

AUSTRIAN POST 2012 FINANCIAL YEAR

INVESTOR PRESENTATION

Georg Pölzl/CEO, Walter Oblin/CFO
Vienna, March 14, 2013

**IF IT REALLY
COUNTS, RELY ON
AUSTRIAN POST.**



1. Highlights and overview

2. Performance of the divisions

3. Group results

4. Outlook 2013



AUSTRIAN POST IN 2012

Challenging market environment – structural trends persist

Consistent implementation of the chosen strategy

Good revenue and earnings development in Q4 and the entire year 2012

Solid balance sheet and strong cash flow, continuation of attractive dividend policy

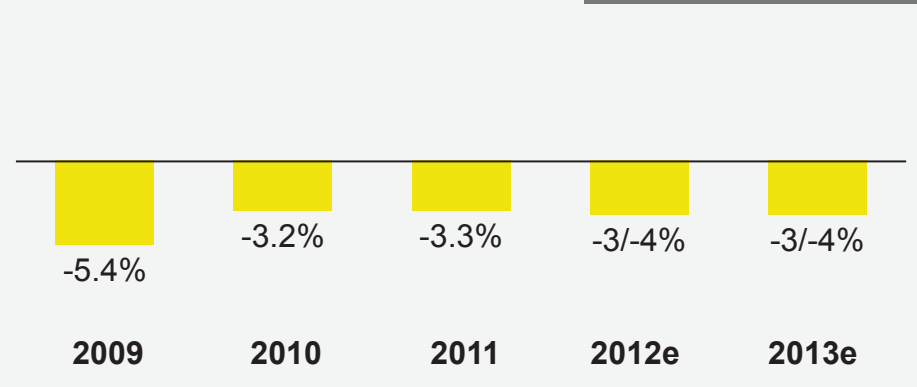


THE MOST IMPORTANT MARKET TRENDS IN 2012

Letter Mail Substitution International

Source: IPC 2012, digitalised economies

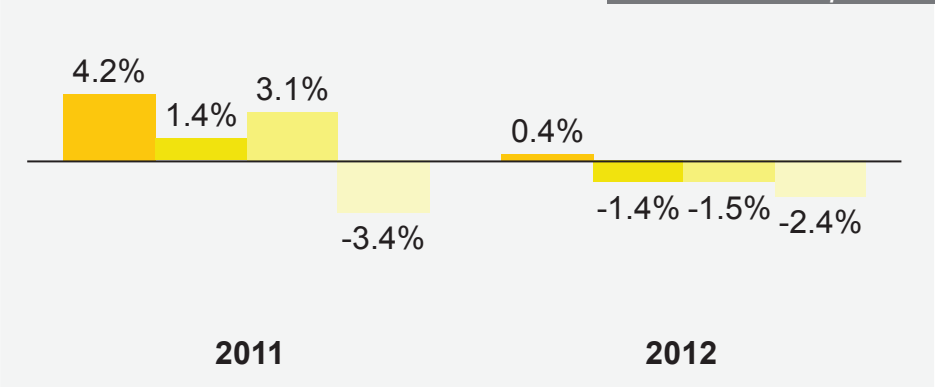
Electronic substitution



Austrian Advertising Industry

Source: Advertising tax, Federal Ministry of Finance

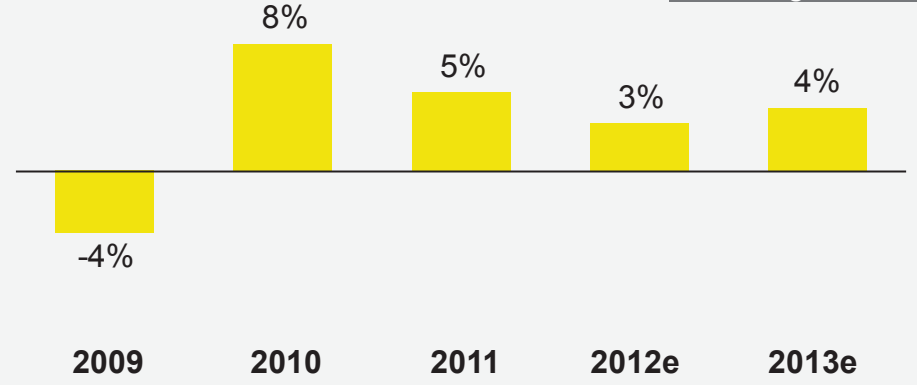
Volatile development



Parcel & Logistics Europe

Source: AT Kearney

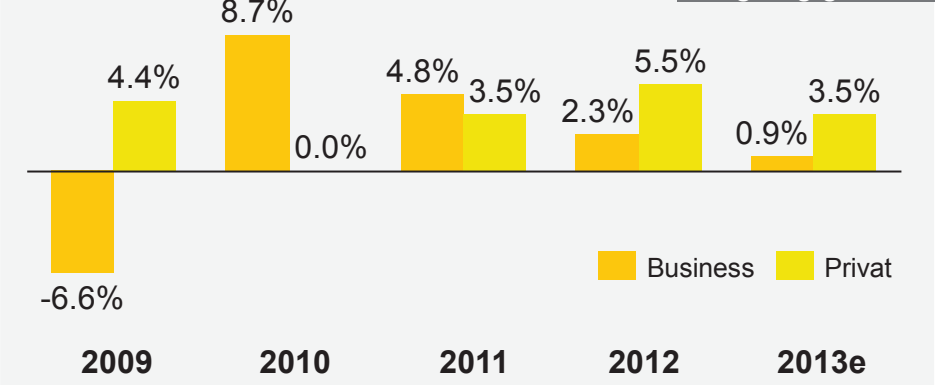
Growing market



Austrian Parcels Business

Source: Kreutzer Fischer & Partner

Ongoing growth



SUCCESSFUL STRATEGY IMPLEMENTATION IN 2012

1. DEFENDING OF MARKET LEADERSHIP IN THE CORE BUSINESS

- ✓ Maintained market leadership in the Austrian letter mail market
- ✓ Increased market share in the Austrian parcel business (private customers 75%, business 22%)

2. GROWTH IN SELECTED MARKETS

- ✓ Letter mail expansion:
Poland: 100% Kolportaz Rzetelny
Romania: 100% PostMaster
Bulgaria: 26% M&BM Express
- ✓ Expansion of parcel services via Post Logistics Services (fulfillment)

3. ENHANCING EFFICIENCY AND FLEXIBILISATION OF THE COST STRUCTURE

- ✓ Automatic pre-sorting of direct mail items
- ✓ Improved cost structure in the branch network

4. CUSTOMER ORIENTATION AND INNOVATION

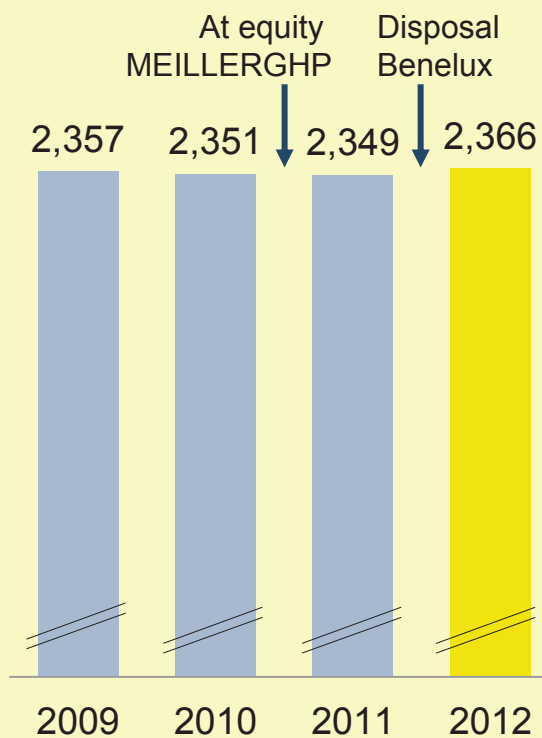
- ✓ New self-service solutions: 2,000 Post Pick-up Boxes, roll-out of self-service zones with Post Drop-Off Boxes and franking machines
- ✓ Expansion of online services



