



Report of the Management Board
of
Österreichische Post Aktiengesellschaft (Austrian Post)
Vienna, FN 180219 d,
on the
authorisation of the Management Board to acquire treasury shares in a way other than on
stock exchanges, and to sell the treasury shares acquired in another way as via stock
exchanges or via the making of a public offer
(TOP 10)

All members of of the Management Board submit the following report of the Management Board of Austrian Post, whose headquarters are in Vienna, in accordance with Section 65 Para 1b AktG, Section 170 Para 2 AktG and with Section 153 Para 4 S 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 ordinary 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 10:
 - a) In accordance with Section 65 Para 1 N 4 and 8 as well as Paras 1a and 1b AktG, the Management Board is authorised to acquire non-par value bearer or registered shares of the Company, with this to amount to up to 10% of the Company's share capital, with this authorisation to be for 30 months, with this starting upon April 15, 2015, and with this to be performed on or outside exchanges, and with these to be offered for purchase in such cases to individual shareholders or to a single shareholder, with this especially to be ÖIAG/ÖBIB, and with this to be at a lowest equivalent value of EUR 20.00 (twenty euros) per share, and with this to be at a highest equivalent value of EUR 60.00 (sixty euros) per share.

Trading in treasury shares is excluded as the objective of the acquisition. The authorisation can be exercised entirely or partially or in two or more partial amounts and for the purposes of realizing one or more than one objective of the Company.

This realization may also be undertaken by a subsidiary (Section 228 Para 3 Austrian Commercial Code) or by a third party acting on a paid commission basis on behalf of the Company. The undertaking of the acquisition by the Management Board may especially be performed in cases in which the shares are to be offered 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 program, with a stock option program and/or for purposes of being issued to a private foundation enabling employee participation.

- b) The Management Board can resolve to make this acquisition on an exchange. In such cases, the Supervisory Board has to be informed on an ex post facto basis of this resolution. An acquisition not made via an exchange requires the prior approval of the Supervisory Board. In a case of an acquisition not made on the exchange, this acquisition can be undertaken in a way excluding the proportionate right of sale (reverse exclusion of right of procurement).
- c) The Management Board is authorised for a term of five years, with this starting upon the passing of the resolution, with this according to Section 65 Para 1b AktG, with this requiring approval by the Supervisory Board, and with this not requiring the Annual General Meeting passing a resolution, to pass a resolution stipulating that treasury shares are to be sold or used in a way other than their sale via an exchange or via the making of a public offer, with this to appropriately heed the rules established for the exclusion of subscription rights held by shareholders, with this especially applying to shares to be offered 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 program or with a stock option program and/or issued to a private foundation constituted for purposes of employee participation. The Management Board is also authorised to establish the conditions of sale. The authorisation can be exercised in two or more partial amounts and for the purposes of realizing one or more than one objective of the Company. This realization may also be undertaken by a subsidiary (Section 228 Para 3 Austrian Commercial Code) or by a third party acting on a paid commission basis on behalf of the Company.
- d) The Management Board is also authorised, should the Supervisory Board so consent and should such be required, to reduce the share capital. This is to be undertaken through the withdrawal of treasury shares and does not require the Annual General Meeting's passing of a resolution, in accordance with Section 65 Para 1 N 8 last sentence and with Section 122 AktG. The Supervisory Board is authorised to resolve alterations in the Articles of Association arising from the withdrawal of shares.

3. The possibility of acquiring treasury shares in a way not involving exchanges stipulated in Section 65 Para 1 N 4 and N 8 AktG join with the sale of treasury shares acquired, in accordance with Section 65 Para 1 N 4 and N 8 AktG, in a way other than involving exchanges or the making of a public offer in requiring the Management Board, in accordance with Section 65 Para 1b AktG and Section 170 Para 2 AktG and Section 153 Para 4 S 2 AktG, to submit a written resolution on the reason for the associated exclusion of subscription rights and for any exclusion of the proportionate right of sale (reverse exclusion of subscription rights) and of any purchase not involving stock exchanges.
4. The Management Board requires the prior consent of the Supervisory Board to acquire treasury shares. This consent is also requisite for the Management Board's selling of treasury shares acquired by the Company in a way not involving exchanges or the making of a public offer. The Management Board of Austrian Post is entitled to resolve to make purchases on exchanges. This requires, however, the ex post facto notification of the Supervisory Board.
5. The treasury shares acquired, as stipulated in Section 65 Para 1 N 4 and N 8 and Para 1a and Para 1b AktG, may be sold in a way not involving stock exchanges or the making of public offers, in cases in which this sale of shares constitutes the consideration for the acquisition of companies, operations, parts thereof or stakes in one or more than one company in or outside Austria. These transactions thus entail the latter kind of consideration's leading to the incorporation of participations, companies, operations and parts thereof into the Group.

