Post

AUSTRIAN POST IN THE 2013 FINANCIAL YEAR

INVESTOR PRESENTATION

Georg Pölzl/CEO, Walter Oblin/CFO
Vienna, March 13, 2014

IF IT REALLY COUNTS, RELY ON AUSTRIAN POST.

1. **Highlights and overview**

2. Strategy implementation

3. Group results in 2013

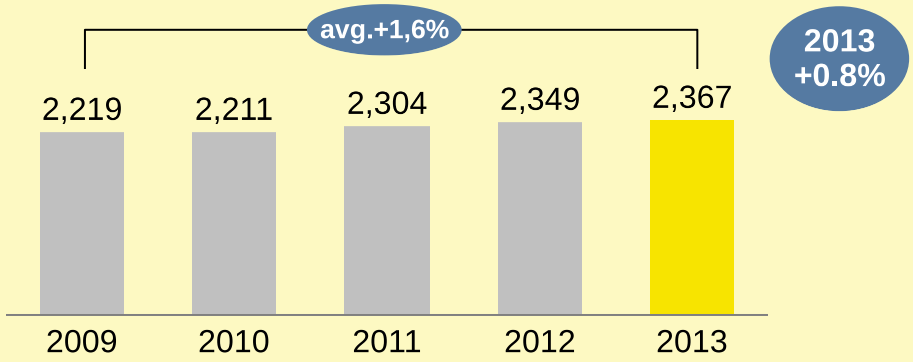
4. Outlook 2014

HIGHLIGHTS 2013

1 **Market environment**	✓	▪ Positive revenue effects in the mail business in Austria ▪ Ongoing robust growth in the Austrian parcel market ▪ Tough competition in the international parcel business
2 **Revenue**	✓	▪ Revenue increase of 0.8% (excl. Benelux) ▪ Slight growth in the mail and parcel segments (excl. Benelux)
3 **Earnings**	✓	▪ Slightly improved EBIT of EUR 186.0m ▪ Earnings influenced by special effects
4 **Dividends**	✓	▪ Continuation of attractive dividend policy ▪ Proposal of EUR 1.90/share to the Annual General Meeting
5 **Outlook**	✓	▪ Stable revenue development expected against the backdrop of a challenging market environment ▪ Goal of achieving an EBITDA margin of 10-12% and improved EBIT

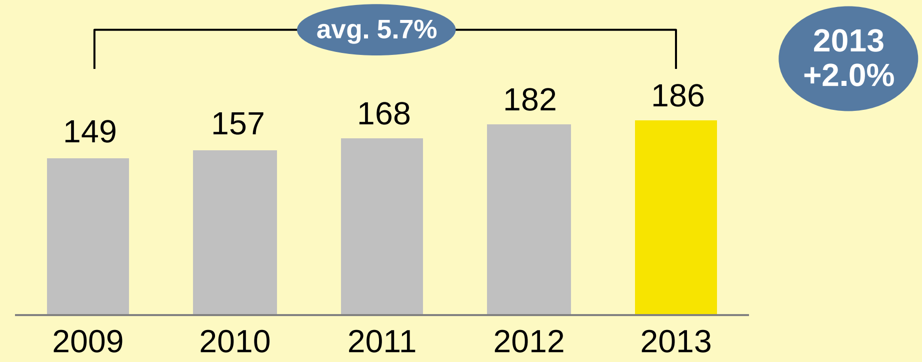
AUSTRIAN POST'S SUSTAINABLY SOLID DEVELOPMENT CONTINUES INTO 2013

1 REVENUE[1]
in EUR m

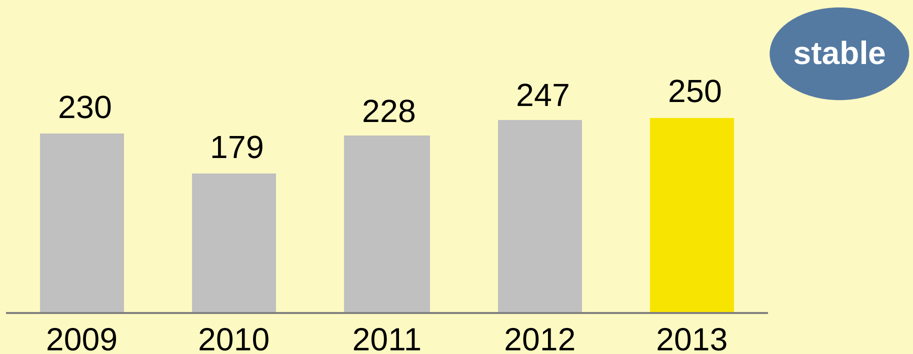


1) Figures excl. Benelux subsidiaries and meiller Group

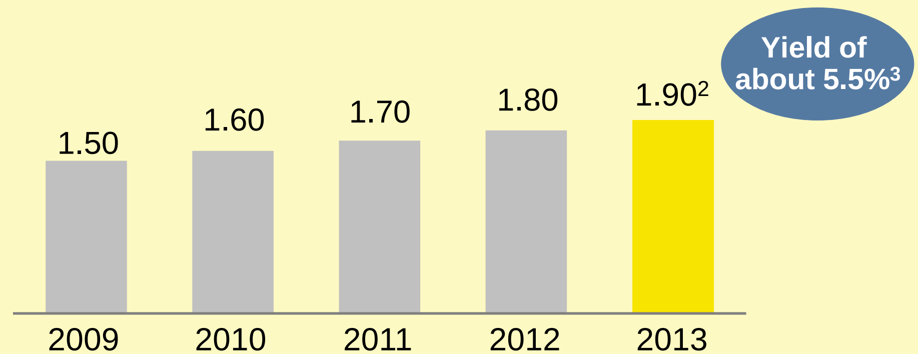
2 EBIT
in EUR m



3 OPERATING CASH FLOW
in EUR m



4 DIVIDENDS
per share in EUR

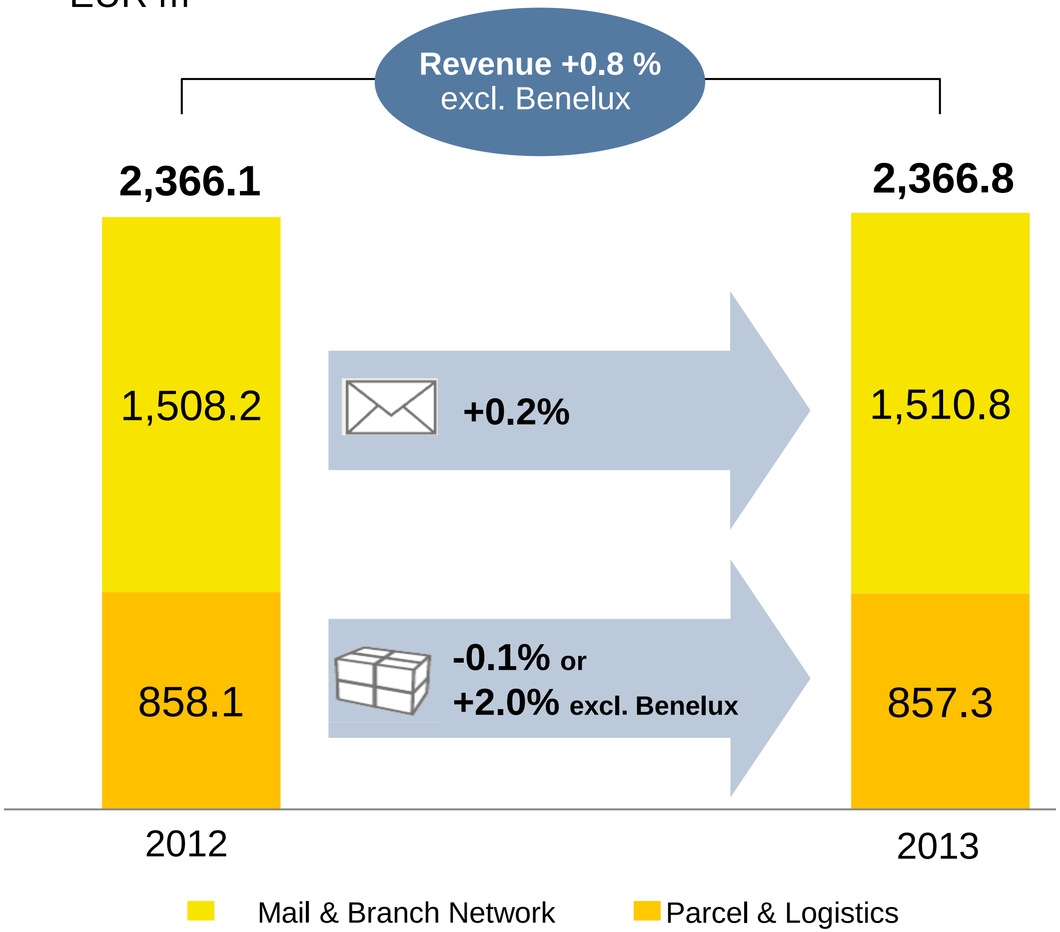


2) Proposal to the Annual General Meeting on April 24, 2014
3) Dividend yield in relation to the share price of EUR 34.78 on December 31, 2013

SLIGHTLY IMPROVED REVENUE IN 2013

Revenue development

EUR m



Group revenue:
Rise of 0.8% in 2013 excl. Benelux
(Q4 2013: -1.7%)

Mail & Branch Network:

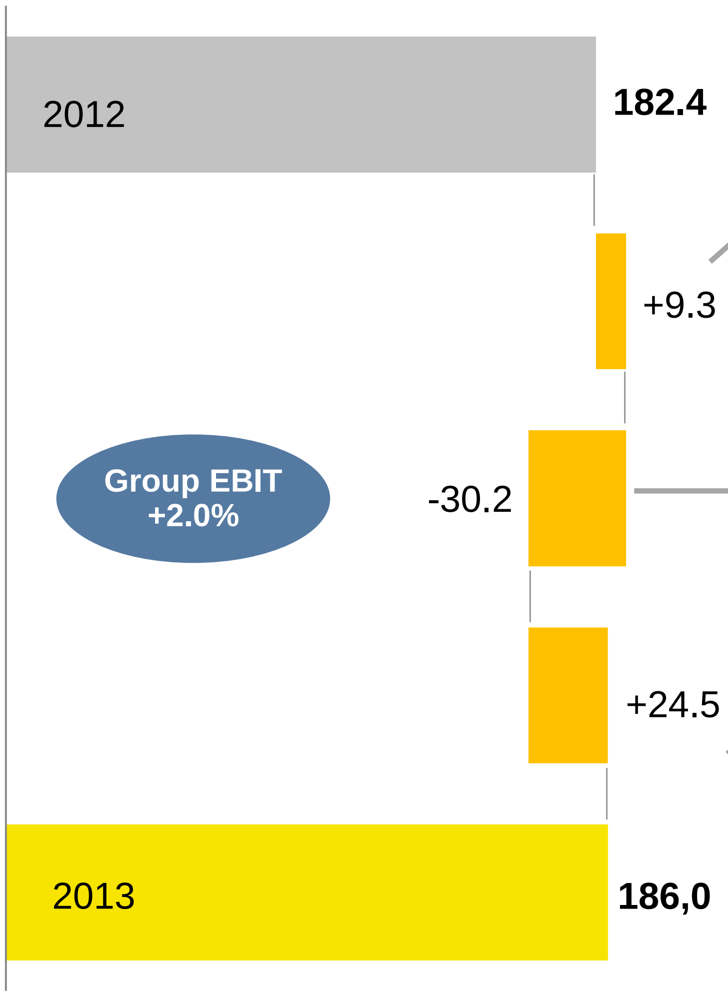
- Revenue growth of 0.2% in 2013 thanks to acquisitions and positive revenue effects of elections in Q1-3 2013
- General trend towards declining mail volumes perceptible in Q4 2013 (revenue drop of 3.3%)

Parcel & Logistics:

- Revenue increase of 2.0% (excl. Benelux) as a mix of growth in Austria and CEE, decline in Germany
- Positive revenue development of +1.7% in Q4 2013 after a strong prior-year quarter

EBIT RISE OF 2.0% DRIVEN BY SPECIAL EFFECTS

Earnings development
EUR m



MAIL & BRANCH NETWORK: EUR +9.3m
- Positive revenue effects in election year 2013
- Prior-year figure includes impairment loss of EUR 9.6m for MEILLERGHP

PARCEL & LOGISTICS: EUR -30.2m
- Impairment loss of EUR 27m on goodwill at trans-o-flex (+write-downs of EUR 7.1m)
- Operational improvement in Austria and CEE

CORPORATE: EUR +24.5m
- Lower expenses for provisions for employee under-utilisation: positive effect of EUR 17.6m

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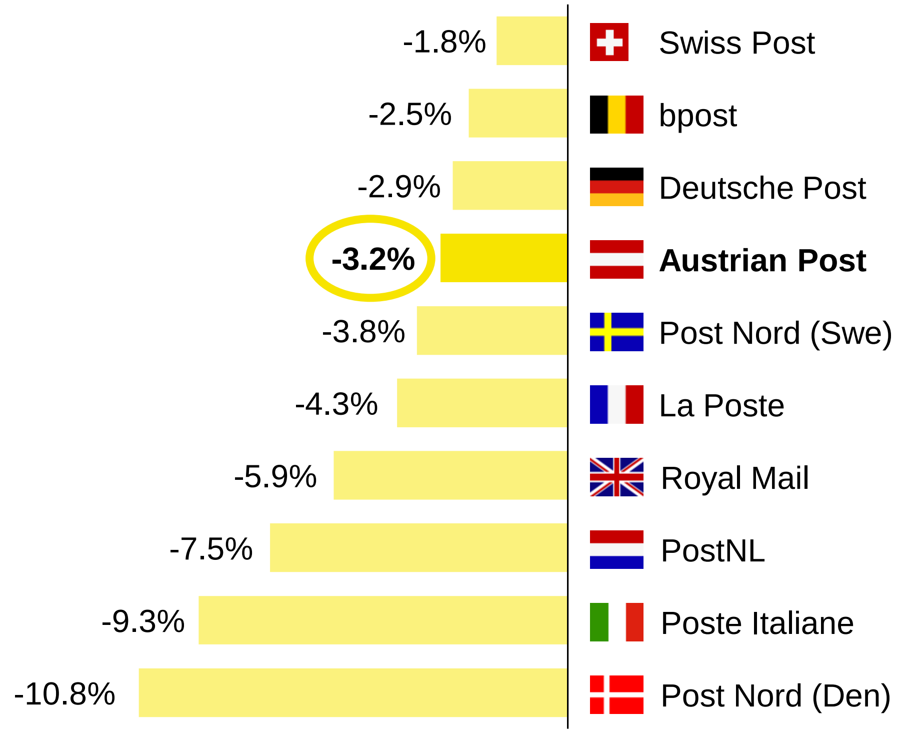
RESOLUTE IMPLEMENTATION OF STRATEGY

1. SOLID DEVELOPMENT OF THE DOMESTIC MAIL BUSINESS

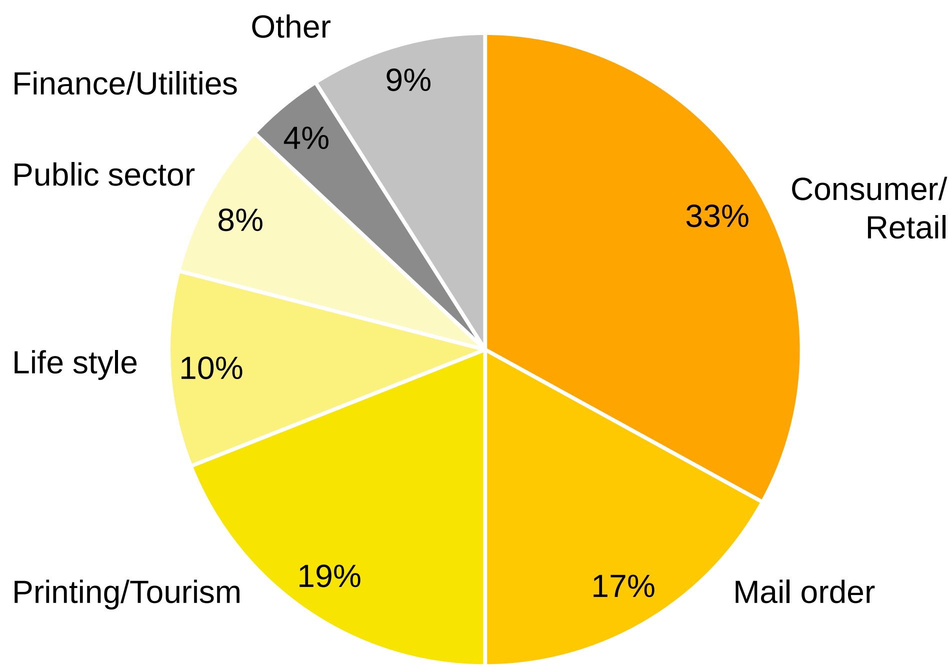
Moderate volume decline for addressed mail items in Austria

Addressed mail volumes 2008 – 2012 (CAGR)



Broad customer base in the direct mail segment in Austria

Direct Mail revenue by customer group (adressed/unadressed)
Revenue EUR 360m = 3.2 bn mail items