RESULTS IN 2012 CONFIRM SUCCESSFUL DEVELOPMENT

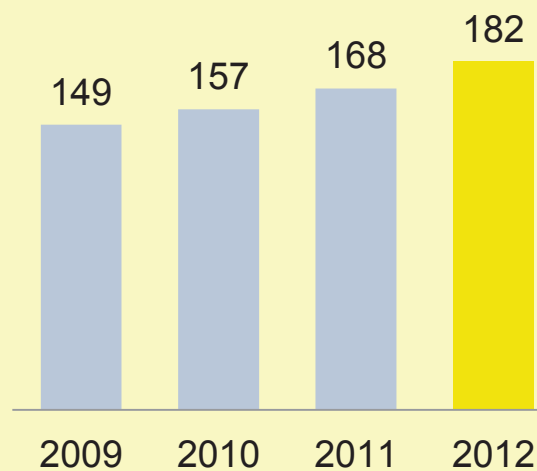
MODERATE GROWTH

Revenue
EUR m



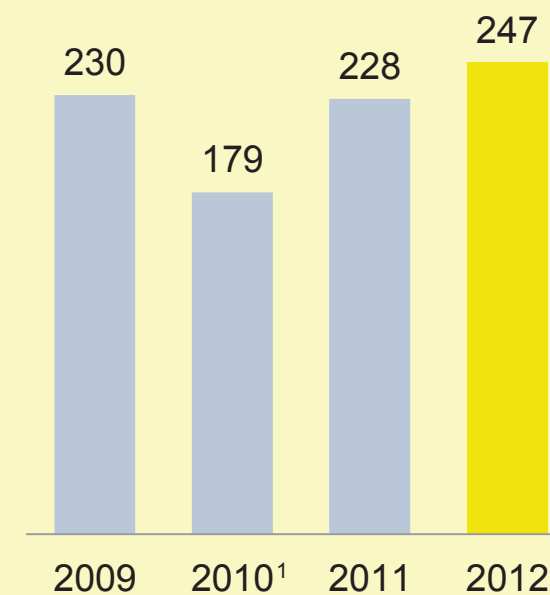
INCREASED PROFITABILITY

EBIT
EUR m



STRONG CASH FLOW

Cash flow from operating
activities
EUR m



¹ One-off effects for tax payments



FINANCIAL HIGHLIGHTS 2012

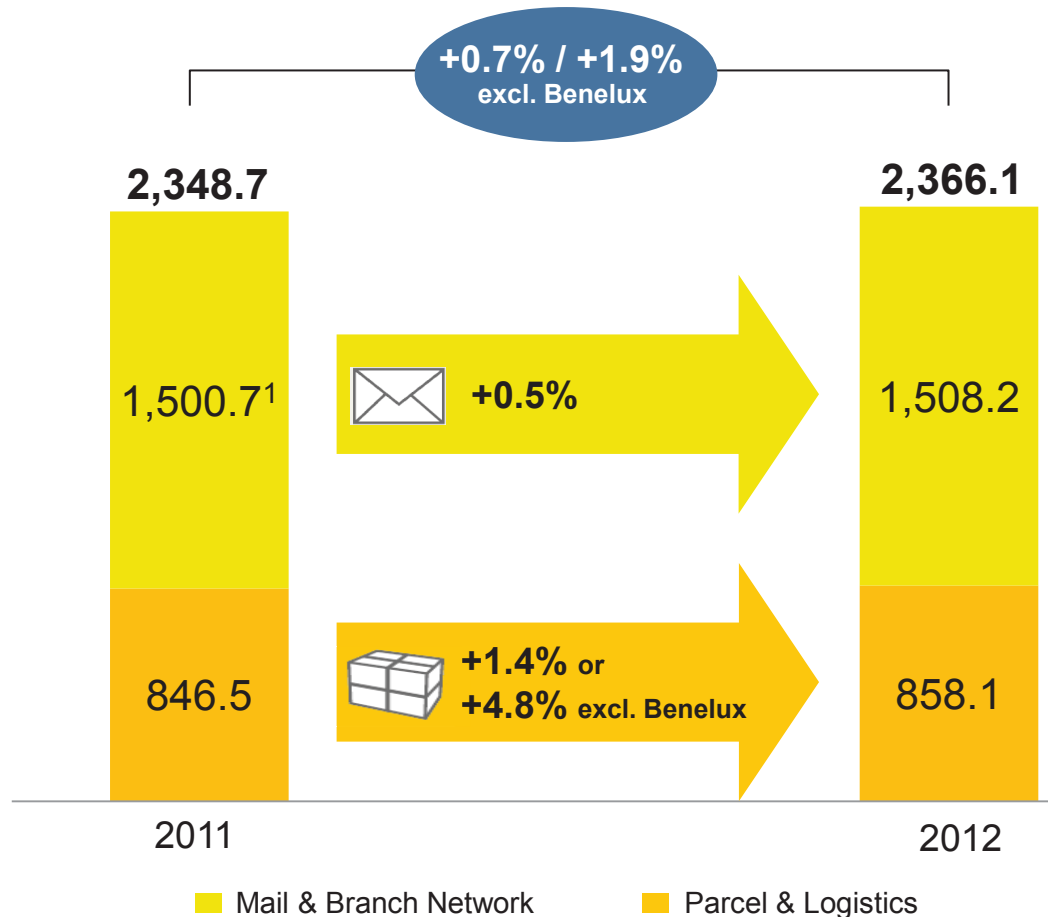
1 Revenue		<ul style="list-style-type: none"> ▪ Revenue growth of 0.7% in 2012 (+1.9% excl. Benelux) ▪ Revenue increase in both divisions
2 Earnings		<ul style="list-style-type: none"> ▪ EBITDA margin of 11.5% ▪ EBIT up 8.9% to EUR 182.4m, earnings step-up in the Parcel & Logistics Division
3 Cash flow and balance sheet		<ul style="list-style-type: none"> ▪ Free cash flow before acquisitions/divestments in 2012 of EUR 170.5m (+5.7%) or EUR 2.52/share ▪ High level of cash and cash equivalents
4 Dividends		<ul style="list-style-type: none"> ▪ Continuation of attractive dividend policy ▪ Dividend proposal of EUR 1.80/share
5 Outlook 2013		<ul style="list-style-type: none"> ▪ Stable or slightly increasing revenue ▪ EBITDA margin within the targeted range of 10-12%



GROUP REVENUE UP 1.9%

Revenue development

EUR m



Group revenue:

EUR 2,366.1m (+1.9% excl. Benelux)



Mail & Branch Network:

- Revenue increase in Letter Mail of 2.7% due to positive effects
- Stable revenue in the Direct Mail/Media Post business despite volatile development of the advertising industry



Parcel & Logistics:

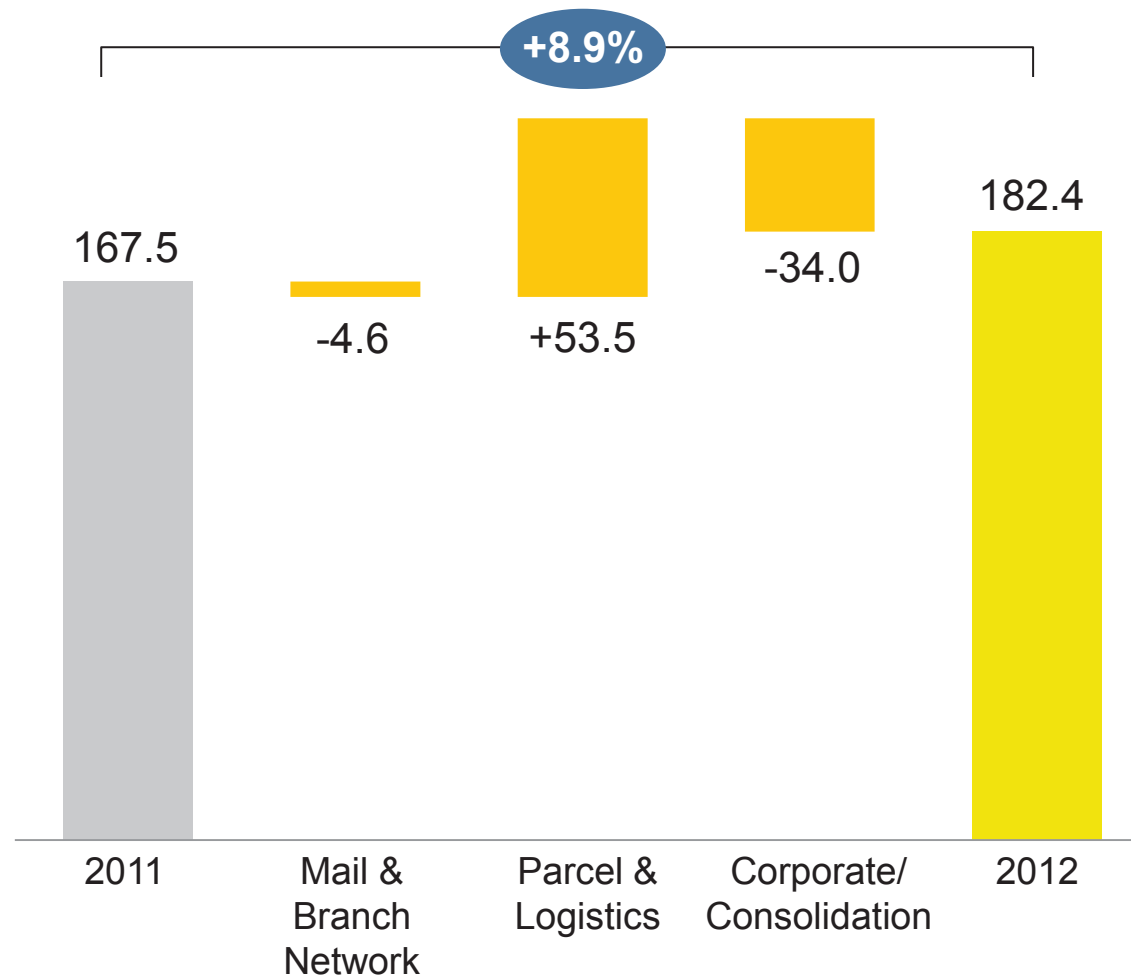
- Revenue rise of 4.8% excl. the disposal of the Benelux subsidiaries

¹ Reporting according to the new segment structure as of January 1, 2012 (incl. Branch Network), figures for 2011: pro-forma consolidation



GROUP EBIT INCREASE OF 8.9% IN 2012

Earnings development EUR m



Group EBIT:
EUR 182.4m (+8.9%)



Mail & Branch Network:

Earnings decline includes impairment loss of EUR 9.6m reported for MEILLERGHP



Parcel & Logistics:

Operational earnings improvement of EUR 11.5m (structural measures and impairment losses in 2011)



Corporate:

Increased provisioning requirements for non-operational staff costs



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MAIL & BRANCH NETWORK DIVISION: HIGHLIGHTS 2012



Financial highlights 2012

Revenue: EUR 1,508.2m

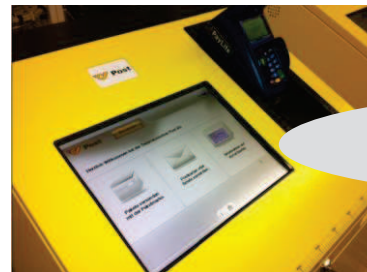
EBIT: EUR 272.5m

EBIT margin: 17.3%



Nationwide launch of the KUVERT
“High tech” collator distribution centres

New developments in delivery:
IT and logistics optimisation,
agreement on a new working time
model



New branch network concept
with self-service zones

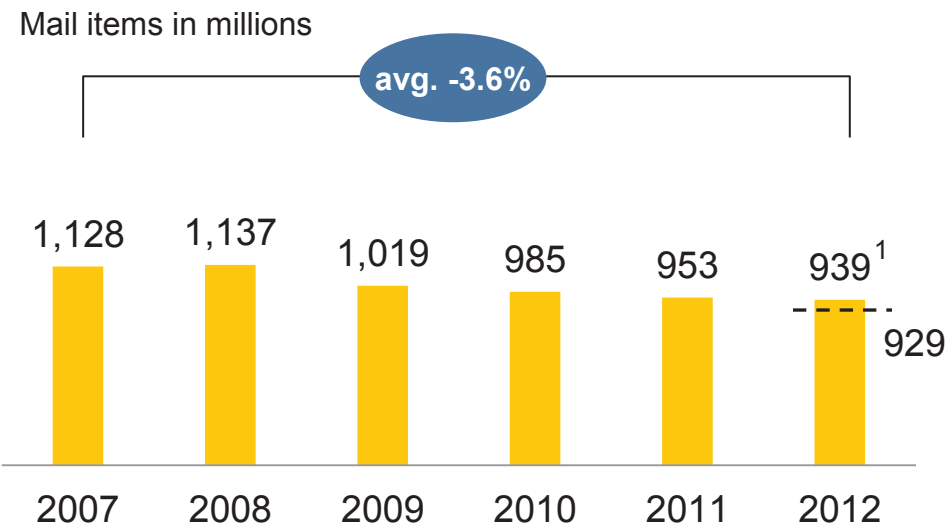
Expansion in CEE/SEE
Stakes acquired in Romania, Poland
and Bulgaria



MAIL & BRANCH NETWORK DIVISION: VOLUME DEVELOPMENT IN AUSTRIA

Letter Mail 2012: **-2.5%** on a comparable basis

- Ongoing decline due to electronic substitution
- Positive effects in 2012:
 - Volume shift from direct mail to higher quality letter mail products
 - Internet shipments increasingly sent as letter mail instead of parcels

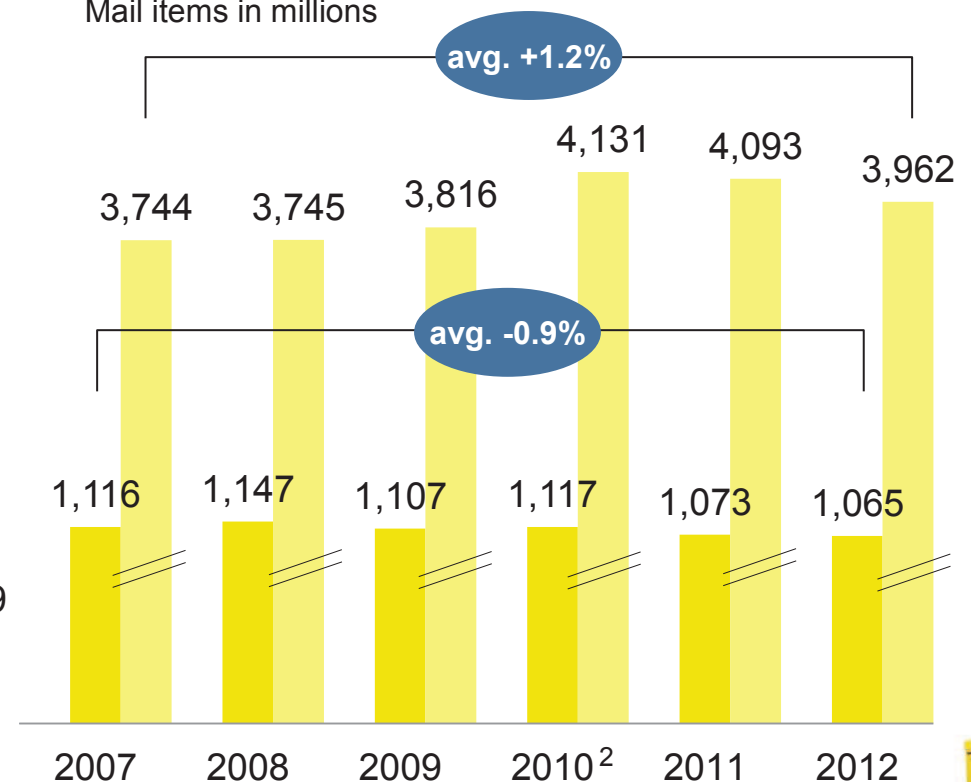


¹ Volume shifts from direct mail to letter mail

Direct Mail/Media Post 2012:

- addressed: **-0.7%** unaddressed: **-3.2%**
- Volatility related to economic environment