Viewed legally, such acquisitions of other companies, operations or parts thereof, or of 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 payment of cash 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-sized stake in Austrian Post, or in which the seller demands a participation in the company in exchange for the sale.

The limitations placed upon the purchasing of treasury shares – which come to a total of (for nearly all cases governed by Section 65 AktG) 10 % of the share capital – mean that a seller cannot leverage this transaction into the attainment of a significant stake in Austrian Post. In cases in which the Company has acquired treasury shares at an earlier point in time and in which these shares' quote has since risen, the Company realises savings upon its employing of treasury shares as consideration in the acquisition of a company. This is because the measurement of the consideration used in the acquisition of a company entails the treasury shares being deployed as (part of) the consideration's being valuated at the current (average) quote or, in some cases, at its intrinsic value, should that be greater – but not at the lower historic costs of procurement.

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 granting of consideration taking the form of treasury shares enables the Company to display the requisite speed and flexibility when conducting such transactions.

The selling of treasury shares in a way not involving exchanges or the making of public offer when acquiring companies 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 and the vending of treasury shares in a way not involving exchanges or the making of public offers are 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. The value of the company to be incorporated into the group's (or of stakes in it) is 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 realisation of synergies arising between the Company acquired and Austrian Post.

6. 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 of the Company. The concrete parameters of the programme cannot yet be delineated at this point in time.

To be noted is that the authorisation to acquire treasury shares up for resolution will especially be deployed to satisfy stock options; to directly 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 the rights of subscription and the sale of treasury shares in ways not involving exchanges or the making of a public offer are 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 and the sale of treasury shares in ways not involving exchanges or the making of a public offer are 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 scope of the authorisation. 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.
7. The sale, in accordance with Section 65 Para 1 N 4 and N 8 and Para 1a and Para 1b AktG, of treasury shares acquired in ways not involving exchanges or the making of a public offer requires the Management Board's publishing within at the latest two weeks prior to the Supervisory Board's reaching of a resolution on the matter (the Supervisory Board's consent has to be secured for any sales not involving exchanges or the making of public offers). This report has to – among other things – substantiate the reason for the setting of the price of sale of the shares (Section 65 Para 1b and Section 171 Para 1 AktG).
 8. The Management Board is to be imparted the great flexibility and rapidity required to make any acquisitions. Needed for this purpose may well be the possessing of the requisite amount of currency of acquisition. This could entail the purchasing from individual shareholders or from an individual one of packages of shares, with this especially referring to ÖIAG/ÖBIB, and being performed outside of exchanges. The expeditious availability of such a currency – taking the form of treasury shares – for the purposes elucidated above in this report constitutes the justification for the reverse exclusion of subscription rights. This entails the exclusion of the proportionate rights of sale held by shareholders.
 9. Finally to be mentioned is that the authorisation of the Management Board to acquire treasury shares, provided that the Supervisory Board so consent on a prior basis, or to sell treasury shares acquired in ways not involving exchanges or the making of a public offer, and to do so without the Annual General Meeting's reaching of a new resolution, and in any case for purposes of issuing the shares so as to constitute consideration to be

employed in the purchasing of companies or to be provided to employees, senior managers and members of the Management Board of this Company or of one affiliated with it, or to a private foundation set up to enable employee participation, is a procedure that is customary and recognized to and by a large number of publicly listed companies in Austria (and in Germany). This manifests itself also in § 5 Para 2 N 7 VeröffentlV. This stipulates that the publication to be made at the specified time has to contain the kind and objective of the reacquisition and/or of the sale of the treasury shares, with this particularly specifying whether the re-acquisition and/or the sale is to be made via and/or outside the exchange.

As elucidated above, to be emphasized in this regard once more is that the sale of treasury shares and the purchase of such in ways not involving exchanges or the making of public offers is possible without the Annual General Meeting's passing of a resolution. Requisite is, however, the consent of the Supervisory Board. The Management Board of Austrian Post is not entitled to reach in such cases decisions on its own.

10. In summary, the Management Board of Austrian Post has come to the conclusion that an authorisation of the Management Board of the Company to acquire treasury shares in a way not involving stock exchanges, or to sell, in accordance with Section 65 Para 1 N 4 and N 8 and Para 1a and Para 1b AktG, treasury shares acquired in ways not involving exchanges or the making of public offers, with this to require the approval of the Supervisory Board, completely adheres to the applicable legal rules.

Vienna, 02.03.2015

The Management Board:

Georg Pölzl m.p.
Chairman

Walter Hitziger m.p.

Peter Umundum m.p.

Walter Oblin m.p.