

AUSTRIAN POST

INVESTOR PRESENTATION FY 2015

Georg Pölzl/CEO, Walter Oblin/CFO
Vienna, March 10, 2016



1. HIGHLIGHTS AND OVERVIEW

2. Strategy Implementation

3. Group Results 2015

4. Outlook 2016



2015 AT A GLANCE



AUSTRIAN LETTER MAIL MARKET

Basic trend of e-substitution continues



AUSTRIAN DIRECT MAIL MARKET

Differentiated development of individual customer segments



AUSTRIAN PARCEL MARKET

Increasing competition; growing online business promotes increase in parcel volumes



INTERNATIONAL PARCEL MARKET

Strong competition and price pressure on the B2B parcel market

REVENUE

- Revenue increase of 1.6% to EUR 2,401.9m (+3.1% in Q4)
- Rise in revenue in both the mail (+0.9%) and parcel (+2.9%) segments

EARNINGS

- Operating EBIT of EUR 198.0m (+2,6%)
- Earnings impacted by various special effects, reported EBIT after impairment of EUR 89.0m

CASH FLOW

- Increase in the free cash flow before acquisitions/securities of EUR 178.3m

DIVIDENDS

- Stable dividend of EUR 1.95/share¹

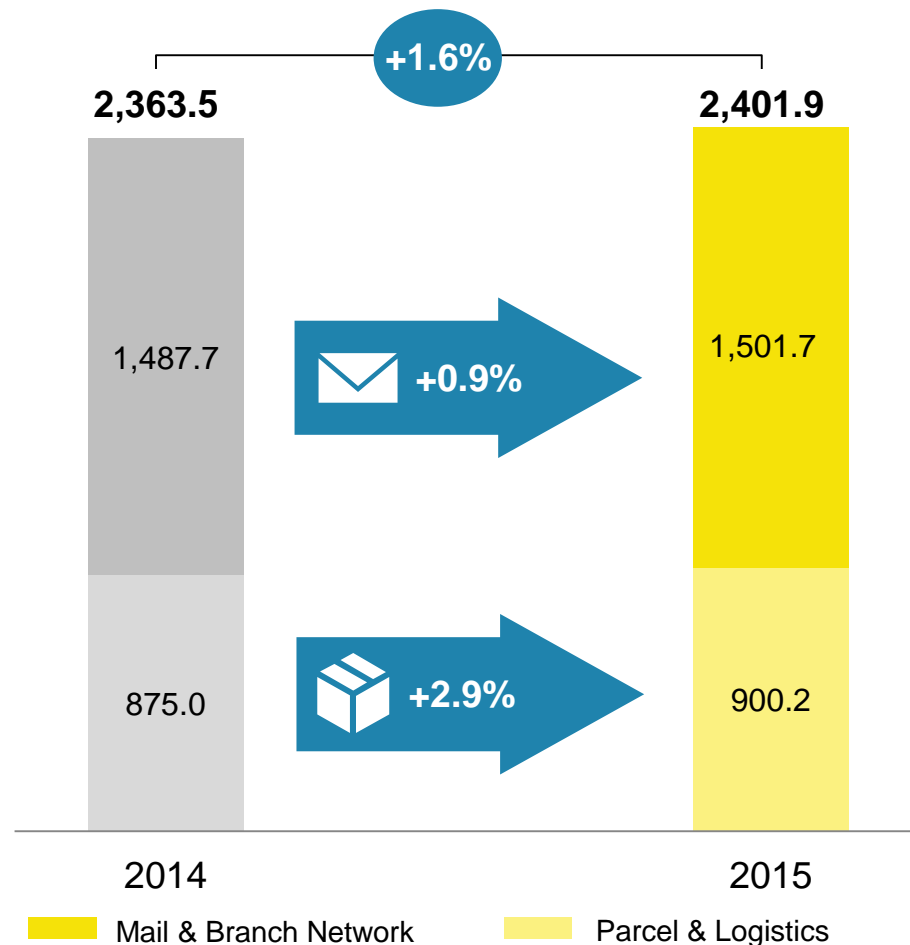
¹ Proposal to the Annual General Meeting scheduled for April 14, 2016



HIGHER REVENUE IN 2015

REVENUE DEVELOPMENT

EUR m



GROUP:

- Annual revenue up 1.6% from 2014
- 3.1% growth in Q4

MAIL & BRANCH NETWORK:

- Slight revenue increase of 0.9% in 2015 (+2.5% in Q4)
- Positive revenue effects from upward adjustment in postal rates as of March 2015, increased international cross border mail volumes

PARCEL & LOGISTICS:

- Revenue up 2.9% (+4.0% in Q4)
- Growth in Austria and CEE, revenue decrease in Germany

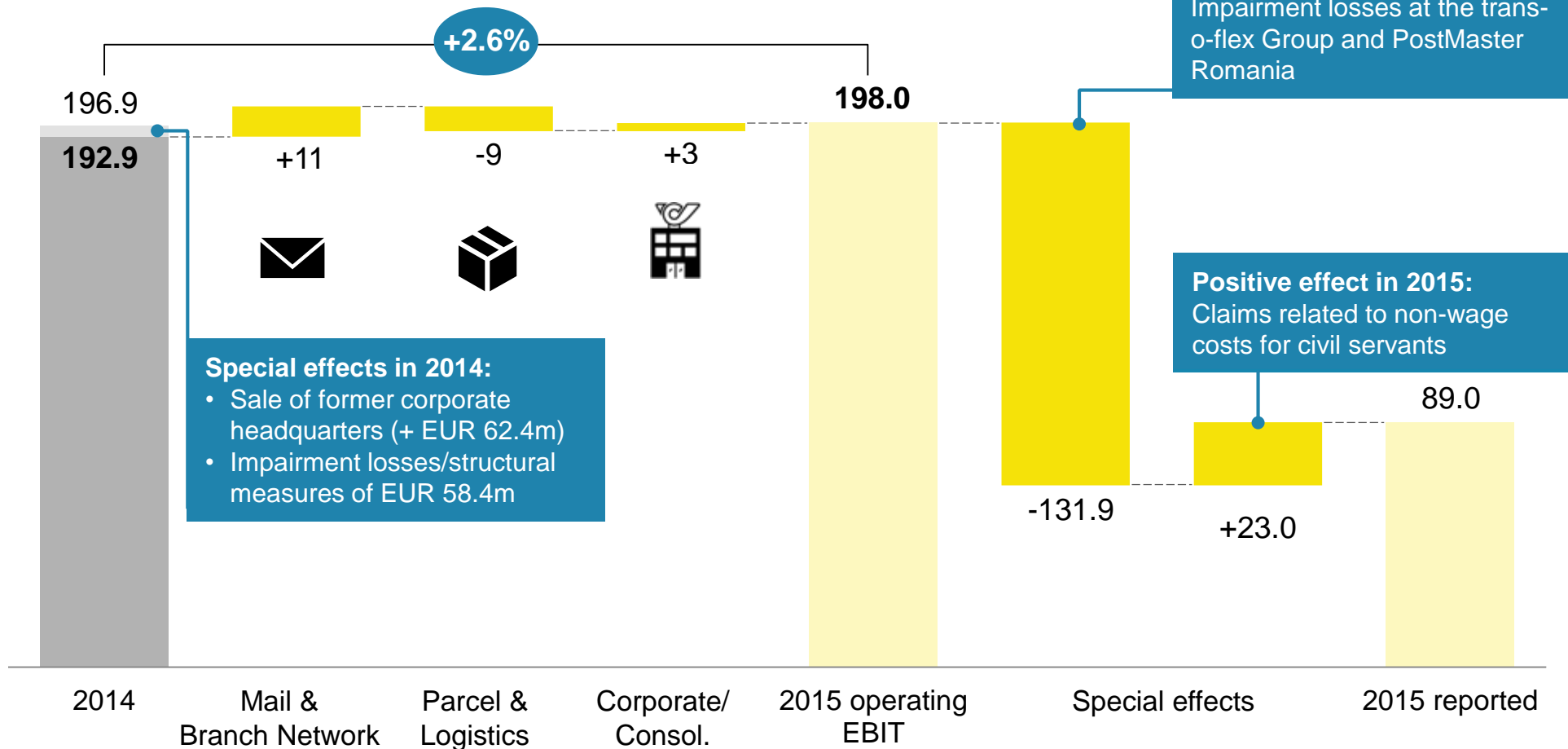
Note: Adjusted revenue reporting in the P&L Division. Exported services were recognised according to the net method (previously reported as revenue and expenses for services used).



