

AUSTRIAN POST

INVESTOR PRESENTATION H1 2015

Georg Pölzl/CEO, Walter Oblin/CFO
Vienna, August 6, 2015



1. HIGHLIGHTS AND OVERVIEW

2. Strategy Implementation

3. Group Results H1 2015

4. Outlook 2015



TRENDS ON THE POSTAL AND LOGISTICS MARKET

THE MARKET ENVIRONMENT REMAINS CHALLENGING



AUSTRIAN LETTER MAIL MARKET

Negative basic trend of e-substitution is intensifying



AUSTRIAN DIRECT MAIL MARKET

Differentiated development of individual customer segments



AUSTRIAN PARCEL MARKET

Growing competition; online business increases parcel volumes



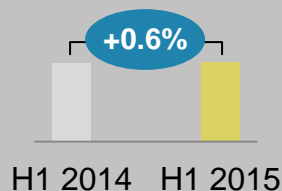
INTERNATIONAL PARCEL MARKET

Growing competition and price pressure on the B2B parcel market



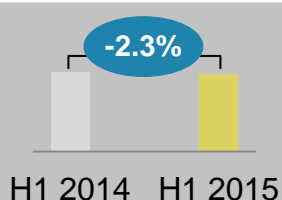
HIGHLIGHTS H1 2015

REVENUE



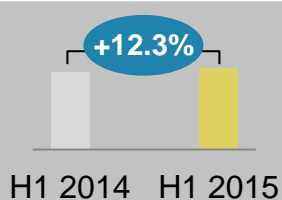
- Slight revenue increase of 0.6% to EUR 1,178.9m (+0.6% in Q2)
- Decline in the mail business (-0.4%) offset by parcel growth (+2.4%)

EARNINGS



- EBIT down 2.3% to EUR 96.5m (+4.9% in Q2)
- Higher earnings per share of EUR 1.14

CASH FLOW



- Increase in cash flow from operating activities to EUR 107.7m
- Strong cash position, low level of financial liabilities