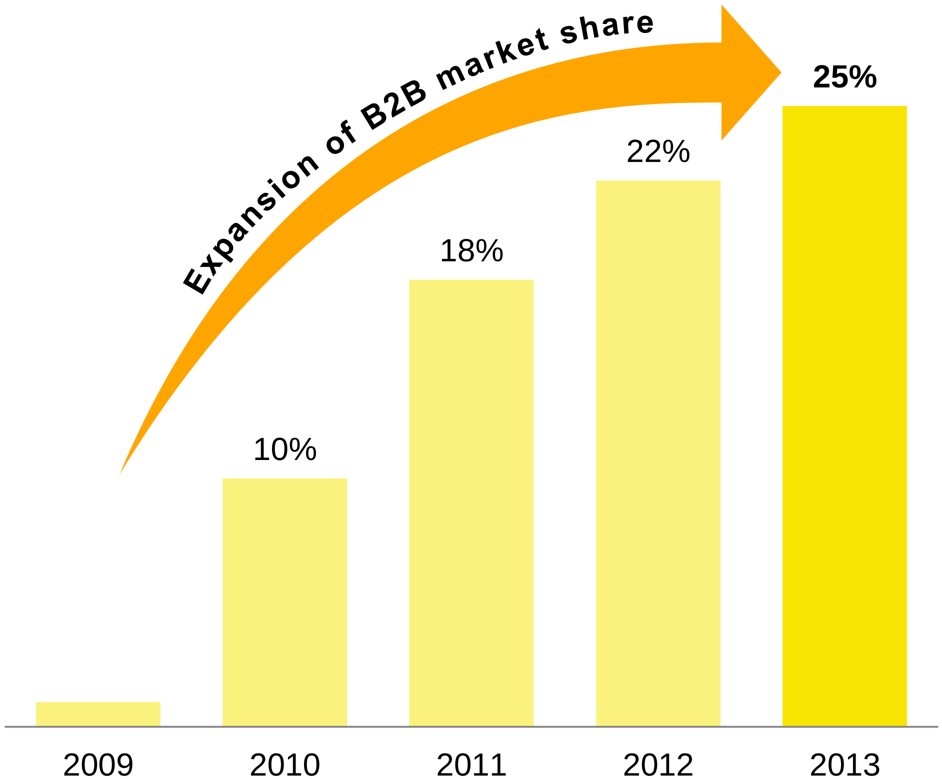


Source: Eurostat, company data

1. STRONG PARCEL GROWTH WITH PRIVATE AND BUSINESS CUSTOMERS

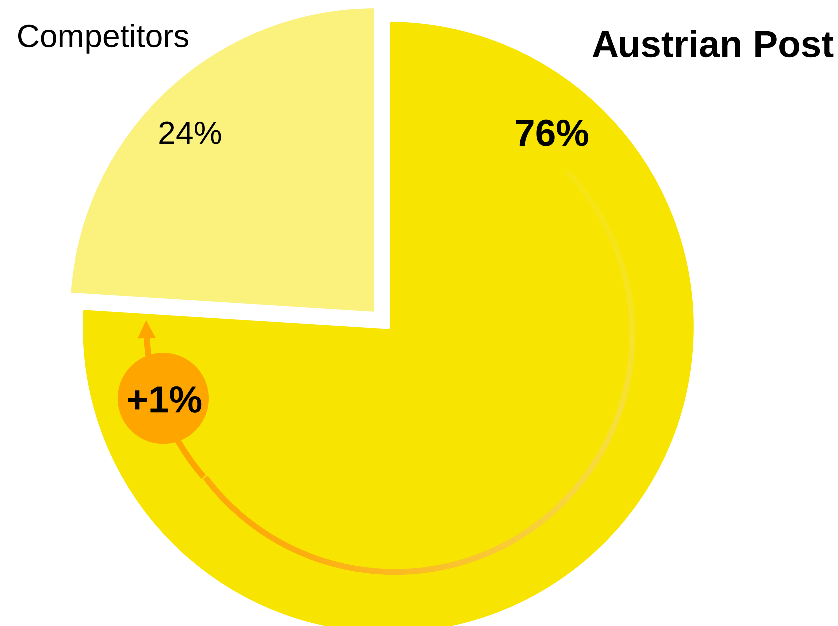
Ongoing increase in market share in the business customer segment

B2B market share of Austrian Post



E-commerce drives growth in private customer parcels segment

Market share C2C/B2C Austrian Post and competitors

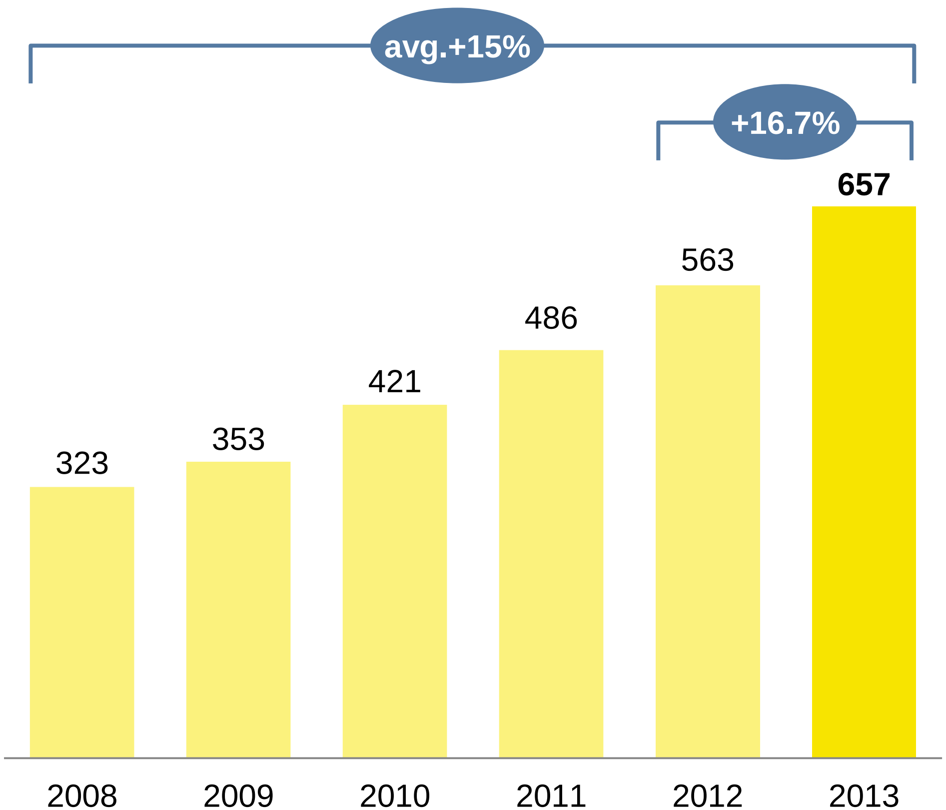


Source: Kreutzer Fischer & Partner

2. ARAS KARGO – GROWTH MARKET OF TURKEY

Positive development of new investment Aras Kargo also in 2013

Revenue (TRY m)



- **Entry in 2013:** 25% interest with call option for an additional 50% in 2016
- **Integration and know-how transfer**
- Focus on **profitability and growth**
- **Objective: market leadership** on the Turkish parcel market (currently no. 2 with 26% market share)
- Continuing **good profitability** with EBITDA margin of >10%

2. PERFORMANCE IMPROVEMENT IN GERMANY

Resolute continuation of earnings improvement programme

- **Efficiency enhancement programme** focusing on optimizing the operational cost structure
- **Refocusing on core markets**
- Leveraging of **synergies** with respect to distribution logistics
- Acquisition of various **distribution companies** (e.g. Cologne, Duisburg, Dortmund)

Focus on and exploitation of market opportunities in the pharmaceutical segment

- Concentration on the growing **pharmaceutical and healthcare market**
- **Greater temperature control in the network** due to the new EU Good Distribution Practice (GDP) guideline with strict rules for the transport of pharmaceuticals (since September 2013)
- **Market opportunities** on the basis of volume shifts to higher quality temperature-controlled transport services

AEP direkt

Entry in the pharmaceutical wholesale market:
AEP *direkt*
Business started well; 700 pharmacies already as customers

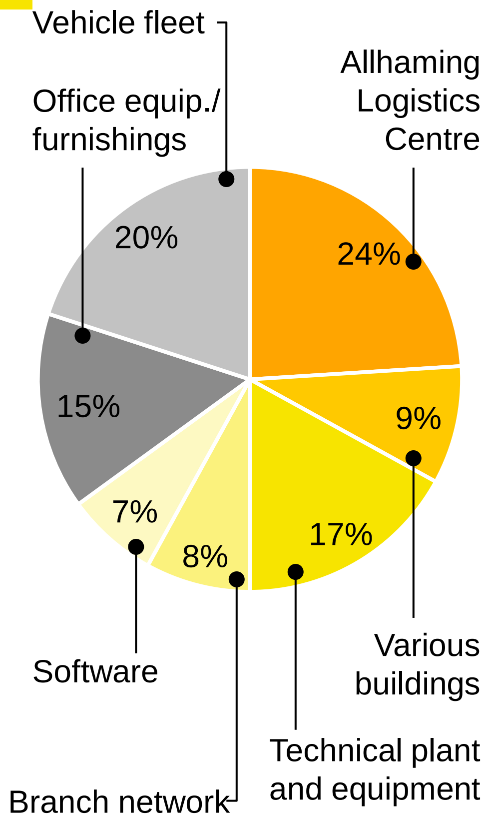
3. INVESTMENTS FOR THE FUTURE

Investment programme of approx. EUR 300m in the period 2012-2014: Increased investments in the future to further enhance efficiency and customer orientation

Replacement investments in the vehicle fleet
Expansion of electric vehicle use

Branch network and self-service zones
Pick-up station, franking machines, design...