IMPROVED OPERATING EBIT LEVEL

EBIT DEVELOPMENT

EUR m



1. Highlights and Overview

2. STRATEGY IMPLEMENTATION

3. Group Results 2015

4. Outlook 2016



CLEAR STRATEGIC PRIORITIES

1. DEFENDING MARKET LEADERSHIP IN THE CORE BUSINESS

Safeguarding of market position in a competitive environment



2. PROFITABLE GROWTH IN SELECTED MARKETS

Focusing and performance enhancement



3. ENHANCING EFFICIENCY AND OPTIMISING THE COST STRUCTURE

Logistics infrastructure and process optimisation



4. CUSTOMER ORIENTATION AND INNOVATION

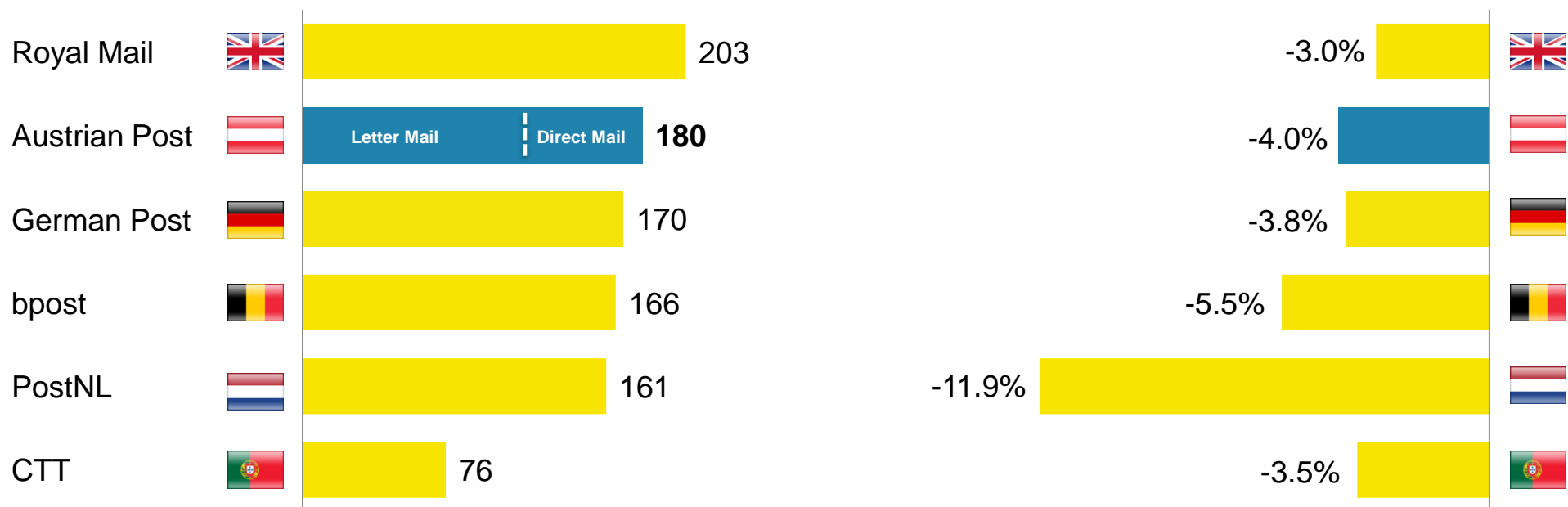
Promotion of self-service solutions and service improvements



1. LETTER MAIL MARKET ENVIRONMENT IN AN INTERNATIONAL COMPARISON

FURTHER DECLINE IN INTERNATIONAL LETTER MAIL VOLUMES

ADDRESSED LETTER MAIL VOLUMES PRO CAPITA 2014 Ø VOLUME DECLINE (Q1-3 2015)

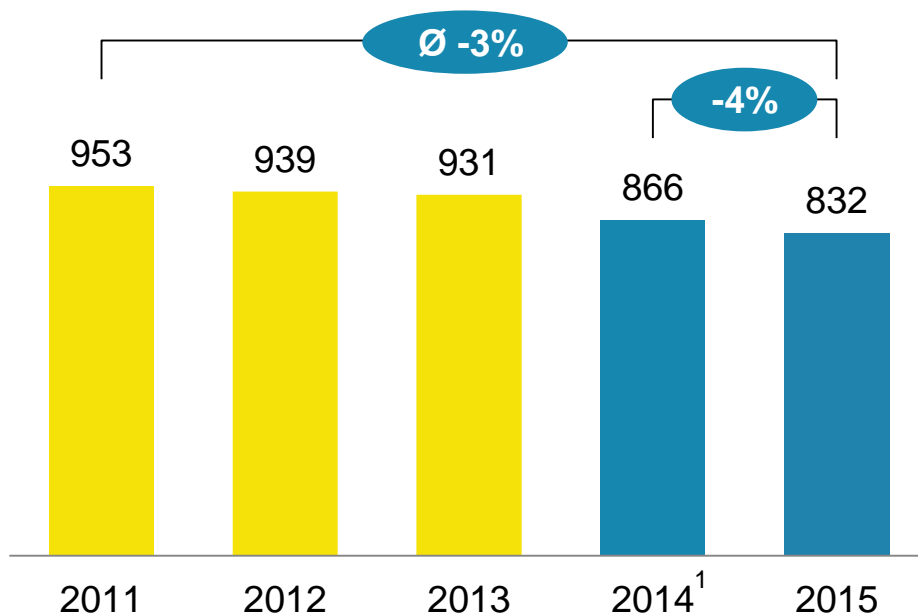


Source: IPC, analyst estimates, company data

1. LETTER MAIL VOLUME DEVELOPMENT IN AUSTRIA

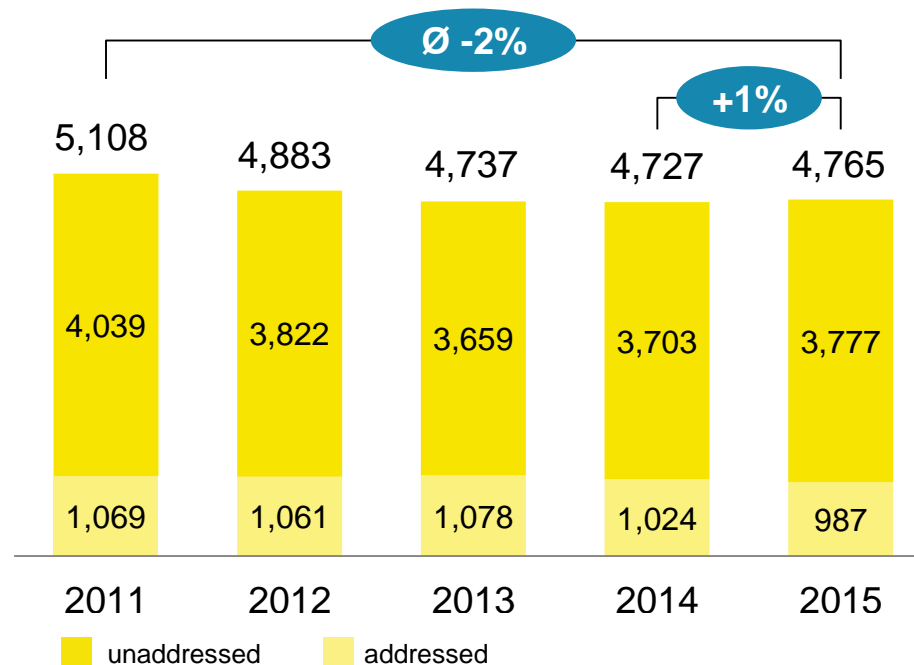
LETTER MAIL (items in millions)