Mail items in millions



² Positive special effects due to elections

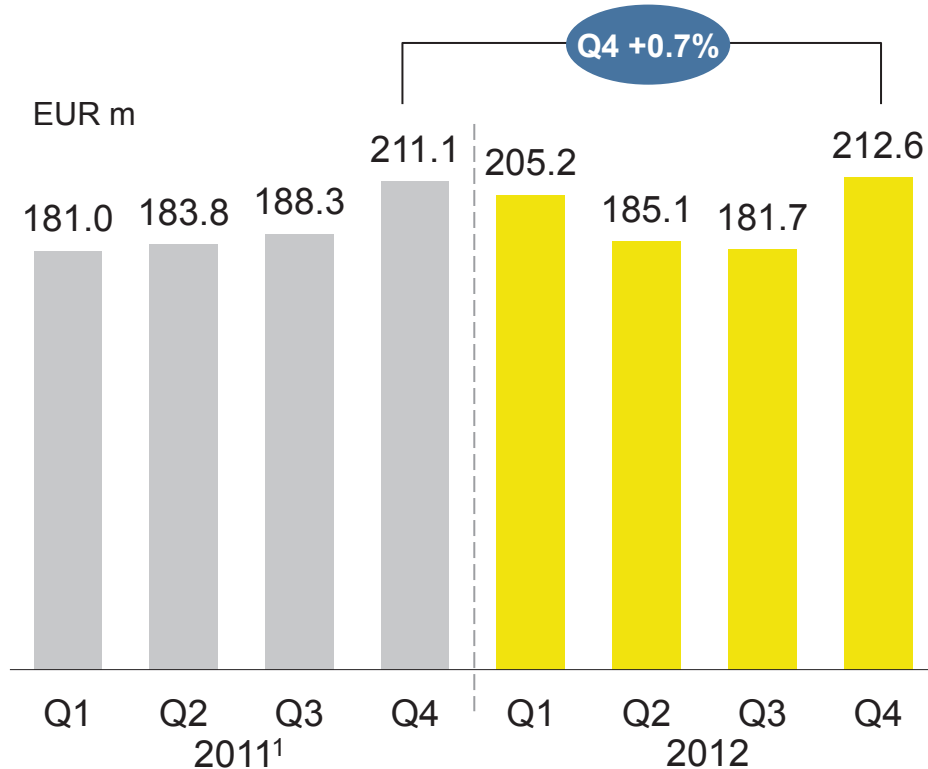
■ Addressed ■ Unaddressed



MAIL & BRANCH NETWORK DIVISION: REVENUE DEVELOPMENT IN 2012

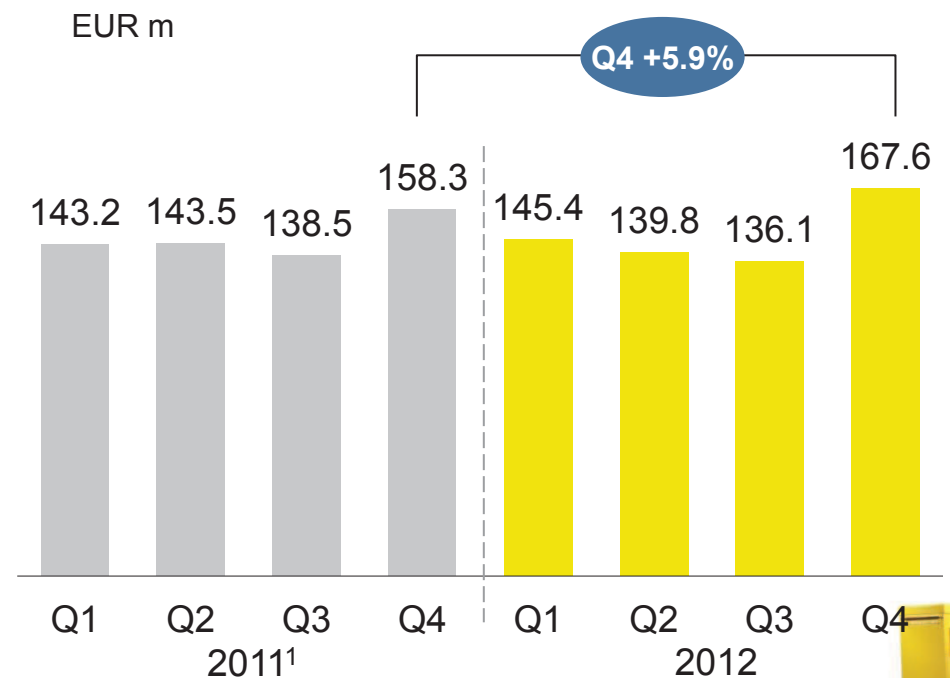
Letter Mail & Mail Solutions 2012: +2.7%

- Volume shifts from direct mail and Internet shipments to higher quality letter mail
- Positive effects relating to new product portfolio in Q1
- 1 more working day in Q4 2012



Direct Mail and Media Post 2012: +1.0%

- Shift from direct mail to higher quality letter mail products
- Volatility related to economic uncertainties as well as structural decline in the mail order business

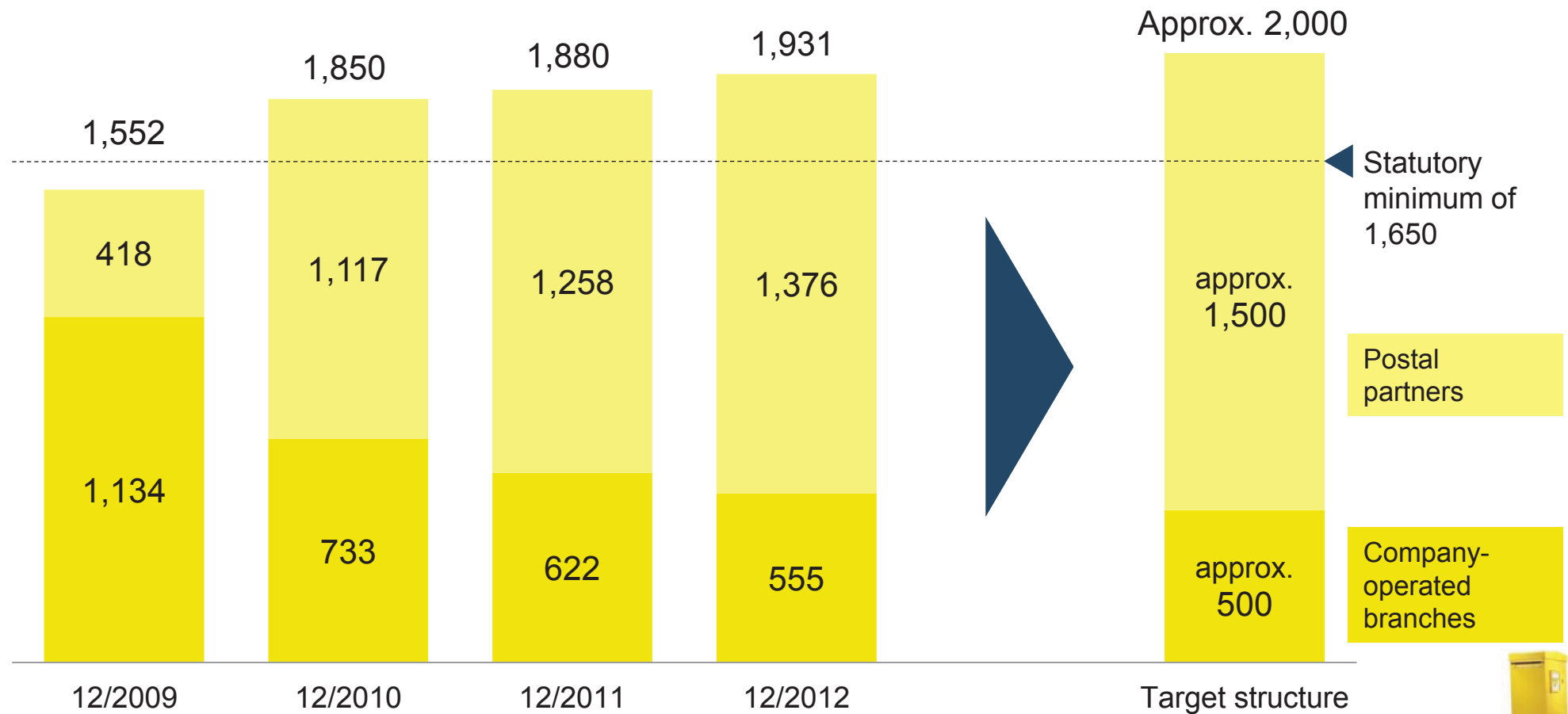


¹ Reporting according to new segment structure as of January 1, 2012, figures for 2011: pro-forma consolidation