CAPEX 2013: EUR 96.4m

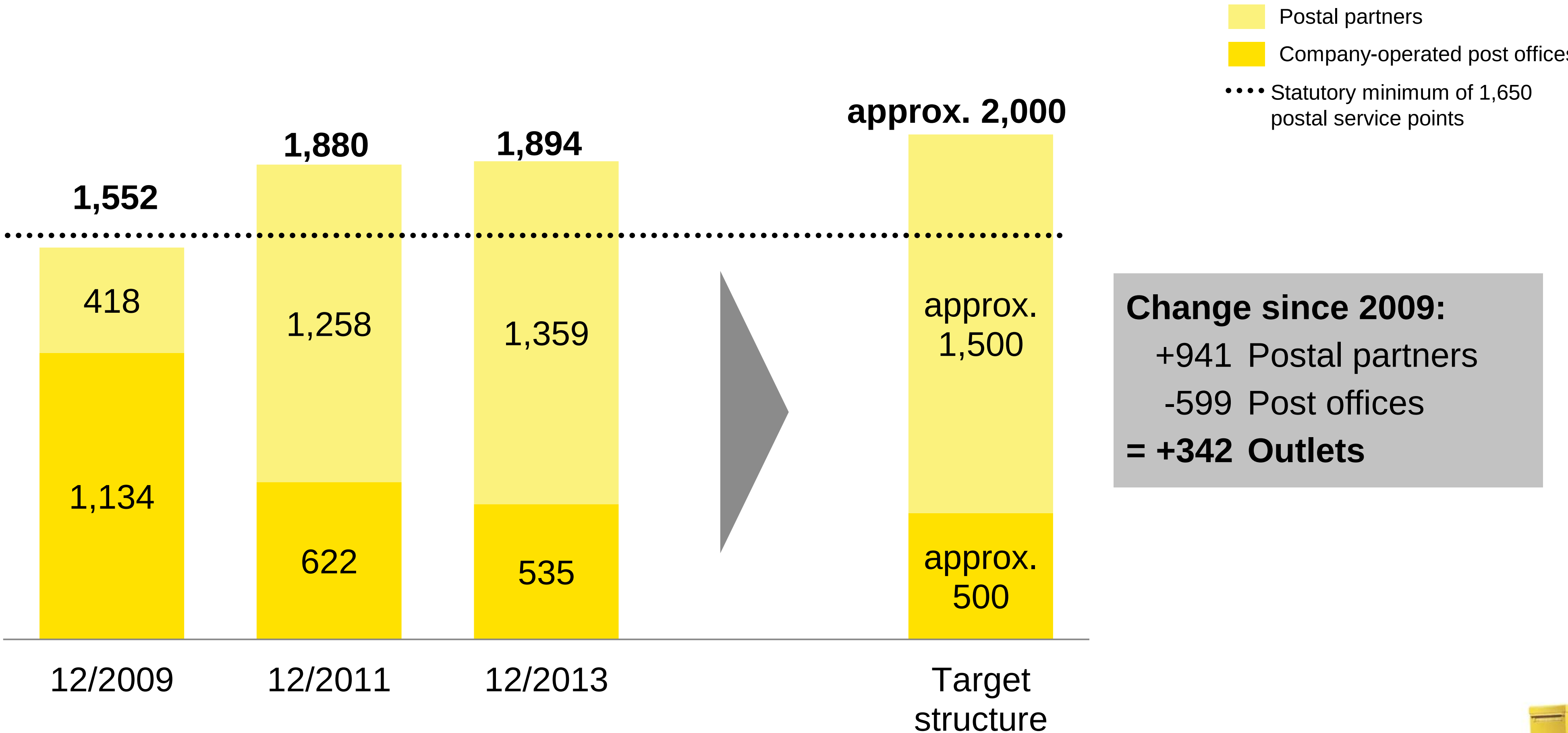


Capacity expansion in Austria
Logistics centre in Allhamiung, Upper Austria

New sorting technologies
Collators, flatsorters, letter sorting machines...

3. STRUCTURAL TRANSFORMATION IN THE BRANCH NETWORK

Structural change in the branch network to improve service and the cost structure



Change since 2009:

+941 Postal partners

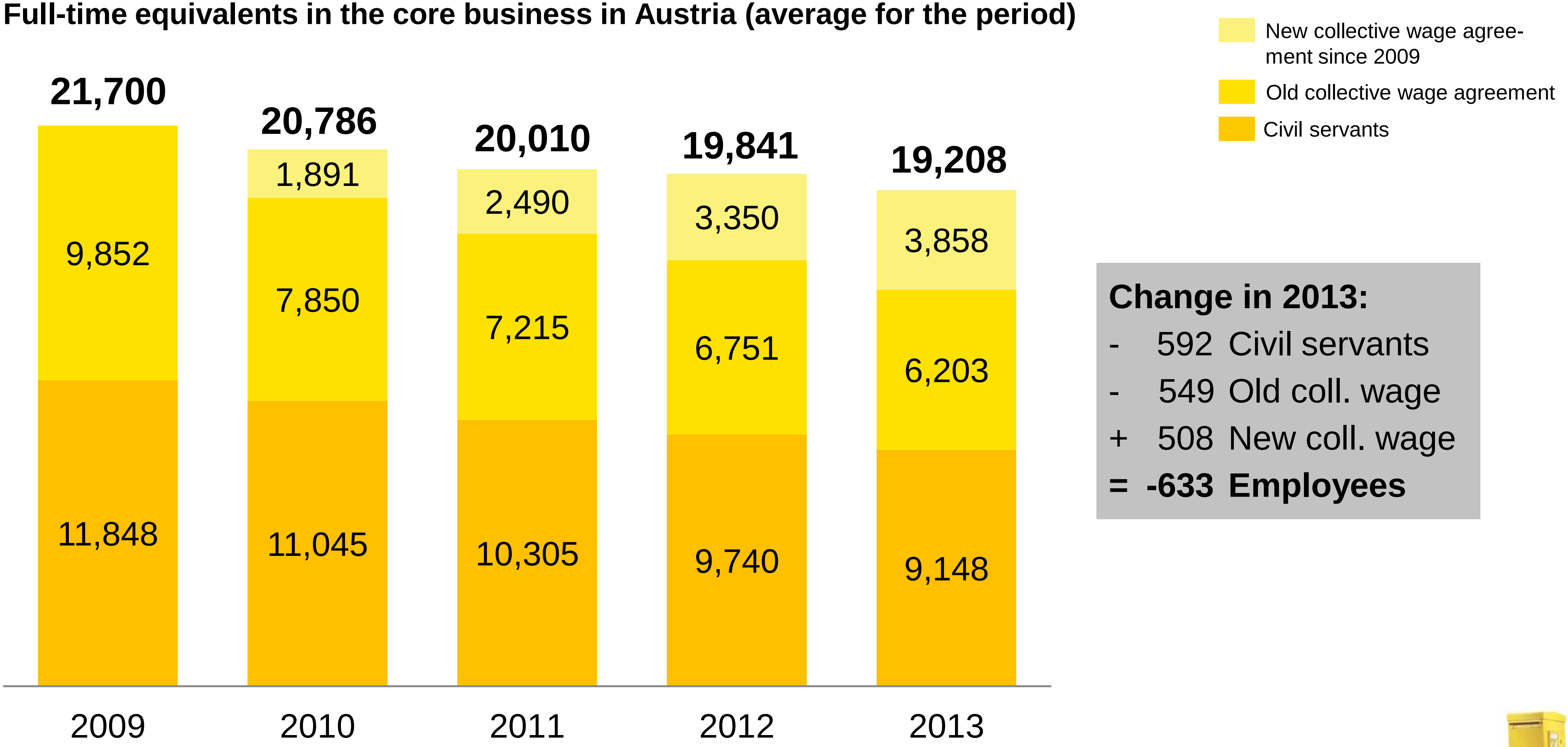
-599 Post offices

= +342 Outlets

3. OPTIMISATION IN THE PERSONNEL MIX

20% of employees already working under the new collective wage agreement

Full-time equivalents in the core business in Austria (average for the period)



Change in 2013:
- 592 Civil servants
- 549 Old coll. wage
+ 508 New coll. wage
= -633 Employees

4. INNOVATIVE SOLUTIONS TO ENHANCE CUSTOMER CONVENIENCE

Expansion of self-servicable solutions up to end of 2013

Targets 2014

1. Highlights and overview

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OVERVIEW OF FINANCIAL INDICATORS IN 2013

	2012	2013	
1 Revenue	2,366.1	2,366.8	Slight improvement in Group revenue (+0.8% excl. Benelux)
2 EBITDA margin	11.5%	12.9%	EBITDA positively impacted by special effects in non-operational staff costs
3 EBIT margin	7.7%	7.9%	Further increase in profitability
4 Earnings per share	1.82	1.82	Earnings per share at a stable level
5 Cash flow	246.7	250.4	Stable cash flow from operating activities finances future oriented investments and dividends
6 Equity ratio	41.7%	42.6%	Solid balance sheet structure, low level of debt
7 ROE	21.0%	21.1%	Return on equity at a stably high level

BALANCE SHEET AND VALUATION ISSUES IN 2013

1 TRANS-O-FLEX

- **Impairment on goodwill** of the trans-o-flex Group of **EUR 27.0m** (already in Q3), current goodwill of EUR 87.6m as of December 31, 2013
- **Write-downs** to the amount of **EUR 7.1m** (thereof EUR 5.1 Mio in Q3) primarily in relation to receivables of distribution partners

2 PROVISIONS FOR EMPLOYEE UNDER-UTILISATION

- **Quicker implementation of staff-related measures** leads to reduced expenses for provisions for employee under-utilisation to the amount of **EUR 17.6m** (effect mainly in Q3)
- **Non-operational staff costs** of **EUR 30.4m** in 2013

3 MEILLERGHP

- A **complete impairment loss on receivables** from the joint venture MEILLERGHP amounting to **EUR 10.6m** (effect in the financial result) was recognised due to the annual impairment testing carried out within the context of preparing the annual financial statements
- **MEILLERGHP GmbH** applied for **judicial reorganisation proceedings** on February 7, 2014 in order to enable the sustainable restructuring of the company