- Basic trend of electronic substitution continues
- Volume effect on a comparable basis of minus 4% in 2015



DIRECT MAIL/MEDIA POST² (items in millions)

- Weak economic situation with pressure on the direct mail market
- Growth in unaddressed direct mail items, decline in the addressed direct mail segment

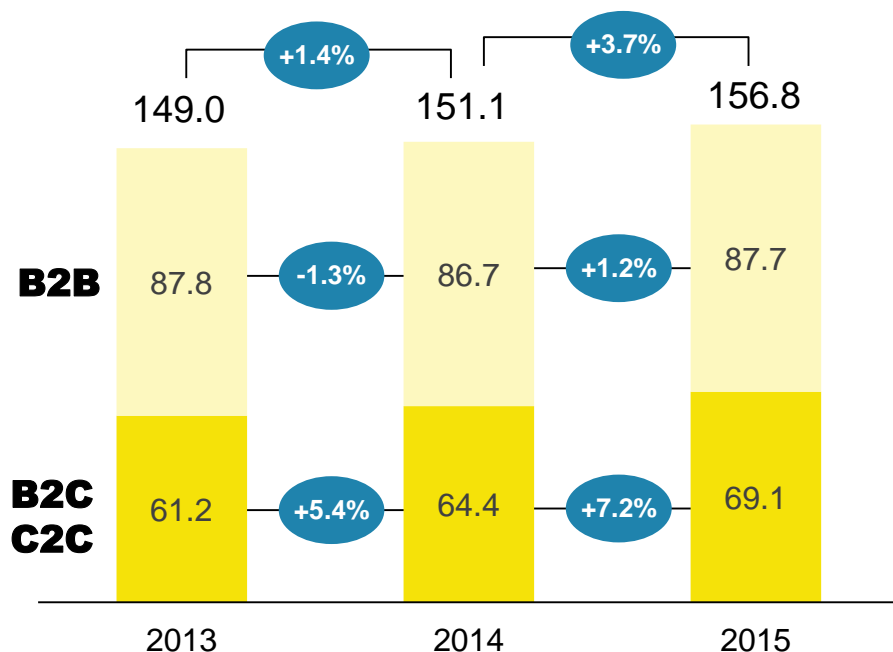


¹ Adjusted presentation due to automated counting

² Addressed and unaddressed direct mail and media post items

1. AUSTRIAN PARCEL MARKET ENVIRONMENT

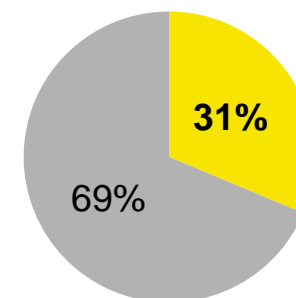
VOLUME DEVELOPMENT ON THE ENTIRE MARKET (parcels in millions)



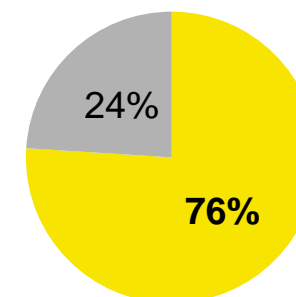
- Stronger volume growth for private customer parcels due to online shopping trend
- Hardly any economic impetus in the business parcel segment

MARKET SHARES IN AUSTRIA BY VOLUME

B2B (88m parcels)



B2C/C2C (69m parcels)

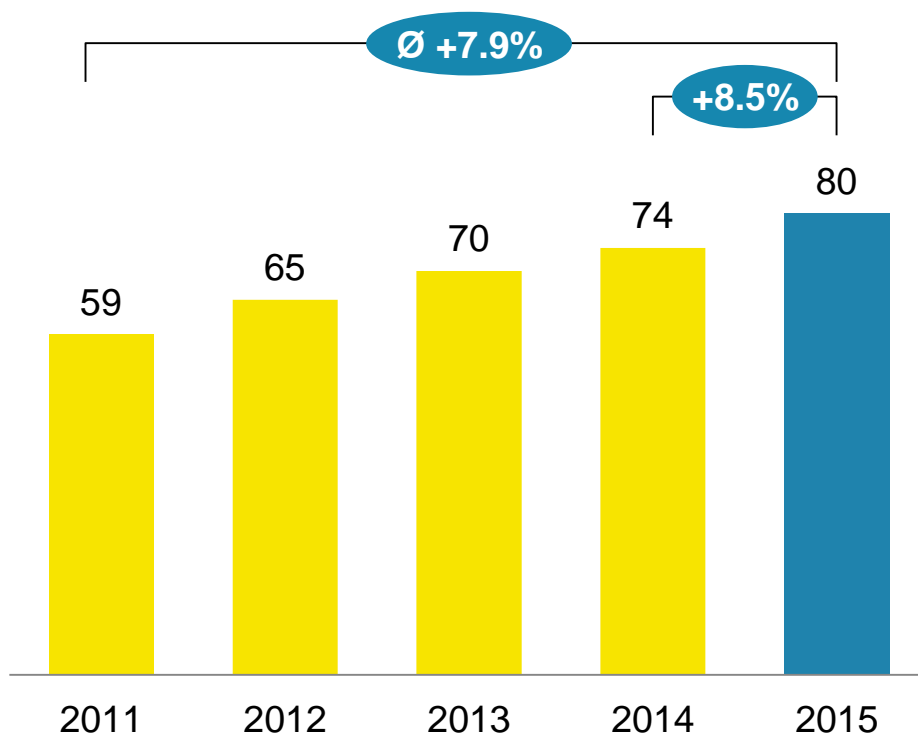


■ Austrian Post
■ Competitors

- Clear market leadership in the private customer business
- Ongoing rise in market share for business parcels to 31% in 2015

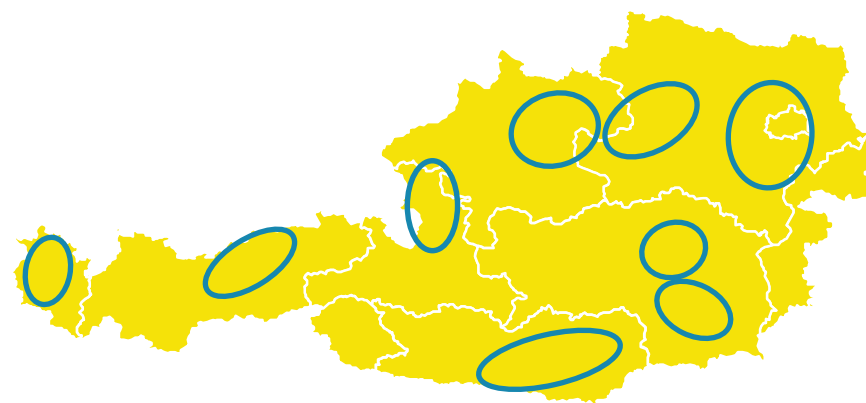
1. PARCEL & LOGISTICS BUSINESS IN AUSTRIA


PARCEL VOLUMES OF AUSTRIAN POST (in millions)



Logistics advantage due to joint delivery of letter mail and parcels by mail carriers:

- >90% of the area in Austria
- >50% of parcels in combined delivery



 Parcel delivery by own parcel delivery staff, otherwise by mail carriers

1. PARCEL DELIVERY AS A QUALITY BENCHMARK

NUMBER 1 IN SERVICE OFFERING AND QUALITY



**Delivery six days a week
in urban areas**

**Since October
Saturday
delivery**



**>90% success in the first
delivery attempt**



CO₂ neutral delivery



**302 self-service zones
210 pick-up stations**



13,416 pick-up boxes

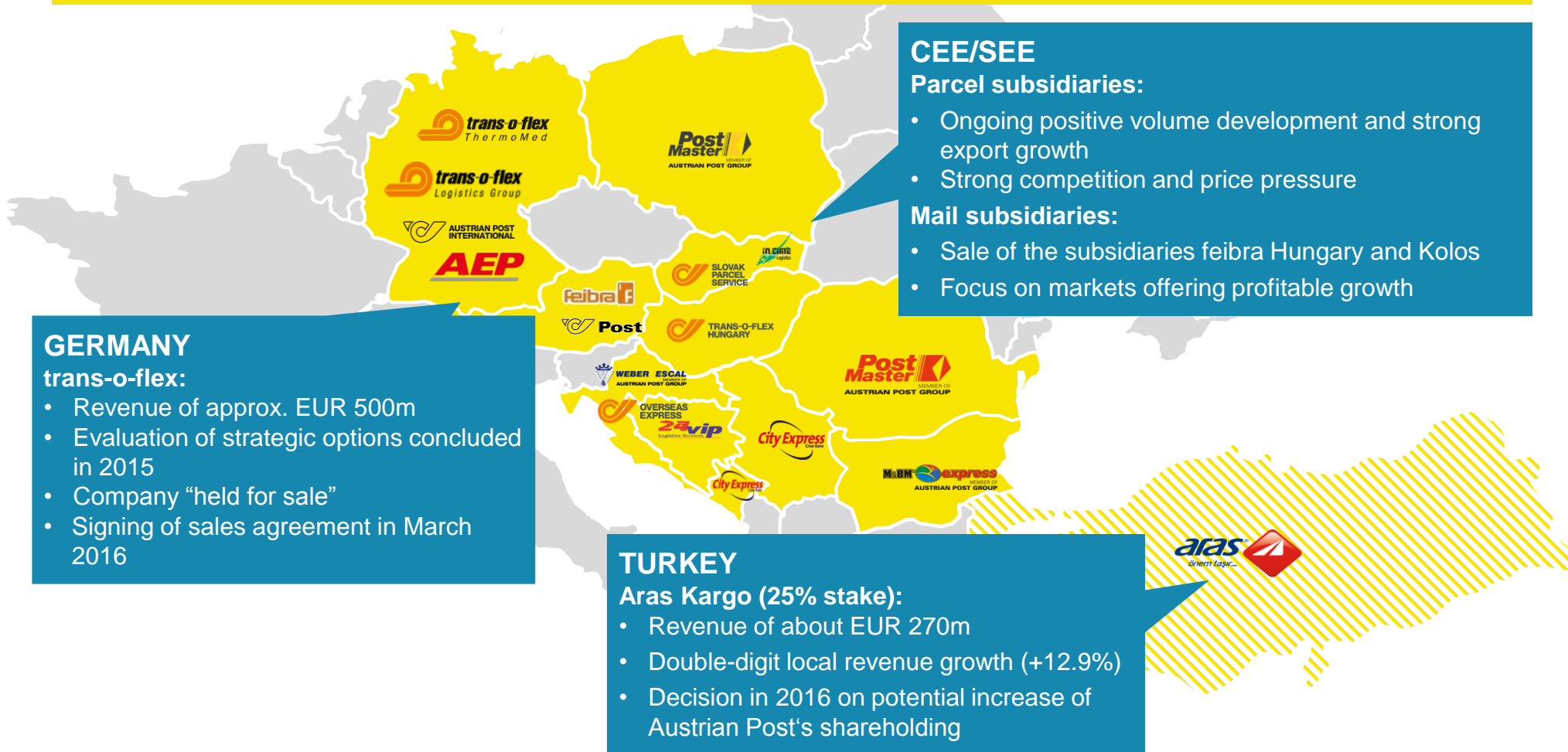


**Post App
Parcel redirection
(desired day)**

**Already
more than
370.000
downloads**

2. GROWTH IN SELECTED MARKETS

ACTIVE IN 12 MARKETS – GROWTH FOCUS ON PARCEL & LOGISTICS



GERMANY

trans-o-flex:

- Revenue of approx. EUR 500m
- Evaluation of strategic options concluded in 2015
- Company “held for sale”
- Signing of sales agreement in March 2016

CEE/SEE

Parcel subsidiaries:

- Ongoing positive volume development and strong export growth
- Strong competition and price pressure

Mail subsidiaries:

- Sale of the subsidiaries feibra Hungary and Kolos
- Focus on markets offering profitable growth

TURKEY

Aras Kargo (25% stake):

- Revenue of about EUR 270m
- Double-digit local revenue growth (+12.9%)
- Decision in 2016 on potential increase of Austrian Post’s shareholding

3. ONGOING INVESTMENT PROGRAMME

FUTURE-ORIENTED INVESTMENTS TO ENHANCE EFFICIENCY/CUSTOMER ORIENTATION

Sorting technologies

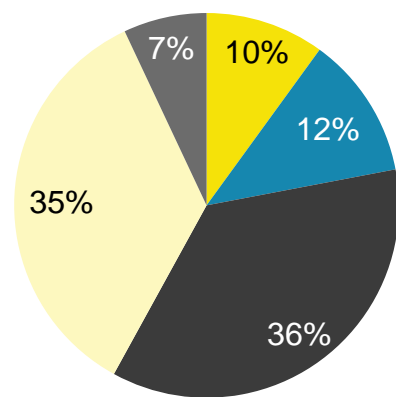


Branch network and self-service zones



¹ Total investments excluding construction of the new corporate headquarters

Investments in 2015:
EUR 80.7m¹



- Technical plant and machinery, assets under construction
- Property and buildings
- Vehicle fleet
- Equipment, furniture and fittings, hardware, branch network
- Intangible assets

Replacement investments in the vehicle fleet

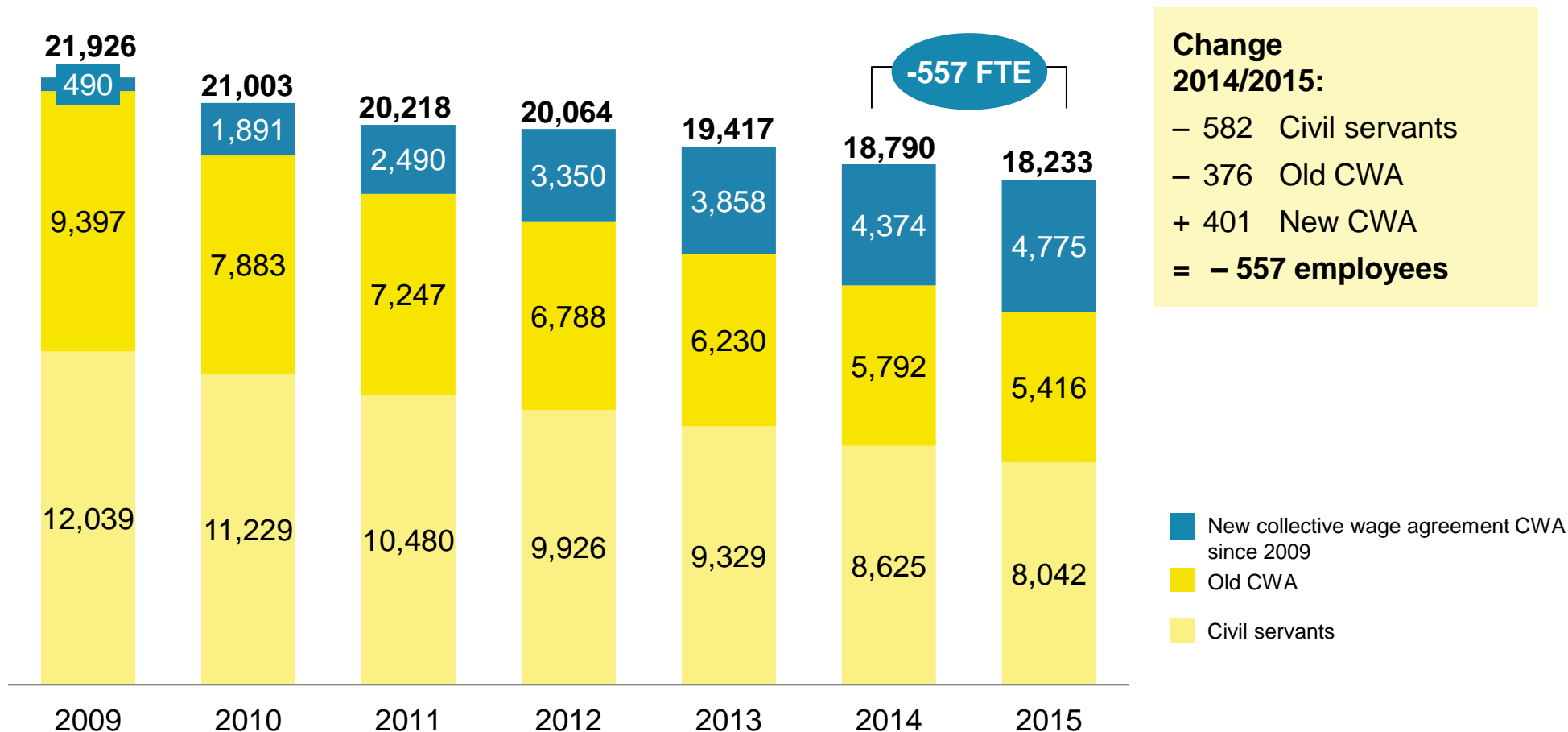


Capacity expansion



3. STAFF STRUCTURE IN AUSTRIA

FULL TIME EQUIVALENTS IN THE CORE BUSINESS IN AUSTRIA (average for the period)