BRANCH NETWORK: ONGOING STRUCTURAL CHANGE

Sustainable structural transformation of the branch network in order to improve services and the cost structure



PARCEL & LOGISTICS DIVISION: HIGHLIGHTS 2012



Financial highlights 2012

Revenue: EUR 858.1m

EBIT: EUR 25.3m

EBIT margin: 2.9%



**Austria: Record 65m parcels,
Expansion of B2B
market share to 22%**



Expansion of **fulfillment services**
in the new business
Post Logistics Services



**trans-o-flex: Disposal of Benelux
companies, growth in
pharmaceutical logistics,
efficiency improvements**

**CEE: Further expansion of
private customer business, positive
results of all subsidiaries**



VOLUME DEVELOPMENT OF PARCEL & LOGISTICS BUSINESS

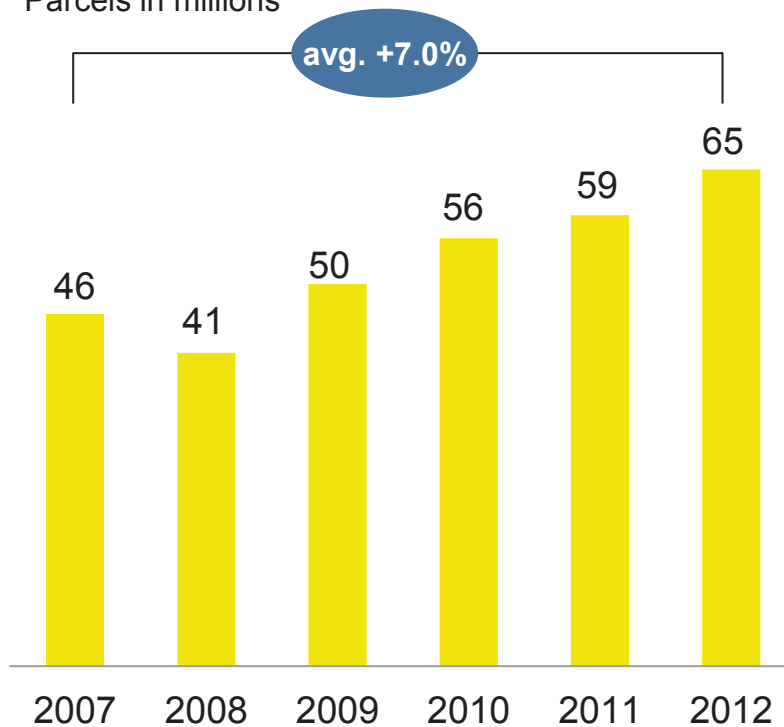
Austria 2012: +9.4%

- Volume increase above market growth of 3.5%
- Market leadership in private customer business and B2B market share of 22%

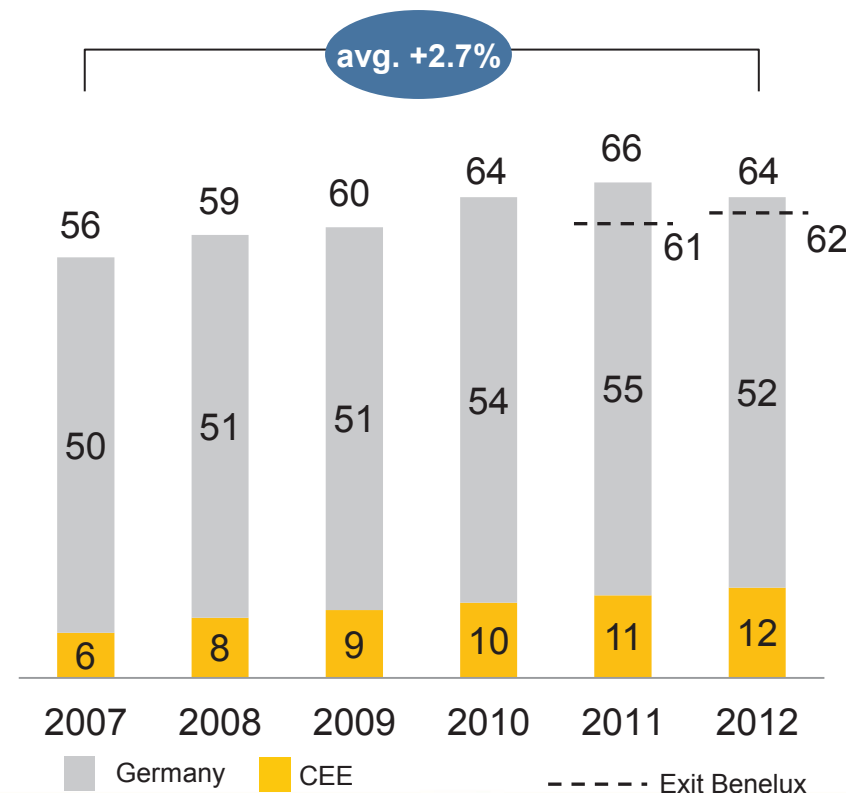
International 2012: -2.3%

- Focus on qualitative growth
- Realisation of growth potential in South East and Eastern Europe

Parcels in millions

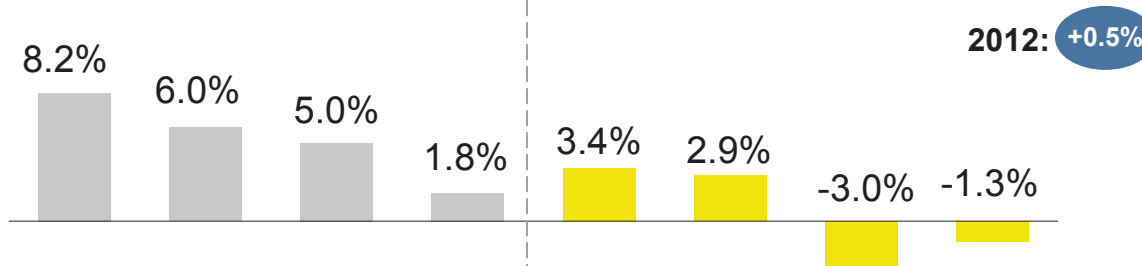


Shipments in millions (parcels & pallets)



PARCEL & LOGISTICS DIVISION: REVENUE INCREASE OF 4.8%¹

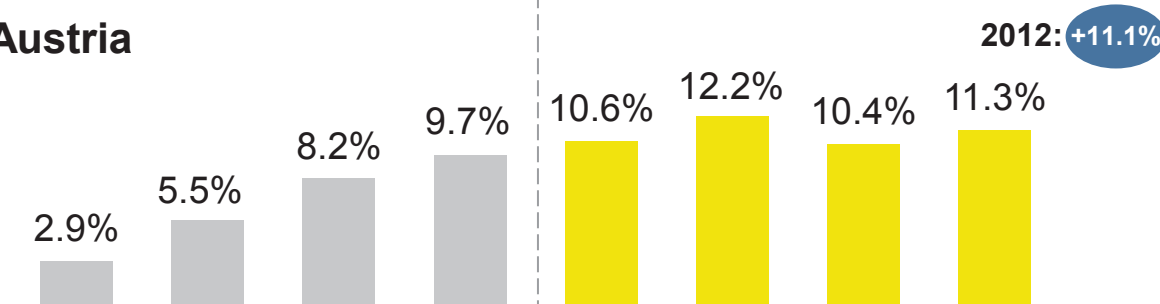
Germany



Germany:

Slight revenue growth of 0.5%, focus on profitability

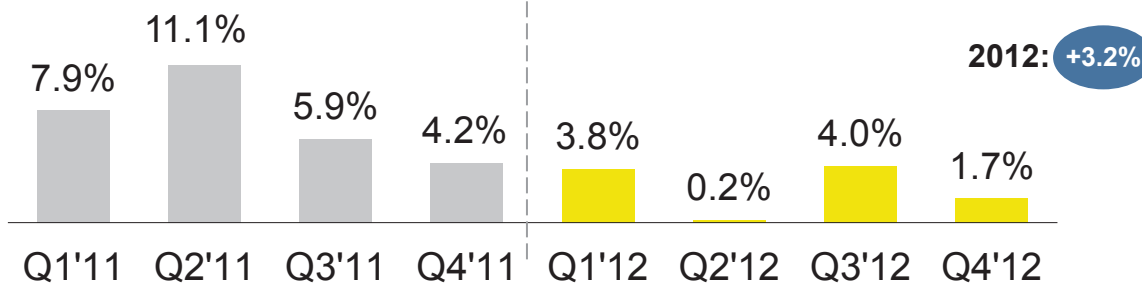
Austria



Austria:

Significant revenue increase of 11.1%, impetus from online shopping and higher market share in the business customer segment

South East and Eastern Europe



South East/Eastern Europe:

Revenue up 3.2%, including negative currency effects; strong volume growth

¹ Revenue development excl. Benelux subsidiaries



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OVERVIEW OF KEY FINANCIAL INDICATORS IN 2012

	2011	2012	
1 Revenue	2,348.7	2,366.1	Group revenue up 0.7% (+1.9% excl. Benelux)
2 EBITDA margin	12.0%	11.5%	Margin in the targeted range of 10-12%
3 EBIT margin	7.1%	7.7%	Further increase of profitability
4 Earnings per share	1.82	1.82	Earnings per share remained constant
5 Free cash flow before acquisitions	161.4	170.5	Positive development (+5.7%)
6 ROCE	22.7%	25.6%	Higher return on capital employed
7 Gearing ratio	8.8%	9.7%	Low level of net debt



BALANCE SHEET AND VALUATION ISSUES IN 2012

EARLY APPLICATION OF IAS 19 (REVISED)

- Minor earnings effects (adjustment in figures for 2011)
- No balance sheet effects on provisions, which had been recognised at their full value also in the past

GOODWILL/IMPAIRMENTS

- Impairment loss of EUR 9.6m on at equity investment in MEILLERGHP
- Goodwill at various subsidiaries written down at the amount of EUR 5.0m
- Financial stake in BAWAG P.S.K. impaired by EUR 28.4m to EUR 8.0m
 - Reduced valuation of the bank
 - Dilution of the stake following restructuring of the holding and financial structure
 - Entry of a new large investor and no participation of Austrian Post in a capital increase

TAX BURDEN

- Lower tax burden in Q4 due to recognition of deferred tax assets for tax loss carryforwards

LIQUID FINANCIAL RESOURCES

- Conservative investment approach particularly money market (90%) as well as investment grade bonds (10%)
- No derivative financial products



CONSOLIDATED INCOME STATEMENT

EUR m	2011	2012	%	Change Absolute	Q4 2011	Q4 2012	
Revenue	2,348.7	2,366.1	0.7%	17.4	638.7	643.2	Revenue up 1.9%
Revenue excl. Benelux¹	2,304.4	2,348.9	1.9%	44.5	627.6	643.2	
Raw materials and services used	-759.8	-766.9	0.9%	7.1	-211.1	-203.9	Non-operational staff costs of EUR 55m
Staff costs	-1,050.8	-1,091.4	3.9%	40.6	-233.8	-291.1	
Other operating expenses	-320.0	-294.8	-7.9%	-25.2	-104.3	-85.3	Impairment loss of EUR 9.6m for MEILLERGHP
At equity consolidation	-10.8	-13.9	-28.6%	-3.1	-2.8	-1.7	
EBITDA	281.9	271.2	-3.8%	-10.7	106.3	83.5	Improved operating results
<i>EBITDA margin²</i>	12.0%	11.5%	-	-	16.6%	13.0%	
Depreciation, amortisation and impairment losses	-114.4	-88.8	-22.4%	-25.6	-48.3	-26.7	Impairment of EUR 28.4m for BAWAG P.S.K.
EBIT	167.5	182.4	8.9%	14.9	58.0	56.8	
<i>EBIT margin²</i>	7.1%	7.7%	-	-	9.1%	8.8%	
Other financial result	-5.2	-30.8	<-100%	-25.6	-1.6	-28.7	
EBT	162.3	151.6	-6.6%	-10.7	56.5	28.1	
Income tax	-39.1	-28.4	-27.4%	-10.7	-12.2	0.2	
Profit for the period	123.2	123.2	0.0%	0.0	44.2	28.3	

Note: Early application of IAS 19 (revised)

¹ The closing of the disposal of trans-o-flex Nederland B.V. took place as at March 15, 2012, of trans-o-flex Belgium B.V.B.A. as at May 31, 2012

² EBIT and EBITDA in relation to total revenue



MAIL & BRANCH NETWORK DIVISION: INCOME STATEMENT



EUR m	2011 ¹	2012	%	Change Absolute	Q4 2011	Q4 2012	
External Sales	1,500.7	1,508.2	0.5%	7.5	409.7	417.0	Positive revenue development
Letter Mail & Mail Solutions	764.2	784.6	2.7%	20.3	211.1	212.6	
Direct Mail	445.7	445.2	-0.1%	-0.5	118.9	126.4	
Media Post	137.7	143.7	4.4%	6.0	39.4	41.2	
Branch Services ²	153.1	134.7	-12.0%	-18.4	40.4	36.7	
Total revenue incl. internal sales	1,577.1	1,578.8	0.1%	1.8	432.3	437.5	Impairment loss of EUR 9.6m for MEILLERGHP
At equity consolidation	-11.6	-14.1	-22.1%	-2.6	-3.0	-1.6	
EBITDA	312.2	307.2	-1.6%	-5.0	91.5	96.5	
<i>EBITDA margin³</i>	19.8%	19.5%	-	-	21.2%	22.1%	High profitability
Depreciation, amortisation and impairment losses	-35.2	-34.7	-1.3%	-0.4	-11.3	-12.9	
EBIT	277.1	272.5	-1.7%	-4.6	80.2	83.5	
<i>EBIT margin³</i>	17.6%	17.3%	-	-	18.6%	19.1%	

Note: Early application of IAS 19 (revised)

¹ Reporting according to new segment structure as of January 1, 2012; figures for 2011: pro-forma consolidation

² New segment structure leads to recognition of value logistics as part of the Parcel & Logistics Division as of January 1, 2012

³ EBIT and EBITDA in relation to total revenue



PARCEL & LOGISTICS DIVISION: INCOME STATEMENT

EUR m	2011	2012	%	Change absolute	Q4 2011	Q4 2012
External sales	846.5	858.1	1.4%	11.6	228.5	226.1
External sales excl. Benelux¹	802.2	840.9	4.8%	38.7	217.3	226.1
Premium Parcel/B2B	659.9	650.8	-1.4%	-9.1	174.4	167.0
Standard Parcel/X2C	166.8	177.8	6.6%	11.0	49.1	51.0
Logistics Services	19.9	29.6	48.8%	9.7	5.0	8.1
Total revenue incl. internal sales	871.5	867.0	-0.5%	-4.5	235.4	228.4
EBITDA	12.0	46.6	>100%	34.6	-1.3	14.3
<i>EBITDA margin²</i>	1.4%	5.4%	-	-	-0.5%	6.3%
Depreciation, amortisation and impairment losses	-40.3	-21.4	-46.9%	-18.9	-21.3	-5.5
EBIT excl. structural measures 2011	13.8	25.3	83.3%	11.5	-	-
EBIT	-28.2	25.3	>100%	53.5	-22.6	8.9
<i>EBIT margin²</i>	-3.2%	2.9%	-	-	-9.6%	3.9%