KEY INCOME STATEMENT INDICATORS

EUR m	2012	2013	Change %	Change abs.	Q4 2012[1]	Q4 2013
Revenue	2,366.1	2,366.8	0.0%	0.7	643.2	632.6
Revenue excl. Benelux	**2,348.9**	**2,366.8**	**0.8%**	**17.9**	**643.2**	**632.6**
Raw materials and services used	-766.9	-753.3	-1.8%	-13.6	-203.9	-196.7
Staff costs	-1,091.4	-1,073.5	-1.6%	**-17.9**	-296.6	-289.2
Other operating expenses	-294.8	-298.6	1.3%	3.8	-85.3	-82.6
Equity result	-13.9	-6.6	52.7%	7.3	-1.7	-1.7
EBITDA	**271.2**	**304.5**	**12.3%**	**33.3**	**78.0**	**81.9**
EBITDA margin	*11.5%*	*12.9%*	-	-	*12.1%*	*13.0%*
Depreciation, amortisation and impairment losses	-88.8	**-118.5**	33.4%	29.7	-26.7	-27.5
EBIT	**182.4**	**186.0**	**2.0%**	**3.6**	**51.3**	**54.4**
EBIT margin	*7.7%*	*7.9%*	-	-	*8.0%*	*8.6%*
Earnings before tax (EBT)	**151.6**	**171.2**	**12.9%**	**19.6**	**22.7**	**42.5**
Income tax	-28.4	-47.2	66.1%	18.8	1.5	-23.3
Profit for the period	**123.2**	**124.0**	**0.7%**	**0.9**	**24.2**	**19.2**

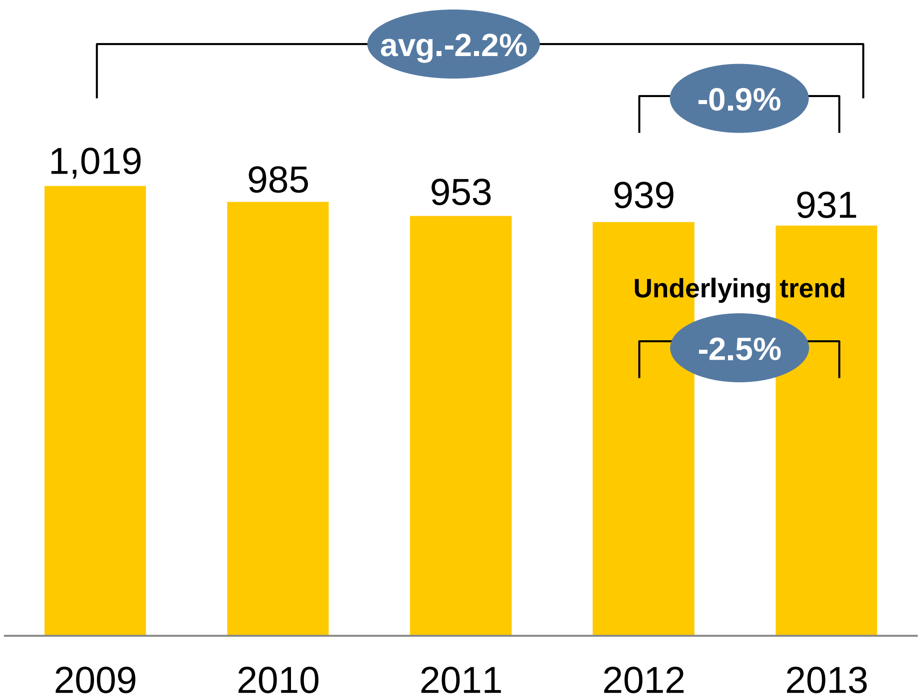
- Revenue up 0.8%
- Reduced allocations to provisions for employee under-utilisation totalling EUR 17.6m
- Impairment loss on goodwill of EUR 27.0m for trans-o-flex
- Effects from deferred taxes in 2012 and 2013

1) Figures for Q4 2012 adjusted due to early application of IAS 19 (revised)

MAIL & BRANCH NETWORK DIVISION: VOLUME DEVELOPMENT IN AUSTRIA

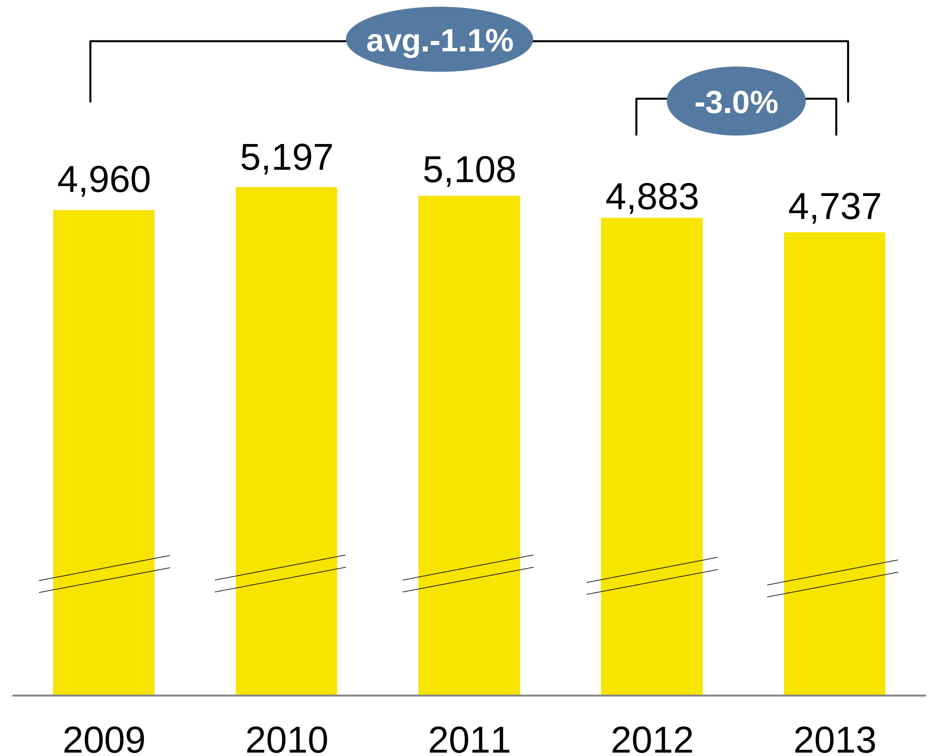
Letter Mail (mail items in millions)

- Steady decline due to electronic substitution (underlying trend in 2013 of about -2,5%)
- Positive effects in 2013 due to extensive election year 2013



Direct Mail/Media Post[1] (mail items in millions)

- Volatile development of advertising expenditures
- Structural change in physical retail stores
- Decline in the mail order business, stable or slightly positive trend with food retailers

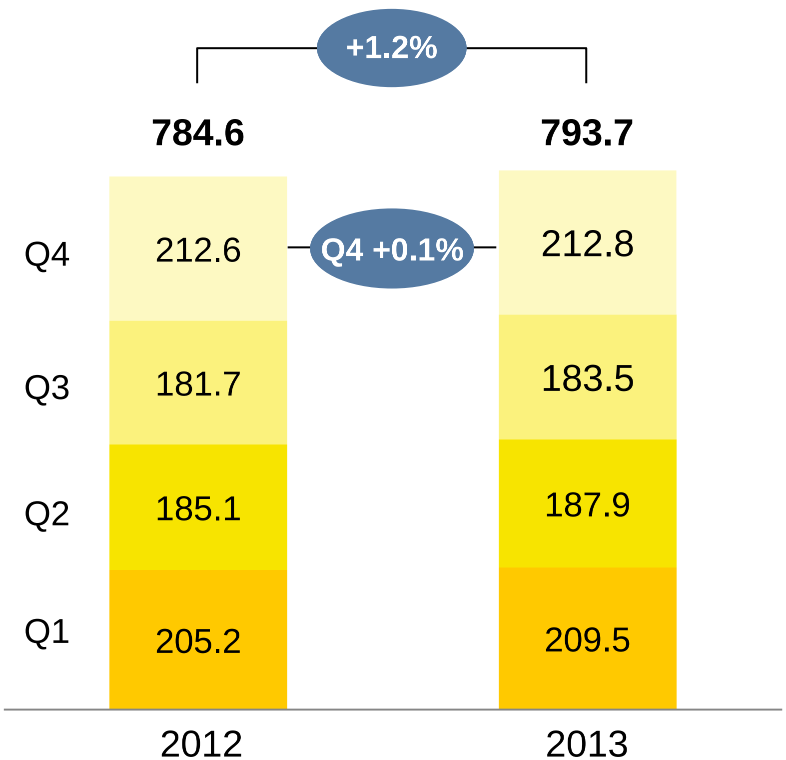


1) Adressed and unadressed Direct Mail/Media Post items

MAIL & BRANCH NETWORK DIVISION: REVENUE TRENDS IN 2013

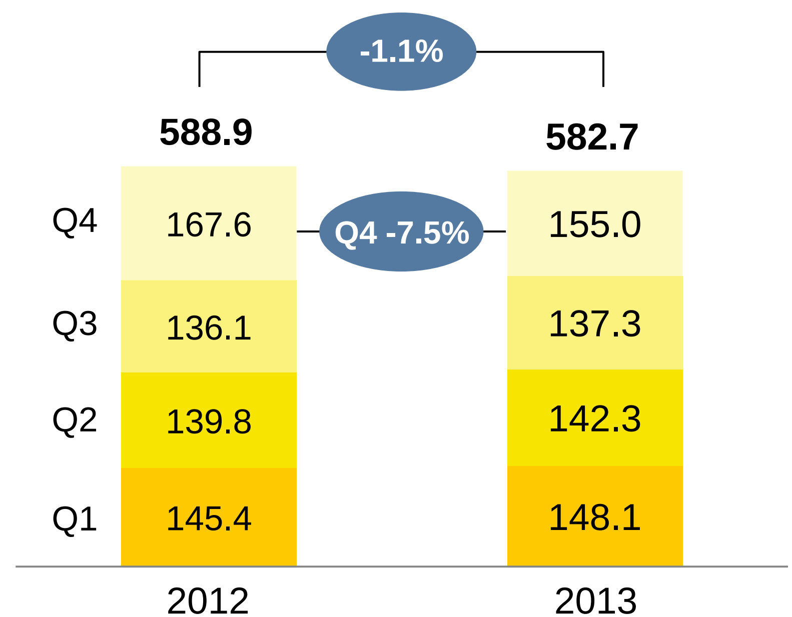
Letter Mail & Mail Solutions (EUR m)