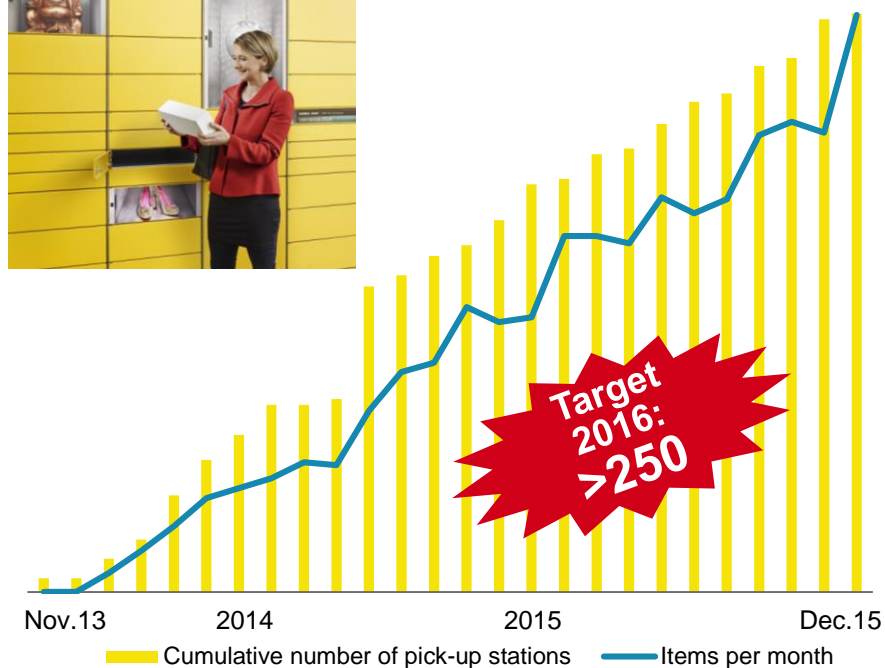
4. CUSTOMER ORIENTATION IN AUSTRIA

INNOVATIVE 24/7 SELF-SERVICE SOLUTIONS

Pick-up stations



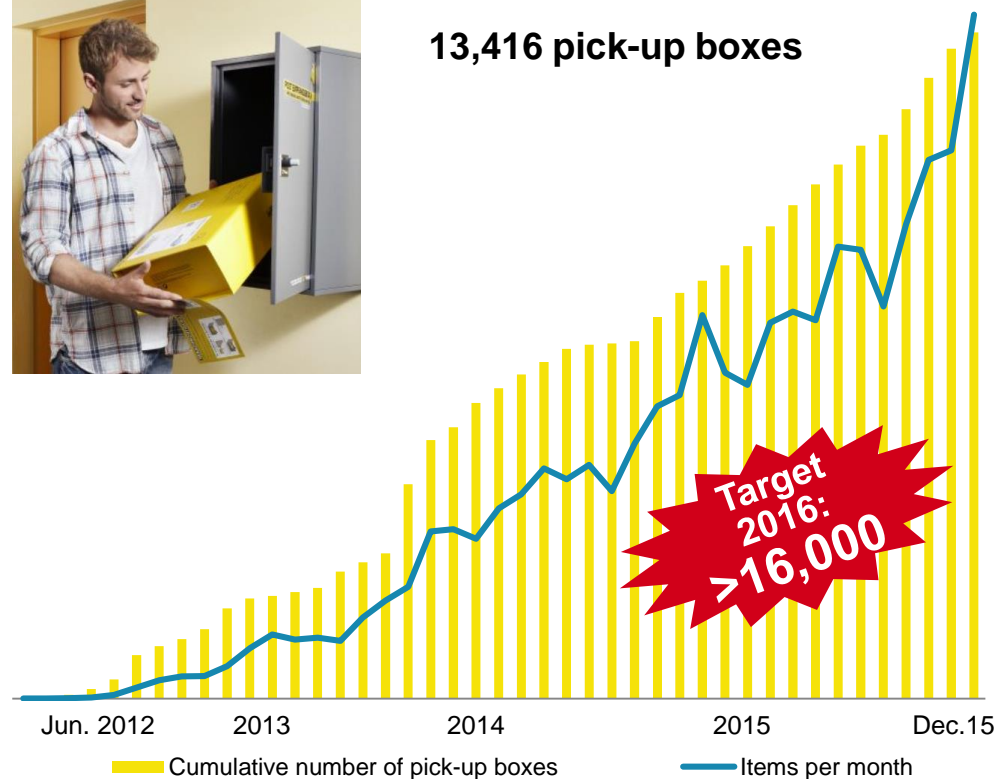
210 pick-up stations



Pick-up boxes



13,416 pick-up boxes



4. NEXT STEPS CUSTOMER ORIENTATION IN 2016

NATIONWIDE SATURDAY DELIVERY SERVICE



- Saturday parcel delivery already offered to 2.9 million households
- Nationwide roll-out by the summer of 2016

POST ENERGY COSTS CALCULATOR



- New service for comparing prices of different electricity and gas suppliers enables customers to realize high energy savings
- Switch of customer's energy provider in the branch office or online

MARKETPLACE

shöpping.at

- Start planned for autumn 2016
- 100% start-up of Austrian Post
- Expansion of value chain
- “The marketplace for products from Austria, for Austria“

FRONT DOOR SOLUTION FOR PARCELS



- Enables receiving and return of parcels directly at a person's front door
- Intuitive handling, reliability, security against theft, attractive price

1. Highlights and Overview

2. Strategy Implementation

3. GROUP RESULTS 2015

4. Outlook 2016



FINANCIAL INDICATORS 2015 AT A GLANCE

	2014	2015	
Revenue (EUR m)	2,363.5 ¹	2,401.9	Revenue higher than in the previous year (+1.6%)
EBITDA margin	14.1%	12.6%	EBITDA margin of 12.6% including positive special effect
EBIT margin	8.3%	8.2% ² 3.7%	Operating EBIT before special effects of EUR 198.0m, reported EBIT of EUR 89.0m
Earnings/share (EUR)	2.17	2.10 ² 1.06	Earnings per share based on the net profit of EUR 142.2m or EUR 71.6m after special effects
Cash flow (EUR m)	162.8	167.2	Free cash flow above the prior-year level
Equity ratio	42.1%	39.8%	Conservative balance sheet structure with low level of debt

¹ Adjusted revenue reporting in the P&L Division. Exported services were recognised according to the net method (previously reported as revenue and expenses for services used).