Revenue increase of 4.8%

Margin improvement in line with planned ramp-up

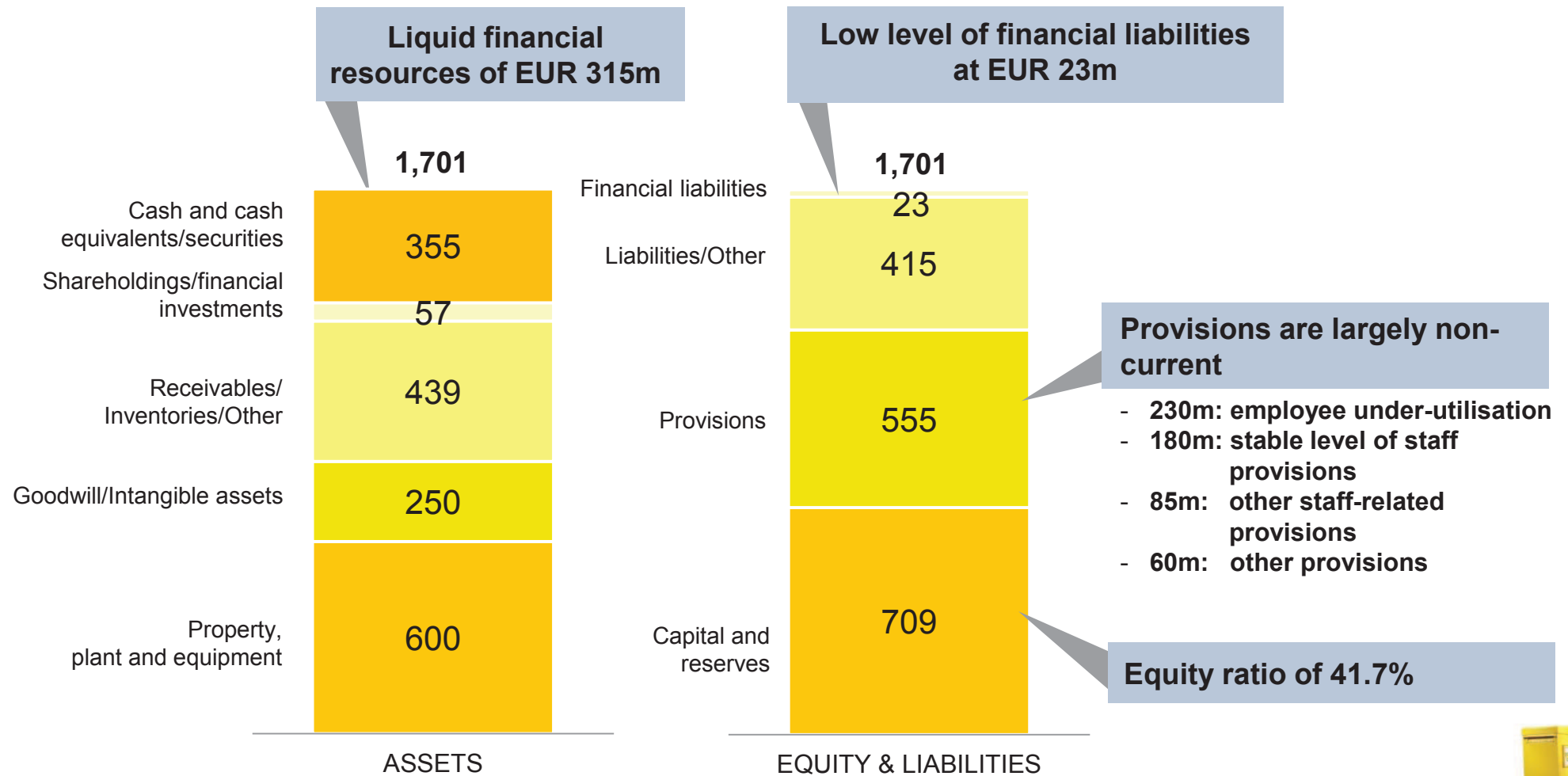
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² EBIT and EBITDA in relation to total revenue



SOLID BALANCE SHEET STRUCTURE

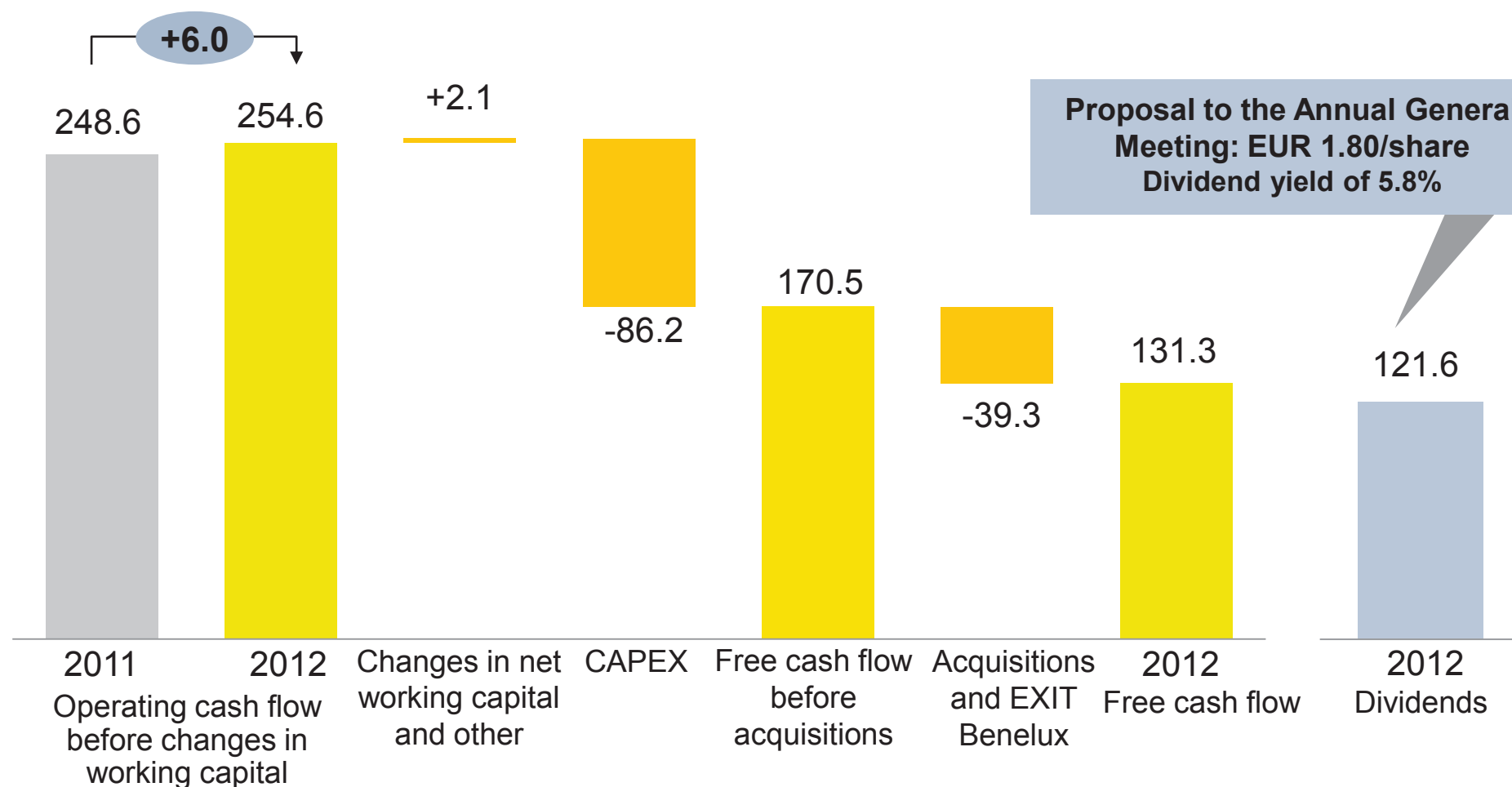


Balance sheet at Dec. 31, 2012 in EUR m



STRONG CASH FLOW ENABLES ACTIVE INVESTMENT AND DIVIDEND POLICY

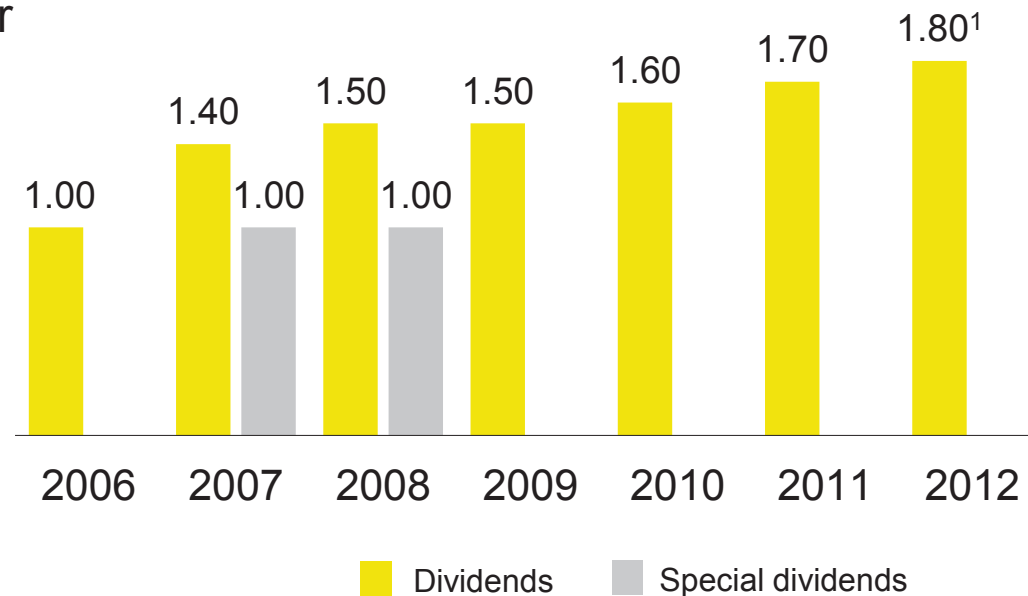
EUR m



DIVIDEND POLICY

Continuation of attractive dividend policy

- Dividend proposal to the Annual General Meeting: EUR1.80/share
- Dividend yield as at December 31, 2012: 5.8%
- Dividend policy: dividend of at least 75% of the Group net profit
- Dividend should develop further reflecting the Group's net profit