- Revenue development impacted by positive revenue effects (acquisitions, elections, mail solutions)
- Continuing volume decline in the letter mail segment due to e-substitution (underlying trend -2.5%)



Direct Mail/Media Post (EUR m)

- Positive revenue effects related to elections only in the first three quarters of 2013
- Restraint in advertising spending and pressure of online business on physical outlets
- Disappearance of some traditional retail customers e.g. Schlecker/Dayli, Neckermann, Niedermeyer



MAIL & BRANCH NETWORK DIVISION: KEY INCOME STATEMENT INDICATORS

EUR m	2012	2013	Change %	Change abs.	Q4 2012[1]	Q4 2013
Revenue (external sales)	**1,508.2**	**1,510.8**	**0.2%**	**2.6**	**417.0**	**403.1**
▪ Letter Mail & Mail Solutions	784.6	793.7	1.2%	9.1	212.6	212.8
▪ Direct Mail	445.2	441.8	-0.8%	-3.4	126.4	117.6
▪ Media Post	143.7	140.9	-2.0%	-2.8	41.2	37.4
▪ Branch Services	134.7	134.4	-0.2%	-0.3	36.7	35.3
Total revenue[2]	1,578.8	1,585.4	0.4%	6.6	437.5	423.5
Equity result	**-14.1**	-6.7	52.3%	7.4	-1.6	-2.4
EBITDA	**307.2**	**320.7**	**4.4%**	**13.5**	**92.1**	**87.0**
EBITDA margin[3]	*19.5%*	*20.2%*	-	-	*21.0%*	*20.6%*
Depreciation, amortisation and impairment losses	-34.7	-38.8	11.9%	4.1	-12.9	-14.0
EBIT	**272.5**	**281.8**	**3.4%**	**9.3**	**79.1**	**73.0**
EBIT margin[3]	*17.3%*	*17.8%*	-	-	*18.1%*	*17.2%*

Revenue growth of 0.2% due to acquisitions and positive revenue effects

Impairment on MEILLERGHP of EUR 9.6m in 2012

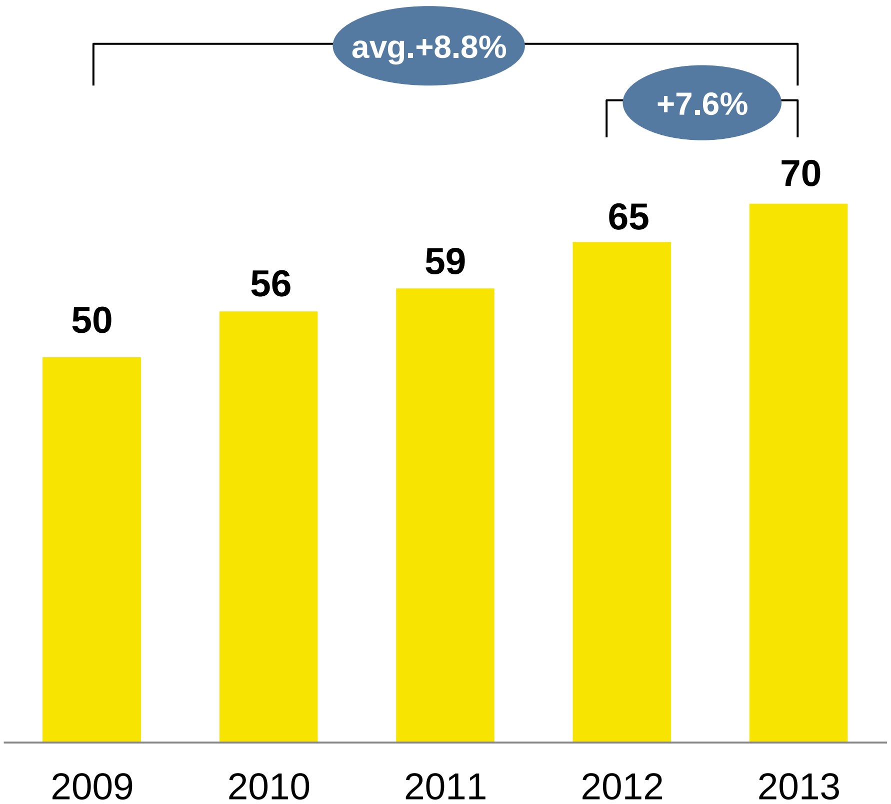
Earnings improvement of 3.4% in 2013

1) Figures for Q4 2012 adjusted due to early application of IAS 19 (revised)
2) External sales plus internal sales
3) EBIT and EBITDA in relation to total revenue

PARCEL & LOGISTICS DIVISION: VOLUME DEVELOPMENT

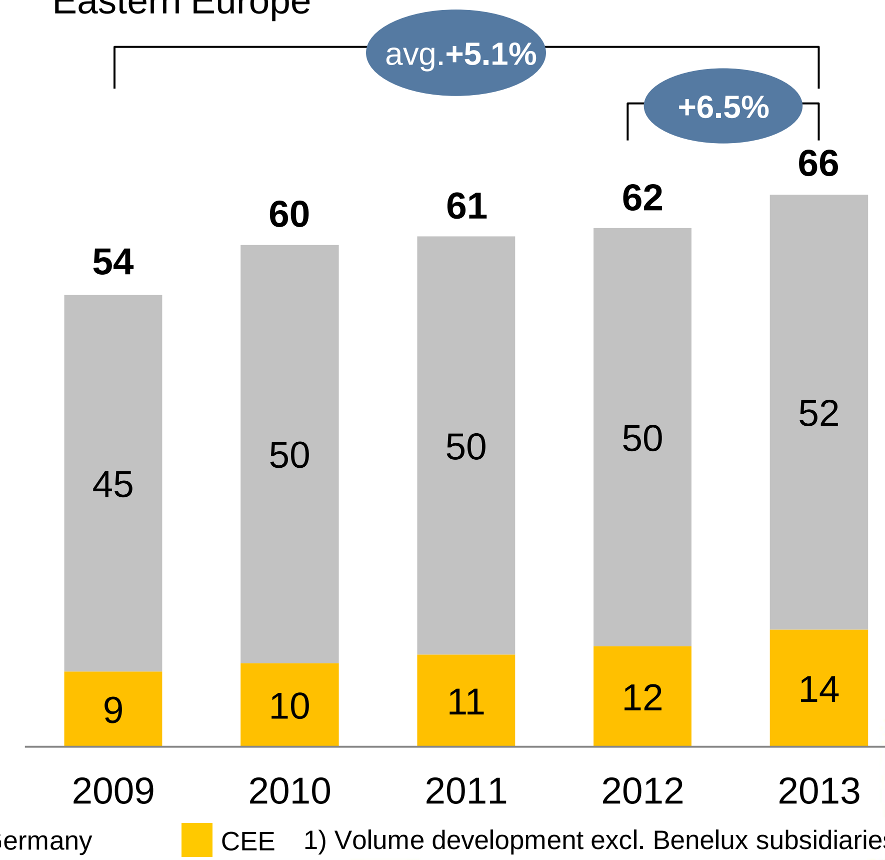
Austria (parcels in millions)

- Steady growth in private parcel customers
- Increased market share for business customers



International (parcels in millions)[1]