OUTLOOK

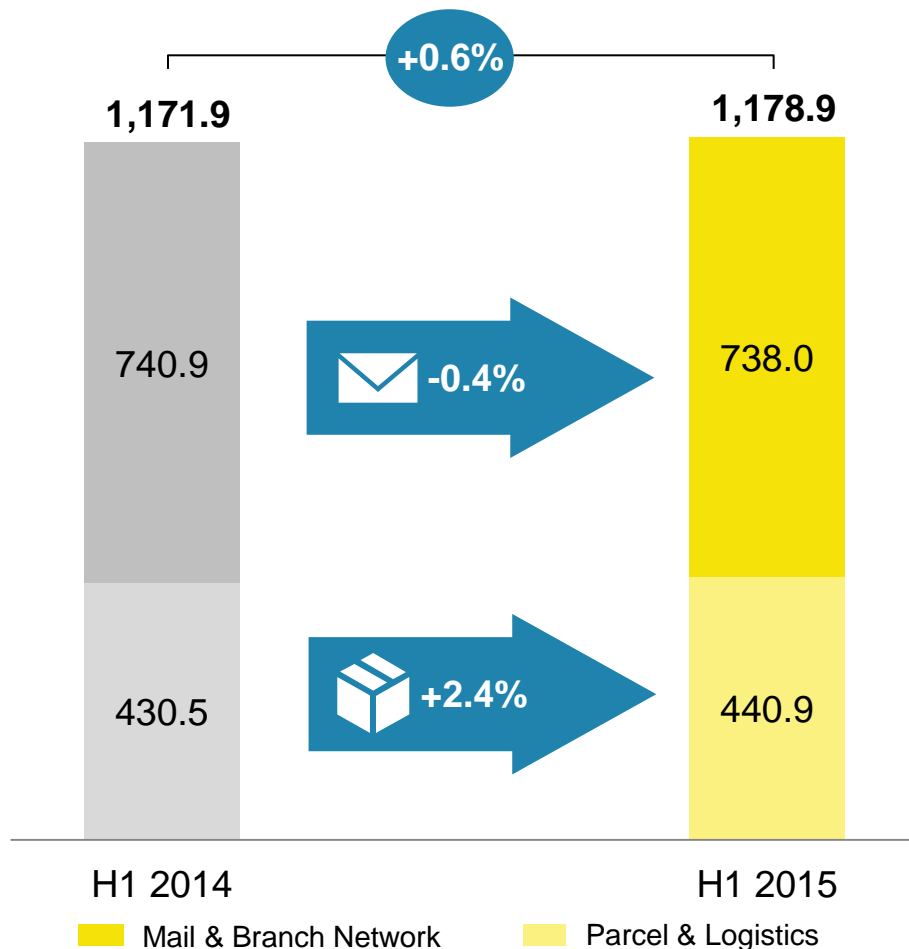


- Outlook 2015:
- Targeted revenue growth of 1-2%
 - EBITDA margin of about 12%

SLIGHT REVENUE IMPROVEMENT IN H1 2015

REVENUE DEVELOPMENT

EUR m



Note: changed presentation of revenue in segment reporting in 2014

GROUP:

Revenue in H1 and Q2 up slightly by 0.6% year-on-year

MAIL & BRANCH NETWORK:

- Slight revenue decline of -0.4% in H1 (-0.5% in Q2)
- Positive revenue effects due to higher postal rates effective March 2015; lower revenue contributions from elections in 2015

PARCEL & LOGISTICS:

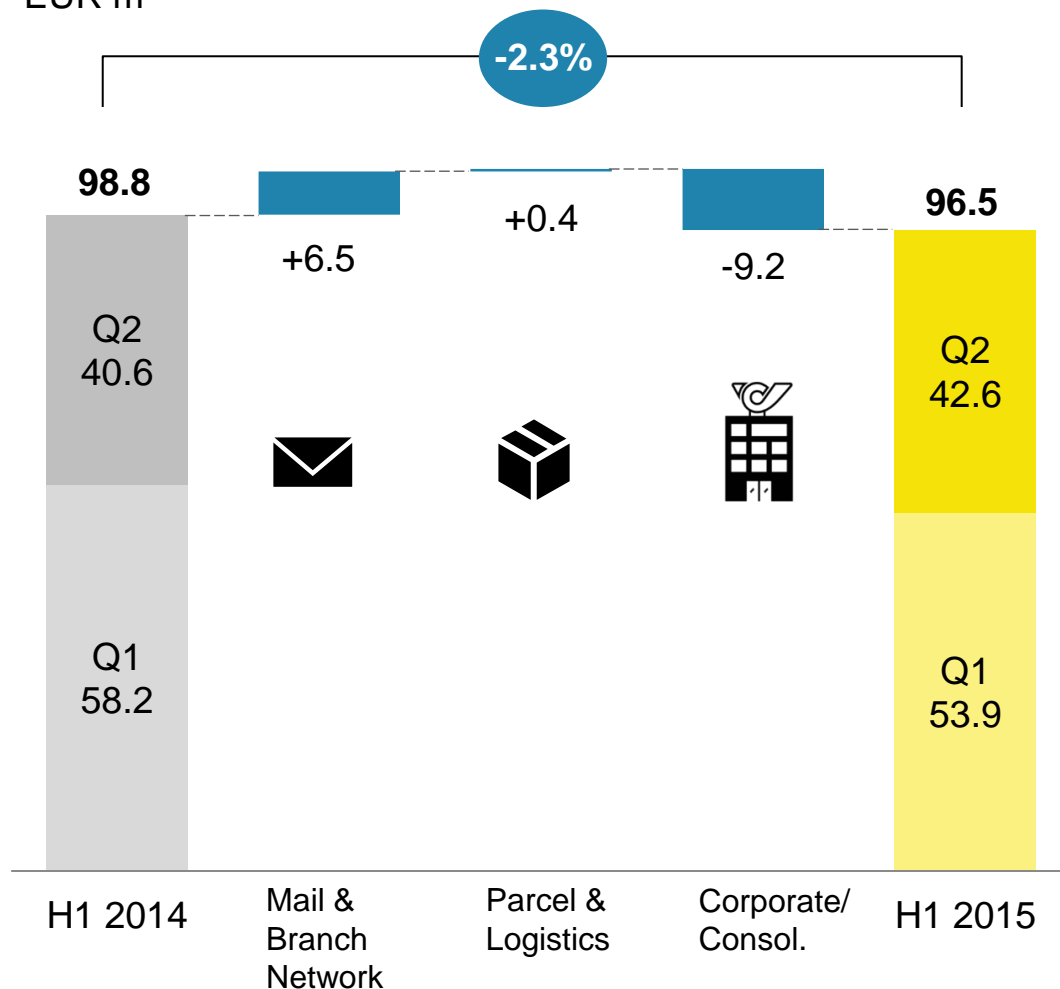
- Revenue up +2.4% in H1 (+2.6% in Q2)
- Growth in Austria and CEE, revenue decrease in Germany