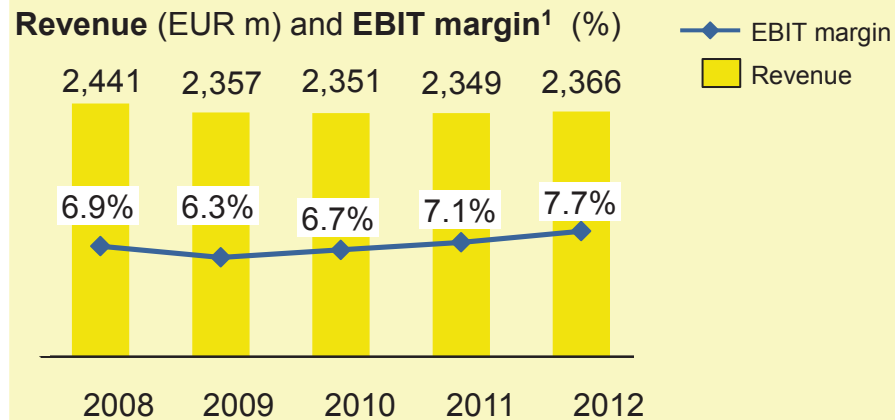


¹ Proposal to the Annual General Meeting on April 18, 2013

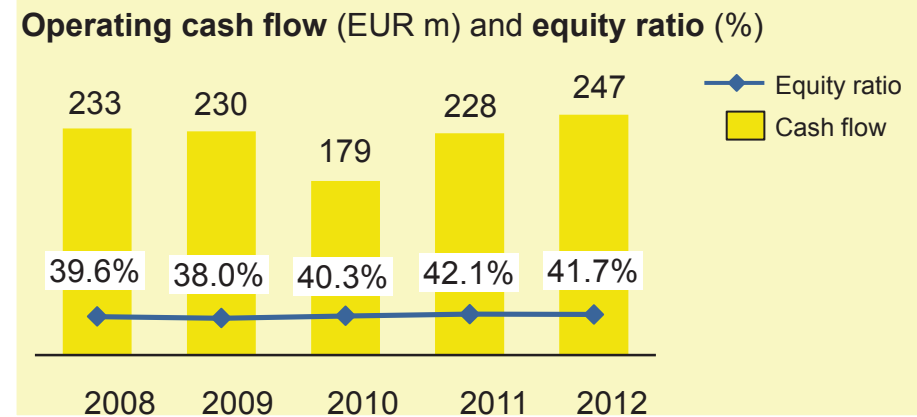


CAPITAL MARKET POSITIONING OF AUSTRIAN POST

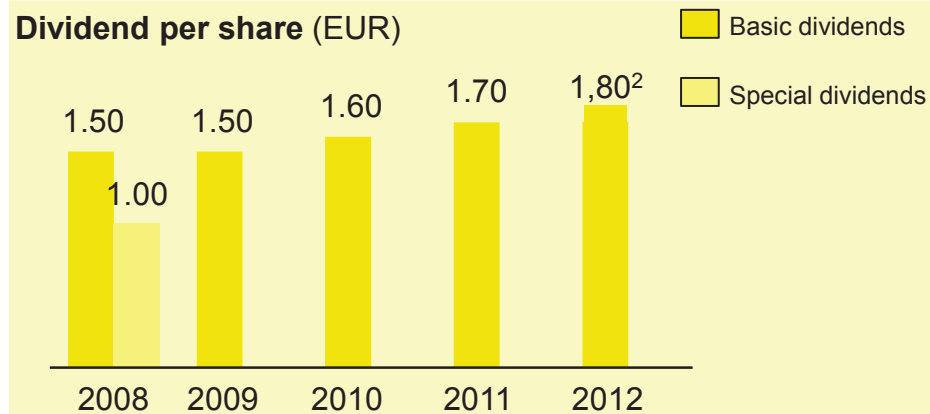
1 Defensive business model



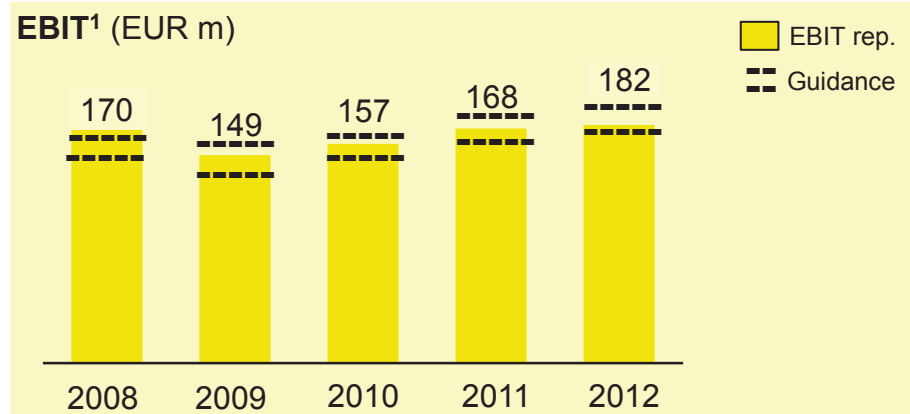
2 Strong balance sheet and solid cash flow



3 Attractive dividend policy



4 High credibility ("Promise & Deliver")



¹ Application of IAS 19 (revised) in 2011 and 2012

² Proposal to the Annual General Meeting on April 18, 2013



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PRIORITIES IN 2013

1 EXPLOIT MARKET OPPORTUNITIES IN AUSTRIA

- Election year 2013 opens up opportunities for mail business
- Parcel business features growth opportunities with private and business customers (B2B market share: target 25%)

2 COST DISCIPLINE AND INCREASED LOGISTICS EFFICIENCY

- Achieve efficiency improvements with new sorting and delivery method (“collator“)
- New mail and parcel centre in Upper Austria
- Continuation of structural change (3,000 employees new collective wage agreement)

3 IMPROVE PROFITABILITY OF THE INTERNATIONAL BUSINESS

- Performance initiative in Germany
- Strengthening of pharmaceutical logistics and CEE business

4 FURTHER IMPETUS FOR CUSTOMER ORIENTATION

- Ongoing development of solutions which are simple and self-service compatible



OUTLOOK 2013

Market environment	<ul style="list-style-type: none">▪ Ongoing electronic substitution of letters, stable development of advertising mail expected▪ Growth in the private parcel customer segment, intensive competition continues for business parcel customers
Revenue	<ul style="list-style-type: none">▪ Confirm medium-term growth target of 1-2% annually▪ Stable or slightly rising revenue in 2013 following 1.9% growth in 2012
Costs & investments	<ul style="list-style-type: none">▪ Automation, efficiency enhancement and structural improvement; CAPEX 2013 expected to be approx. EUR 90m▪ Selective acquisition policy: focus on growth markets as well as strengthening and deepening the core business in Austria
Earnings	<ul style="list-style-type: none">▪ EBITDA margin expected again in the targeted range of 10–12%▪ Goal of improving EBIT in 2013



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Financial calendar 2013

March 14, 2013 Annual results 2012

April 18, 2013 Annual General Meeting 2013

May 2, 2013 Dividend payment day

May 17, 2013 Interim report Q1 2013

Aug. 7, 2013 Half-year financial report 2013

Nov. 14, 2013 Interim report Q1-3 2013

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