 153 Para 4 P 2 AktG. The report is to include a justification of the price of issuance of the new shares (Section 171 Para 1 AktG).

7. Austrian Post does not currently maintain an employee participation programme. This means that the employees of Austrian Post do not generally have the way that the shareholders possess of partaking in the successes achieved by the company. The Management Board's pursuit of the objective of ensuring the long-term success of the company leads it to view the forging of closer ties between the company and its employees and the achieving of their orienting their actions towards serving the interests of shareholders as being accomplished by the launching of such a programme, which would thus be of benefit to all stakeholders. The concrete parameters of the programme cannot yet be delineated at this point in time.

   To be noted is that the authorised capital up for resolution will especially be deployed to satisfy stock options; to issue shares to employees, senior managers and members of the Management Board of the company and of that of one affiliated with it; and to issue shares to a private foundation of Austrian Post whose purpose is enabling employee participation.

   In accordance with Section 153 Para 5 AktG, the primary issuance of shares to employees, senior managers and members of the Management Board or of the Supervisory Board of the company and of one affiliated with it constitutes a ground sufficient for the exclusion of subscription rights. According to the Management Board, the same applies to the issuance for shares to a private foundation for employees. This is because the incentives for performance emanating from the issuance of shares and applying to employees as well as the ramifications of the exclusion of the subscription rights upon shareholders are identical in both cases.

   The exclusion of subscription rights is also appropriate and justified because

   (i) the introduction of an employee participation plan and its being secured are in the interests of Austrian Post. A participation by employees in the company and thus in its successes can enhance the motivation of the employees and their identification with the company. The measures foreseen constitute an essential and important component of the fostering of the dedication and devotion shown by employees. The positive ramifications of these will also benefit individual shareholders,

   (ii) the exclusion of the rights of subscription when issuing shares comprising the authorised capital being applied for is capable of providing the security needed by an employee participation programme. A further factor is the lack of an alternative featuring a preclusion of this exclusion of subscription rights and yielding a comparable kind and extent of this security for the company, and

(iii) the exclusion is appropriate. This is due to the limited volume of the Authorised Capital 2015. As far as the Management Board is aware, the increase in capital's relatively small scope will hardly or only slightly impair the company's minority interests. No new majority interests will come into being through this measure. A disadvantaging of the shareholders involving rights to assets will be more than offset, according to the Management Board, by the results of the establishment of incentives to perform ensuing from the employees' programme. This programme will ramify positively on the company and will cause it to achieve new successes. The linkage between the Management Board and the company and its interests is secured by the Board's being permitted to issue shares from the authorised capital only with the approval of the Supervisory Board, which also has to consent to the price and other conditions of issuance. Established is that any favorable price of issuance – as compared to those prevailing on markets – will adhere to the limits imposed by Section 8a Para 1 AktG.

8. The interests of comprehensiveness require the pointing out that expressly foreseen for the new authorised capital is the issuance of new shares bearing the direct right of procurement, in accordance with Section 153 Para 6 AktG. This safeguards the legal right of subscription. This could apply to an increase in capital in exchange for cash.

9. The authorisation to exclude rights of subscription from peak amounts facilitates the configuration of a practicable relationship of subscription for the amount of the respective increase in capital. The new shares that have been excluded – since they constitute free remainder amounts – from the subscription rights of shareholders will be deployed in the best possible way for the company. This will entail their either being sold on exchanges or deployed in another way.

10. The performance of an increase of capital through the availing upon of an authorised capital can require the granting of an over-allotment option to a bank of issuance. The satisfaction of this option can entail the exclusion of subscription rights.

11. In accordance with Section 171 Para 1 AktG, the Management Board is required to publish within at the latest two weeks after the passing of the Supervisory Board's resolution on the issuance of shares, with it to include the exclusion of subscription rights, a corresponding report. In the case of the granting of shares to members of the Management Board, the Supervisory Board is to issue this report.

12. In summary, the Management Board of Austrian Post has come to the conclusion that an authorisation of the Management Board of the company to increase the capital through the issuance of new shares comprised in the authorised capital, with this to require the approval of the Supervisory Board and to possibly include the exclusion of subscription rights, completely adheres to the applicable legal rules.

Vienna, March 5, 2015

The Management Board:

Georg Pölzl m.p.
Chairman

Walter Hitziger m.p.

Peter Umundum m.p.

Walter Oblin m.p.