EBIT DECLINE IN H1, RISE IN Q2

EBIT DEVELOPMENT

EUR m



GROUP:

- EBIT down -2.3% in H1 (+4.9% in Q2)

MAIL & BRANCH NETWORK:

- EBIT improvement of EUR +6.5m in H1 2015 (EUR +7.9m in Q2)
- Q2 2014 reported negative special effects of EUR -4.9m (impairment on goodwill)

PARCEL & LOGISTICS:

- EBIT up by EUR +0.4m in H1 (EUR -1.3m in Q2)
- Positive development in Austria and CEE, structural measures/network restructuring in Germany

CORPORATE:

- Negative effects of parameter adjustments for staff-related provisions in H1 (EUR -3m)
- Higher expenditures for maintenance, communications and consulting

1. Highlights and Overview

2. STRATEGY IMPLEMENTATION

3. Group Results H1 2015

4. Outlook 2015



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

Performance enhancement and leveraging of market potential against the backdrop of strong competition



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. MAIL & BRANCH NETWORK IN AUSTRIA

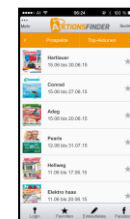


CORE BUSINESS IN AUSTRIA

- ☑ Increased e-substitution – in the middle of the predicted range of minus 3-5%
- ☑ Postal rate adjustments effective March 1, 2015 lead to positive price and negative volume development
- ☑ Differentiated development with direct mail customers – certain retail customers continue to suffer from strong competitive pressure

INITIATIVES

DIGITAL STRATEGY



- Expansion of direct mail business to the digital world
- Services of Austrian Post: scanning, document and address management, profiling, e-letters

Acquisition
direct mail
web portal
"Aktionsfinder"

DIALOGUE MARKETING REPORT






- Constant use of most advertising channels; slight shift to online
- Customers increasingly use unaddressed direct mail items
- Multi-channel communication gains in importance

1. PARCEL & LOGISTICS IN AUSTRIA



CORE BUSINESS IN AUSTRIA

-  Strong market position with private customers (77%) and business customers (28%)
-  Intensified activities by our competitors to achieve greater market penetration in the B2C segment
-  Hardly any economic growth in the business parcel market

INITIATIVES

NEW DELIVERY SOLUTIONS



- Ongoing roll-out of innovative 24/7 self-service solutions
- Same day and next day delivery
- Flexible delivery window