² Operating EBIT margin and operating EBIT/share before special effects

PRIMARY BALANCE SHEET AND EARNINGS EFFECTS IN 2015

Special effects		Earnings effect
TRANS-O-FLEX GROUP GERMANY	Recognised as “held for sale“; impairment on goodwill and assets of the trans-o-flex Group	minus EUR 122.1m
	Impairment of trade receivables of distribution companies	minus EUR 3.7m
POSTMASTER ROMANIA	Impairment of goodwill of the mail subsidiary PostMaster in Romania	minus EUR 6.1m
CLAIMS RELATED TO NON-WAGE COSTS	Positive net effect from repayment claims related to non-wage costs for civil servants in previous periods	plus EUR 23.0m

KEY INCOME STATEMENT INDICATORS

EUR m	2014 ¹	2015	Change		Q4 2014 ¹	Q4 2015	
			%	abs.			
Revenue	2,363.5	2,401.9	1.6%	38.5	636.0	655.4	Claims related to non-wage costs paid in previous periods, amounting to a net total of EUR 23.0m
Other operating income	134.4	99.2	-26.2%	-35.3	84.3	48.8	
Raw materials, consumables and services used	-737.5	-749.6	-1.6%	-12.1	-197.2	-203.6	
Staff costs	-1,109.5	-1,106.0	0.3%	3.5	-294.1	-292.3	Increase due to higher expenses for maintenance, IT and consulting
Other operating expenses	-317.0	-344.0	-8.5%	-27.0	-96.8	-106.1	
EBITDA	333.8	302.7	-9.3%	-31.1	133.6	103.4	
<i>EBITDA margin</i>	<i>14.1%</i>	<i>12.6%</i>	–	–	<i>21.0%</i>	<i>15.8%</i>	
Depreciation, amortisation and impairment	-136.9	-213.7	-56.1%	-76.8	-69.3	-149.6	Impairment of EUR 128.2m on goodwill and assets
Operating EBIT	192.9	198.0	2.6%	5.1	60.3	62.8	
Special effects	4.0	-108.9	<-100%	-112.9	4.0	-108.9	
Reported EBIT	196.9	89.0	-54.8%	-107.8	64.2	-46.2	
<i>EBIT margin</i>	<i>8.3%</i>	<i>3.7%</i>	–	–	<i>10.1%</i>	–	Profit for the period before special effects of EUR 142.2m (2.10 EUR/share)
Income tax	-47.2	-19.5	58.7%	27.7	-16.8	14.3	
Profit for the period	146.8	142.2/71.6	-51.3%	-75.3	47.1	-32.5	

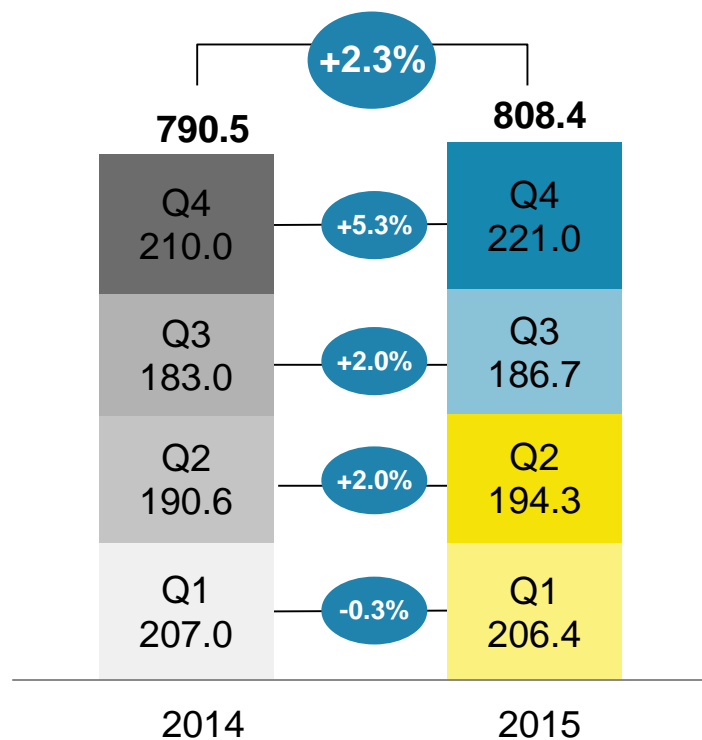
¹ The presentation of revenue and raw materials, consumables and services used in the P&L Division was adjusted. Exported services were recognised according to the net method (previously reported as revenue and expenses for services used).



MAIL & BRANCH NETWORK DIVISION: REVENUE DEVELOPMENT IN 2015

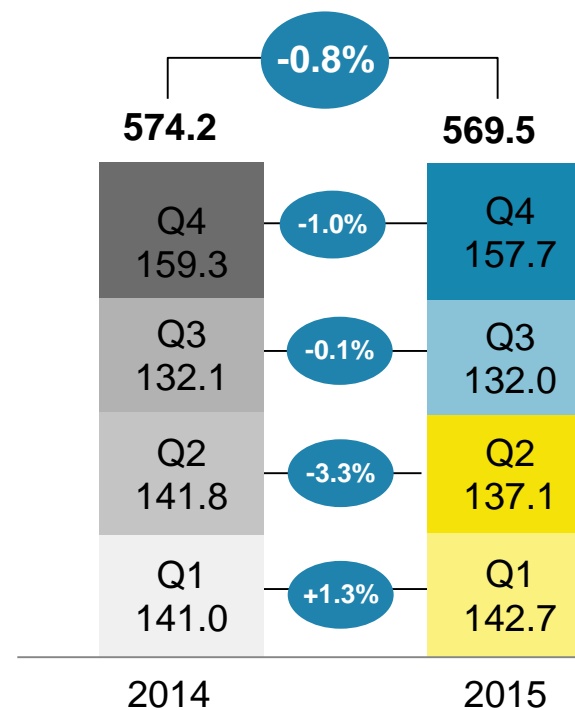
LETTER MAIL & MAIL SOLUTIONS (EUR m)

- Decline of 4% in letter mail volumes
- Positive revenue effects starting in March due to upward price adjustment in postal rates
- Increased international cross border mail volumes



DIRECT MAIL/MEDIA POST (EUR m)

- Increase in unaddressed direct mail (primarily large retail companies)
- Decrease in addressed direct mail (in particular mail order houses) and termination of various one-off mailings
- Decline in CEE due to disposal of subsidiaries





MAIL & BRANCH NETWORK DIVISION: KEY INCOME STATEMENT INDICATORS

EUR m	2014	2015	Change		Q4 2014	Q4 2015
			%	abs.		
Revenue	1,487.7	1,501.7	0.9%	14.0	402.0	412.2
• Letter Mail & Mail-Solutions	790.5	808.4	2.3%	17.9	210.0	221.0
• Direct Mail	431.0	428.7	-0.5%	-2.2	117.9	117.4
• Media Post	143.2	140.8	-1.7%	-2.4	41.4	40.3
• Branch Services	123.0	123.8	0.6%	0.7	32.7	33.5
Total revenue ¹	1,567.1	1,585.8	1.2%	18.7	424.4	435.6
At equity consolidation	1.1	-0.5	<-100%	-1.6	1.1	-0.1
EBITDA	311.0	322.9	3.8%	12.0	87.7	90.4
<i>EBITDA margin²</i>	<i>19.8%</i>	<i>20.4%</i>	–	–	<i>20.7%</i>	<i>20.8%</i>
Depreciation, amortisation and impairment	-41.0	-38.2	6.6%	2.7	-13.3	-14.3
EBIT	270.0	284.7	5.4%	14.7	74.5	76.1
<i>EBIT margin²</i>	<i>17.2%</i>	<i>18.0%</i>	–	–	<i>17.5%</i>	<i>17.5%</i>

Revenue increase of 0.9% in 2015

Branch network shows negative trend in financial services, revenue growth for mobile telephony products in Q4

Impairment loss of EUR 6.1m on goodwill at PostMaster Romania; 2014 impairment of EUR 9.7m at PostMaster Poland