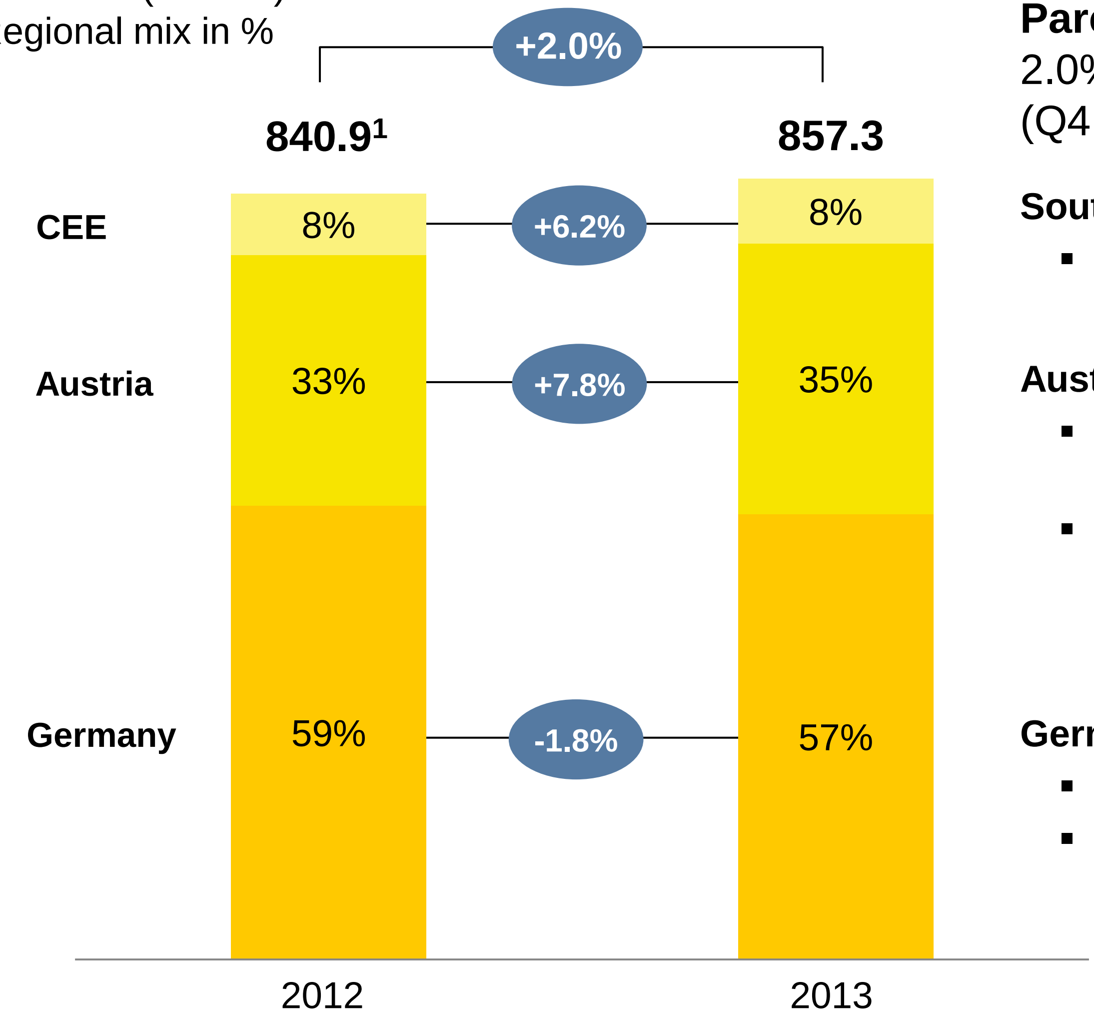
- Focus on qualitative growth in Germany (smaller parcel sizes)
- Positive volume development in South East and Eastern Europe



1) Volume development excl. Benelux subsidiaries

PARCEL & LOGISTICS DIVISION: REVENUE TRENDS IN 2013

Revenue (EUR m)
Regional mix in %



1) Revenue excl. Benelux subsidiaries

Parcel & Logistics revenue:
2.0% increase in 2013 excl. Benelux (Q4 2013: +1.7%)

South East and Eastern Europe: +6.2%

- Solid growth but continuing price pressure

Austria: +7.8%

- Impetus to growth from online shopping
- Business customer market share up to 25%

Germany: -1.8%

- Ongoing tough competition
- Focus on profitability

PARCEL & LOGISTICS DIVISION: KEY INCOME STATEMENT INDICATORS

EUR m	2012	2013	Change %	Change abs.	Q4 2012[1]	Q4 2013
Revenue (external sales)	858.1	857.3	-0.1%	-0.8	226.1	229.9
Revenue excl. Benelux	**840.9**	**857.3**	**2.0%**	**16.5**	**226.1**	**229.9**
▪ Premium Parcel	650.8	643.7	-1.1%	-7.1	167.0	169.6
▪ Standard Parcel	177.8	181.7	2.2%	3.9	51.0	51.6
▪ Other Parcel Services	29.6	32.0	8.2%	2.4	8.1	8.7
Total revenue[2]	867.0	865.0	-0.2%	-2.0	228.4	231.8
EBITDA	**46.6**	**42.8**	**-8.3%**	**-3.9**	**13.8**	**14.8**
EBITDA margin[3]	*5.4%*	*4.9%*	-	-	*6.0%*	*6.4%*
Depreciation, amortisation and impairment losses	-21.4	**-47.7**	>100%	26.3	-5.5	-5.4
thereof trans-o-flex impairment	0.0	**-27.0**	>100%	27.0	0.0	0.0
EBIT	25.3	-4.9	<-100%	-30.2	8.3	9.4
EBIT before trans-o-flex impairment	**25.3**	**22.1**	**-12.7%**	**-3.2**	**8.3**	**9.4**
EBIT margin[3]	*2.9%*	*2.5%*	-	-	*3.6%*	*4.1%*

Revenue up 2.0%

Write-downs on receivables of EUR 7.1m in 2013

Impairment loss of EUR 27.0m on goodwill at trans-o-flex

Operating earnings affected by write-downs

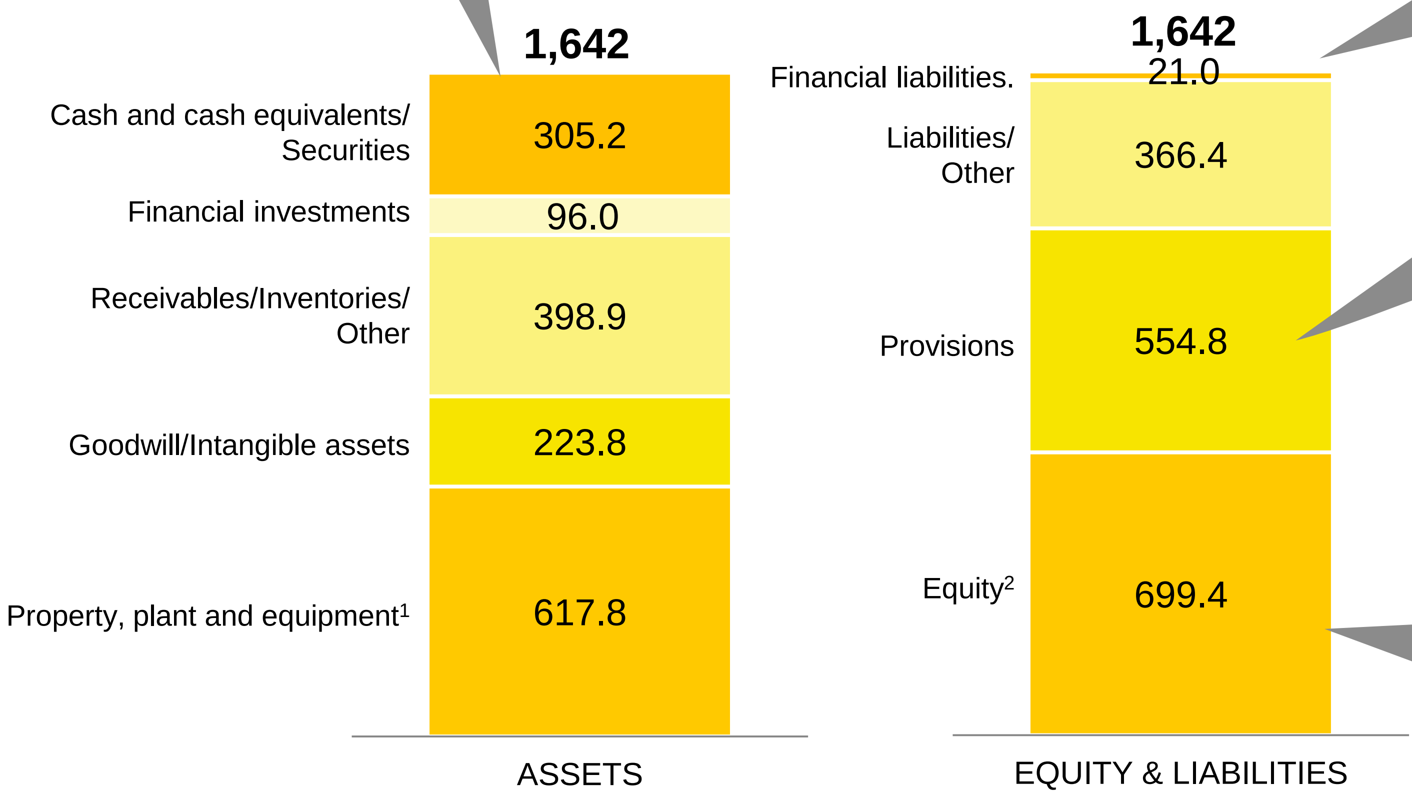
1) Figures for Q4 2012 adjusted due to early application of IAS 19 (revised)
2) External sales plus internal sales
3) EBIT and EBITDA in relation to total revenue, EBIT margin refers to EBIT before impairments

BALANCE SHEET STRUCTURE REMAINS SOLID

Balance sheet as at Dec. 31, 2013 (EUR m)

Liquid financial resources of EUR 305m after payment of about EUR 50m for Aras Kargo