¹ Incl. revenue with other segments

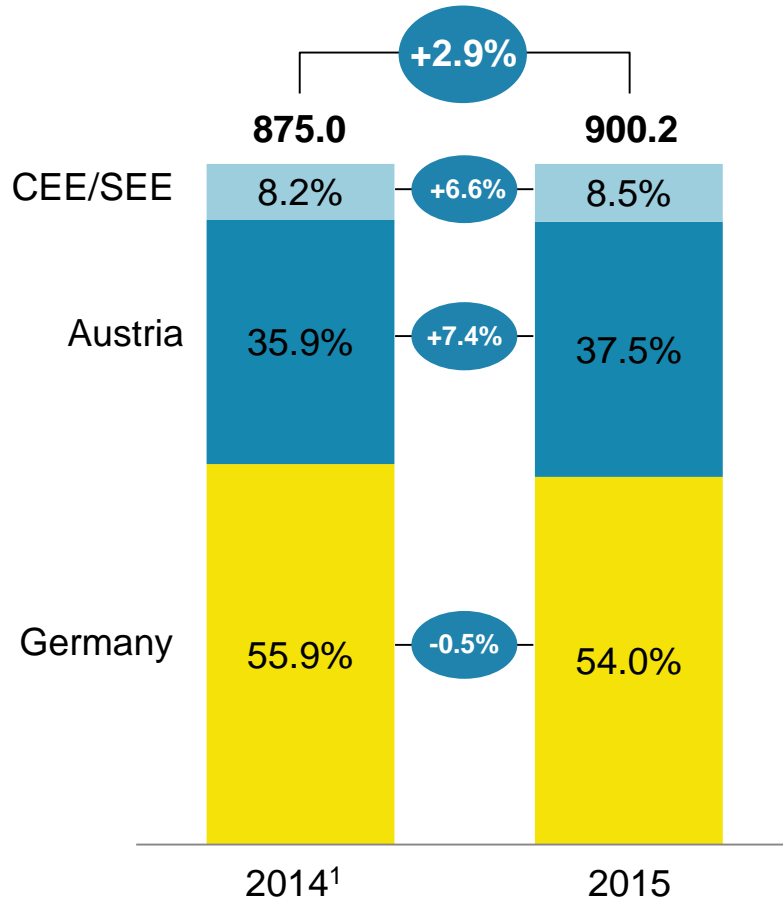
² EBITDA margin/EBIT margin: in relation to total revenue





PARCEL & LOGISTICS DIVISION: REVENUE DEVELOPMENT IN 2015

REVENUE (EUR m), REGIONAL MIX (%)



SOUTH EAST/EASTERN EUROPE: +6.6% (Q4: +3.5%)

- Solid revenue growth, high price pressure
- Good development in Croatia and Hungary

AUSTRIA: +7.4% (Q4: +6.5%)

- Considerable volume growth due to online shopping
- Intensified competition is perceptible

GERMANY: -0.5% (Q4: +2.3%)

- Competitive environment on the German logistics market
- Declining revenue related to lower diesel surcharges and high price pressure

¹ Note: Adjusted revenue reporting in the P&L Division. Exported services were recognised according to the net method (previously reported as revenue and expenses for services used).





PARCEL & LOGISTICS DIVISION: KEY INCOME STATEMENT INDICATORS

EUR m	2014 ¹	2015	Change		Q4 2014 ¹	Q4 2015
			%	abs.		
Revenue	875.0	900.2	2.9%	25.2	233.8	243.2
• Premium	651.5	668.4	2.6%	17.0	170.3	178.3
• Standard	188.2	195.4	3.8%	7.1	54.0	55.4
• Other Parcel Services	35.3	36.4	3.0%	1.1	9.4	9.4
Total revenue ²	883.7	908.4	2.8%	24.6	236.0	245.7
At equity consolidation	2.0	3.9	95.4%	1.9	0.9	1.7
EBITDA	41.4	37.9	-8.4%	-3.5	7.2	5.4
<i>EBITDA margin³</i>	<i>4.7%</i>	<i>4.2%</i>	–	–	3.1%	2.2%
Depreciation, amortisation and impairment	-60.9	-143.3	<-100%	-82.4	-45.3	-127.3
EBIT	-19.5	-105.4	<-100%	-85.9	-38.1	-121.9

Revenue up 2.9% in 2015

Positive earnings contribution from Aras Kargo

Impairment on goodwill and assets of trans-o-flex

EBIT negatively impacted by impairment losses of EUR 125.8m

Adjusted EBIT EUR 20.4m (margin of 2.3%³) before impairments

¹ The presentation of revenue and raw materials, consumables and services used in the P&L Division was adjusted - exported services were recognised according to the net method (previously reported as revenue and expenses for services used).

² Incl. revenue with other segments

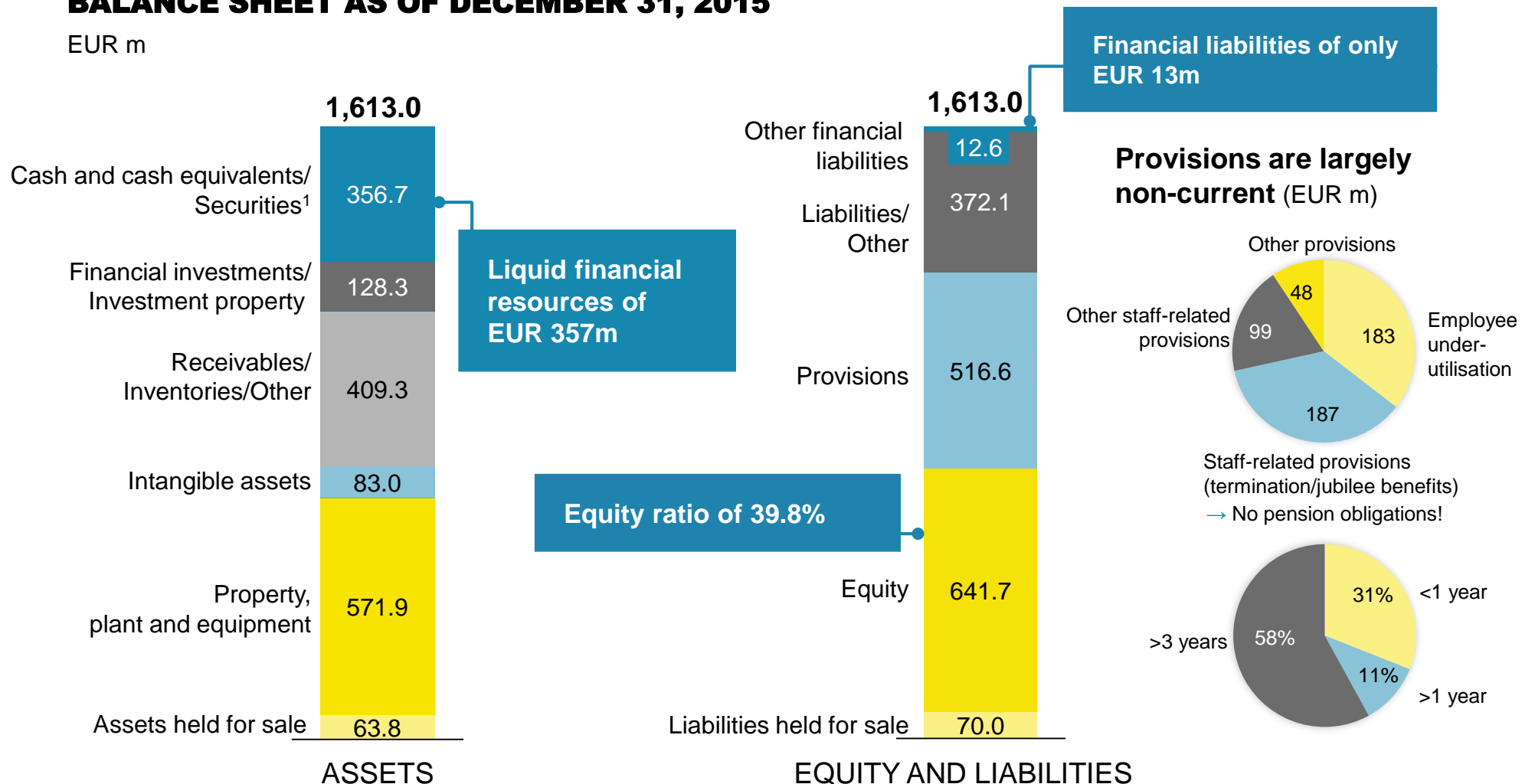
³ EBITDA margin/EBIT margin: in relation to total revenue



SOLID BALANCE SHEET STRUCTURE

BALANCE SHEET AS OF DECEMBER 31, 2015

EUR m

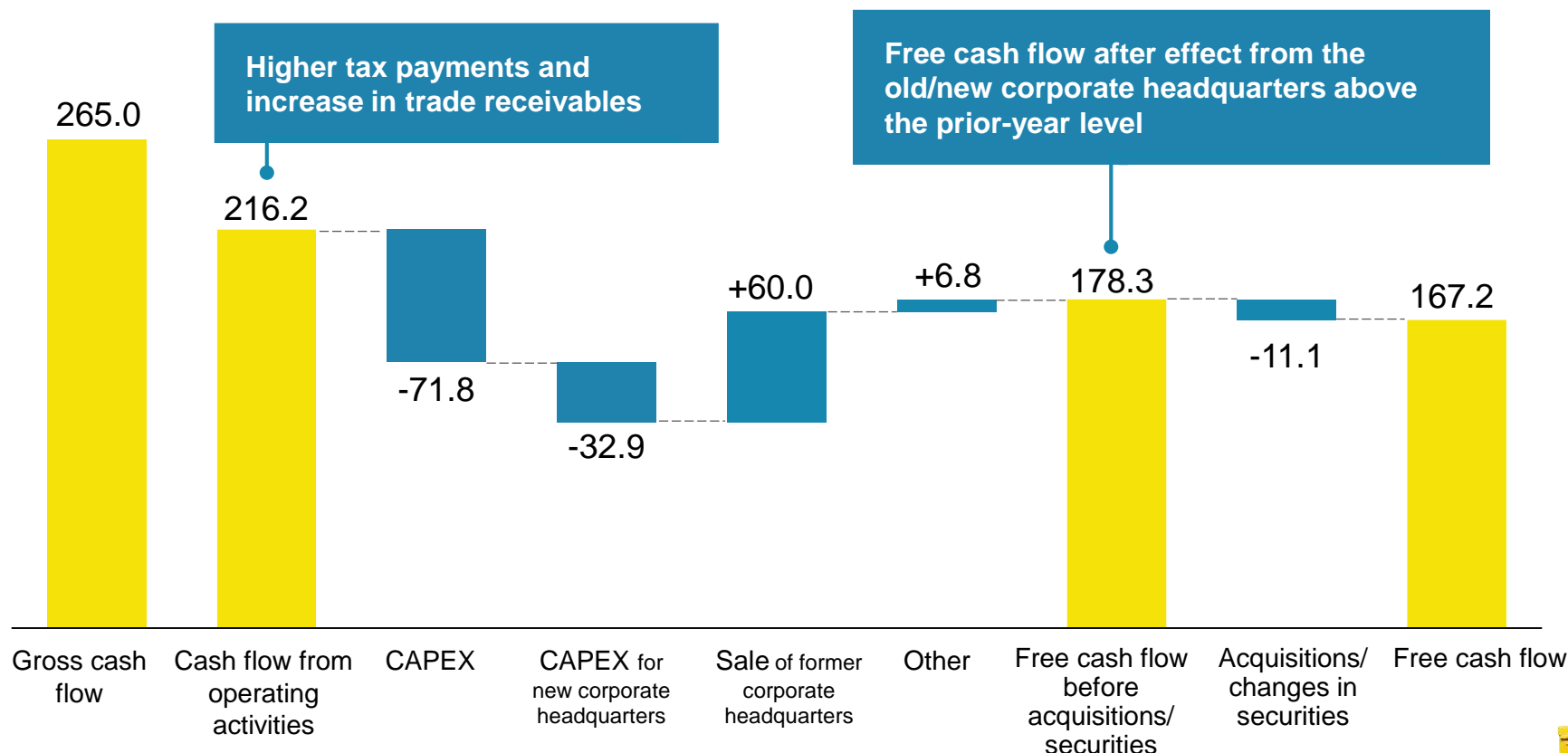


¹ Securities are reported under other financial assets in the balance sheet

ROBUST CASH FLOW IN 2015

CASH FLOW DEVELOPMENT

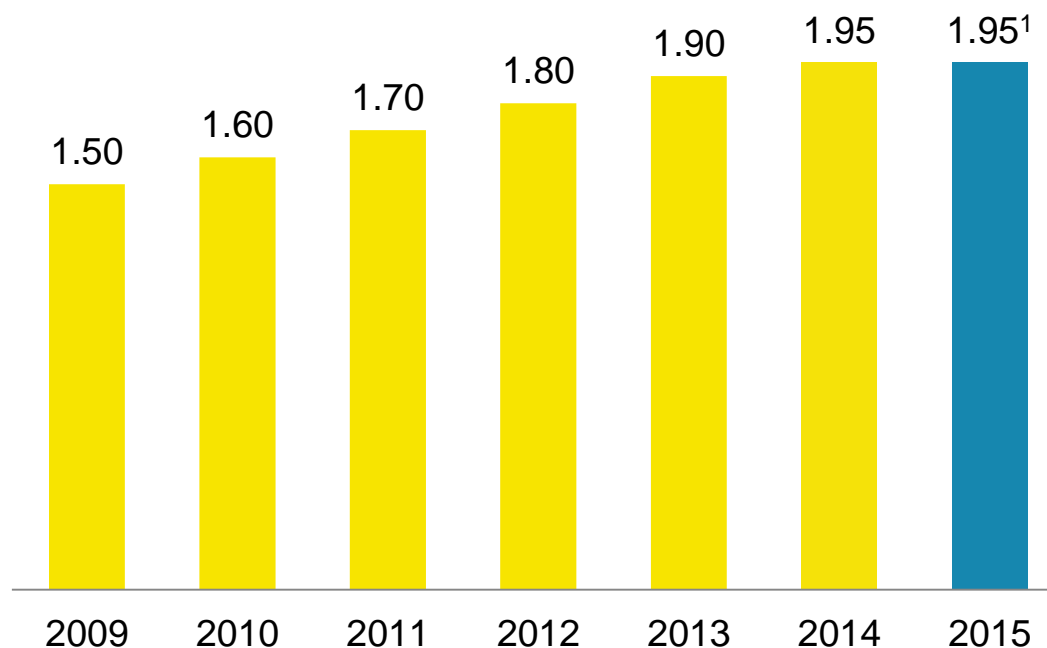
EUR m



DIVIDEND POLICY

ATTRACTIVE AND PREDICTABLE DIVIDEND POLICY

- Dividend proposal to the Annual General Meeting: EUR 1.95/share
- Dividend yield as of Dec. 31, 2015: 5.8% (based on share price of EUR 33.63)
- Dividend policy: distribution of at least 75% of the Group net profit



¹ Proposal to the Annual General Meeting on April 14, 2016



1. Highlights and Overview

2. Strategy Implementation

3. Group Results 2015

4. OUTLOOK 2016



OUTLOOK 2016

Market environment

- Decline in addressed mail volume in the range of 3-5%
- Differentiated volume development for direct mail items
- Competitive and price pressure in the parcel business; positive impetus in the private customer segment, little impetus for business parcels

Revenue

- Revenue in 2016 depends on potential change in the portfolio (trans-o-flex, Aras Kargo)
- Largely stable development targeted excluding this factor

Costs & investments

- Ongoing investments, efficiency increases and structural improvements
- Operating CAPEX¹ of about EUR 80m in 2016

Earnings

- Earnings dependent on the development of mail and parcel volumes, innovative business models and the implementation of efficiency enhancement programmes
- Target is to generate an operating EBIT at the prior-year level

¹ Operating CAPEX = CAPEX excluding investments in the new corporate headquarters



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Financial calendar 2016

April 14, 2016	Annual General Meeting
April 26/28, 2016	Ex-dividend day/Dividend payment day
May 13, 2016	Interim report Q1 2016
August 11, 2016	Half-year financial report 2016
November 11, 2016	Interim report Q1-3 2016

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ABHOLSTATION

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VON 0 BIS 24 UHR SELBST ABHOLEN.

WENN'S WIRKLICH WICHTIG IST,
DANN LIEBER MIT DER POST.  Post



SO EINFACH GEHT'S



ANNA MAY WELCH DER PHOTOGRAPHIE
DER GROSSE ATLAS



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