Financial liabilities of only EUR 21m



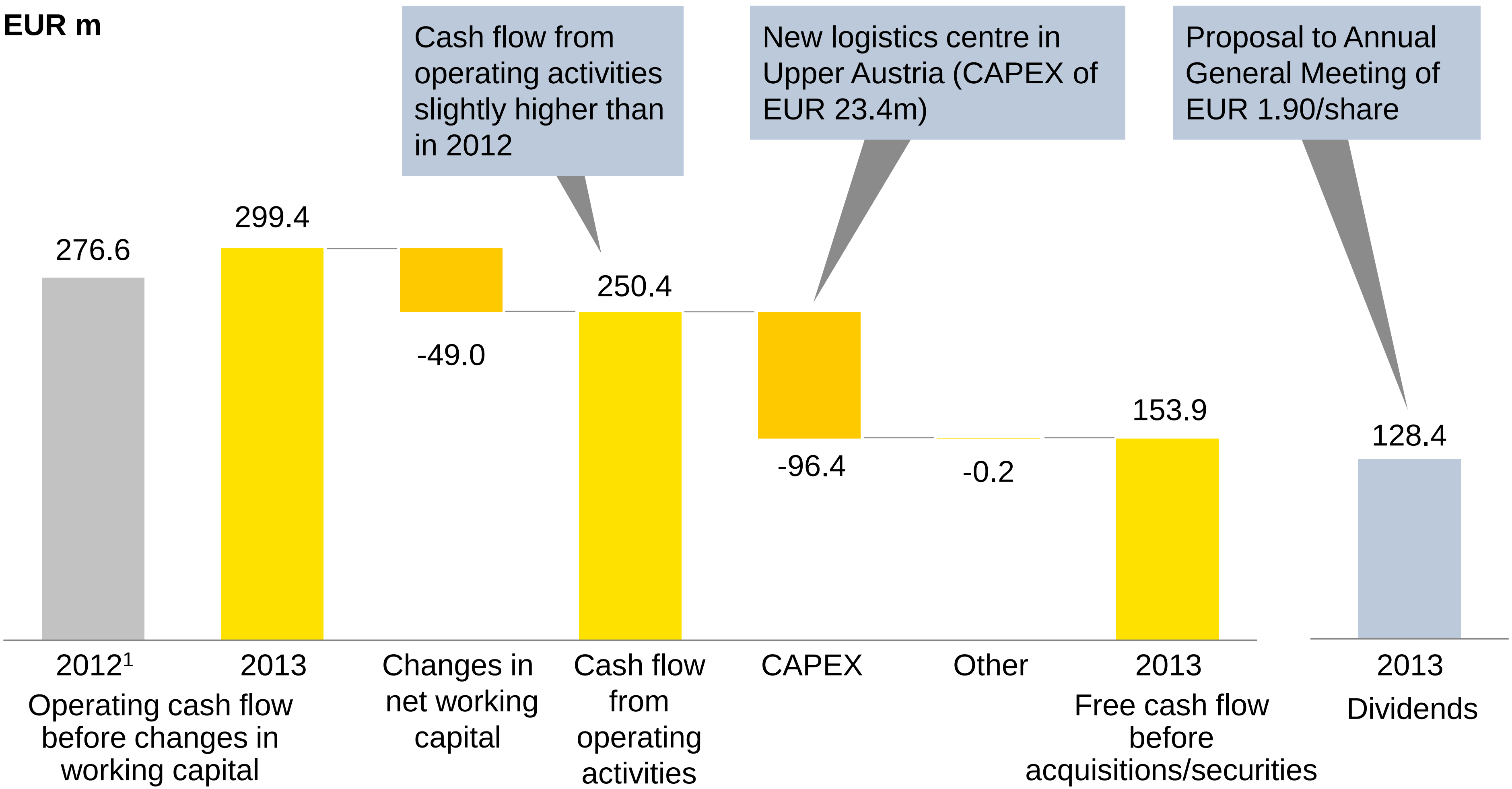
Provisions mostly non-current

- 213m Employee under-utilisation
- 182m Long-term level of stable staff provisions
- 87m Other staff-related provisions
- 73m Other provisions

Equity ratio of 42.6%

1) Incl. assets held for sale of EUR 1.9m
2) Equity includes equity attributable to non-controlling interests of EUR 2.3m

ROBUST CASH FLOW

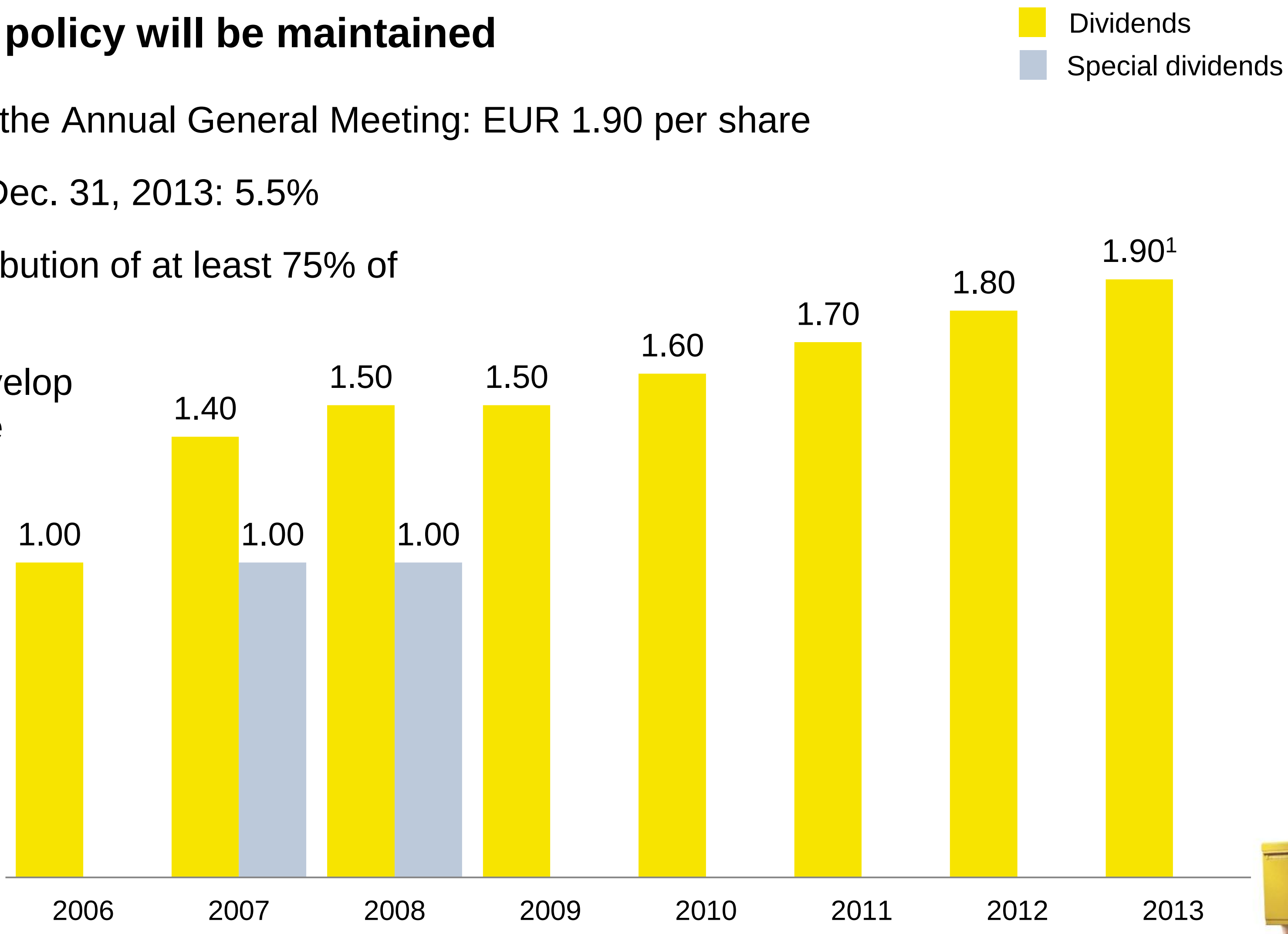


Reporting adapted for 2012: Offsetting of reclassification of non-current provisions to current provisions and liabilities. Thus from now on, the allocation to or reversal of non-current provisions is recognised in the operating cash flow before changes in working capital, whereas their use is reported as changes in net working capital. Accordingly, the cash flow statement was correspondingly adapted for the 2012 financial year.

DIVIDEND POLICY

Attractive dividend policy will be maintained

- Dividend proposal to the Annual General Meeting: EUR 1.90 per share
- Dividend yield as at Dec. 31, 2013: 5.5%
- Dividend policy: distribution of at least 75% of the Group net profit
- Dividends should develop further in line with the Group's profitability



1) Proposal to the Annual General Meeting on April 24, 2014

CLEAR CAPITAL MARKET POSITIONING CONFIRMED IN 2013

1	**SOLID BUSINESS MODEL**	✓	Slight rise in revenue of 0.8% (excl. Benelux) and sustainable profitability with rise in operating earnings
2	**STRONG BALANCE SHEET AND CASH FLOW**	✓	Stable balance sheet structure featuring equity ratio of 42.6% and solid cash flow for future-oriented investments
3	**ATTRACTIVE DIVIDEND POLICY**	✓	Development of dividend covered by the sustainable cash flows
4	**PROMISED AND DELIVERED**	✓	Communicated objectives once again achieved in 2013

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OUTLOOK 2014

Market environment	▪ Letter mail volumes impacted by e-substitution of business clients and now also official government mail: decline of 3-5% expected ▪ Volatile advertising market with risk of losing customers due to market consolidation ▪ Growth in private parcel customers, depending on region 3-6%, unchanged level of competitive intensity for business parcel customers
Revenue	▪ Goal of achieving an stable revenue development in 2014 ▪ Decline in mail business should be compensated by parcel growth
Costs & investments	▪ Ongoing automation, efficiency enhancements and structural improvement ▪ CAPEX 2014 of about EUR 100m including investment focus on new logistics centre in Upper Austria
Earnings	▪ Medium-term EBITDA margin goal in the range of 10–12% maintained ▪ EBIT improvement aspired for 2014

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Financial calendar 2014

March 13, 2014	Annual results 2013
April 24, 2014	Annual General Meeting 2014
May 8, 2014	Dividend payment date
May 8, 2014	Interim report Q1 2014
Aug. 14, 2014	Half-year financial report 2014
Nov. 12, 2014	Interim report Q1-3 2014

Disclaimer

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