**Pilot project:
delivery on
Saturday**

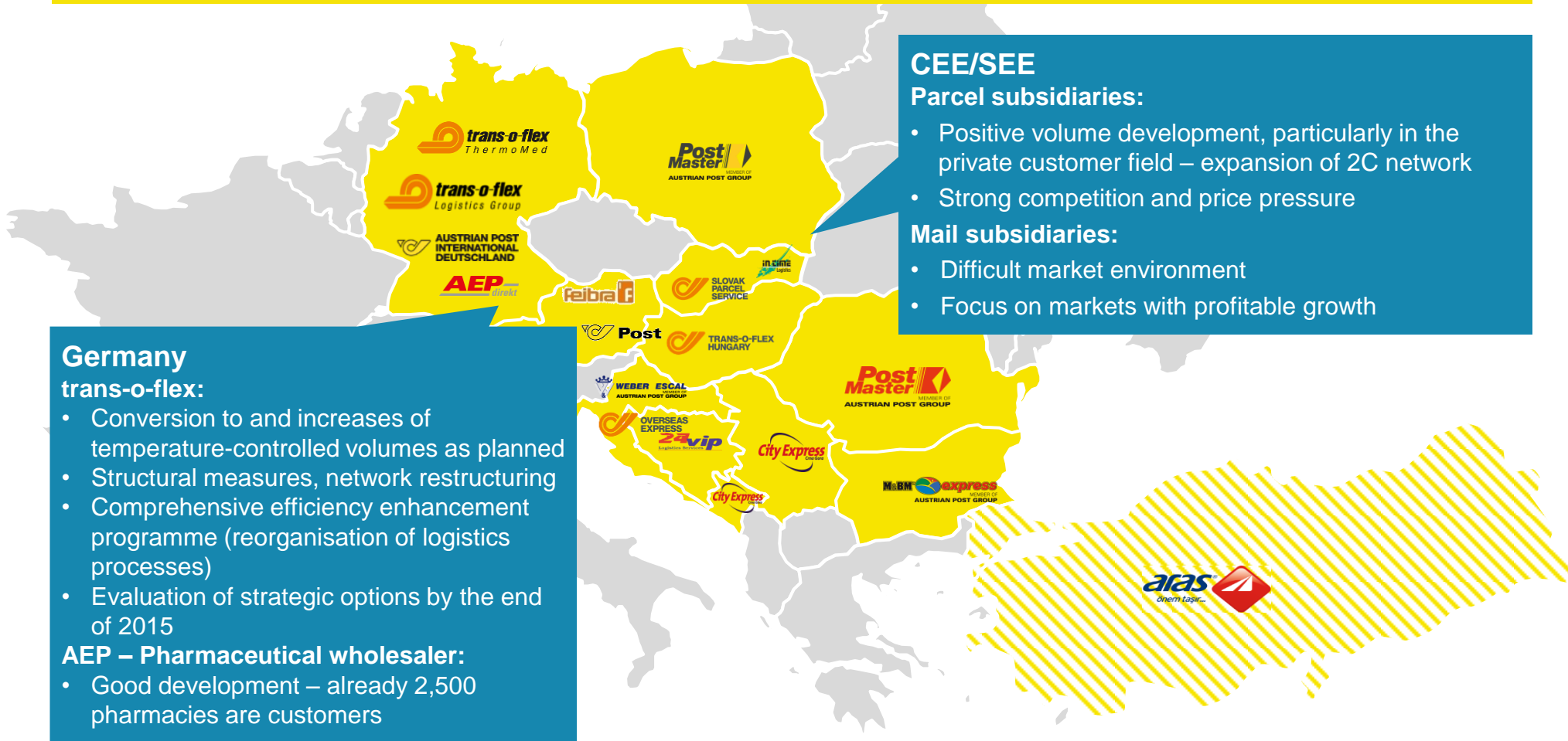
FOOD LOGISTICS



- Only 1% of food is purchased online, but the business is growing
- Austrian-wide offer of food delivery since April 2015
- Cooperation with Unimarkt, further partnerships planned

2. GROWTH IN SELECTED MARKETS

ACTIVE IN 12 MARKETS – GROWTH FOCUS IN PARCEL & LOGISTICS



Germany
trans-o-flex:

- Conversion to and increases of temperature-controlled volumes as planned
- Structural measures, network restructuring
- Comprehensive efficiency enhancement programme (reorganisation of logistics processes)
- Evaluation of strategic options by the end of 2015

AEP – Pharmaceutical wholesaler:

- Good development – already 2,500 pharmacies are customers

CEE/SEE
Parcel subsidiaries:

- Positive volume development, particularly in the private customer field – expansion of 2C network
- Strong competition and price pressure

Mail subsidiaries:

- Difficult market environment
- Focus on markets with profitable growth

2. PROMISING TURKISH MARKET – ARAS KARGO

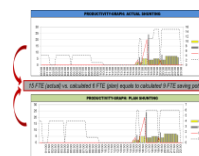


CURRENT DEVELOPMENT

- 25% stake in Turkey's second largest parcel service provider, call option for further 50% in 2016
- Growth of parcel market despite little economic impetus; intensive competition
- Strong revenue growth
- Good profitability thanks to cost optimisation

INITIATIVES

HUBTIMISATION



- Productivity increase in distribution centres, at 5 hubs already concluded
- Implementation of new safety measures



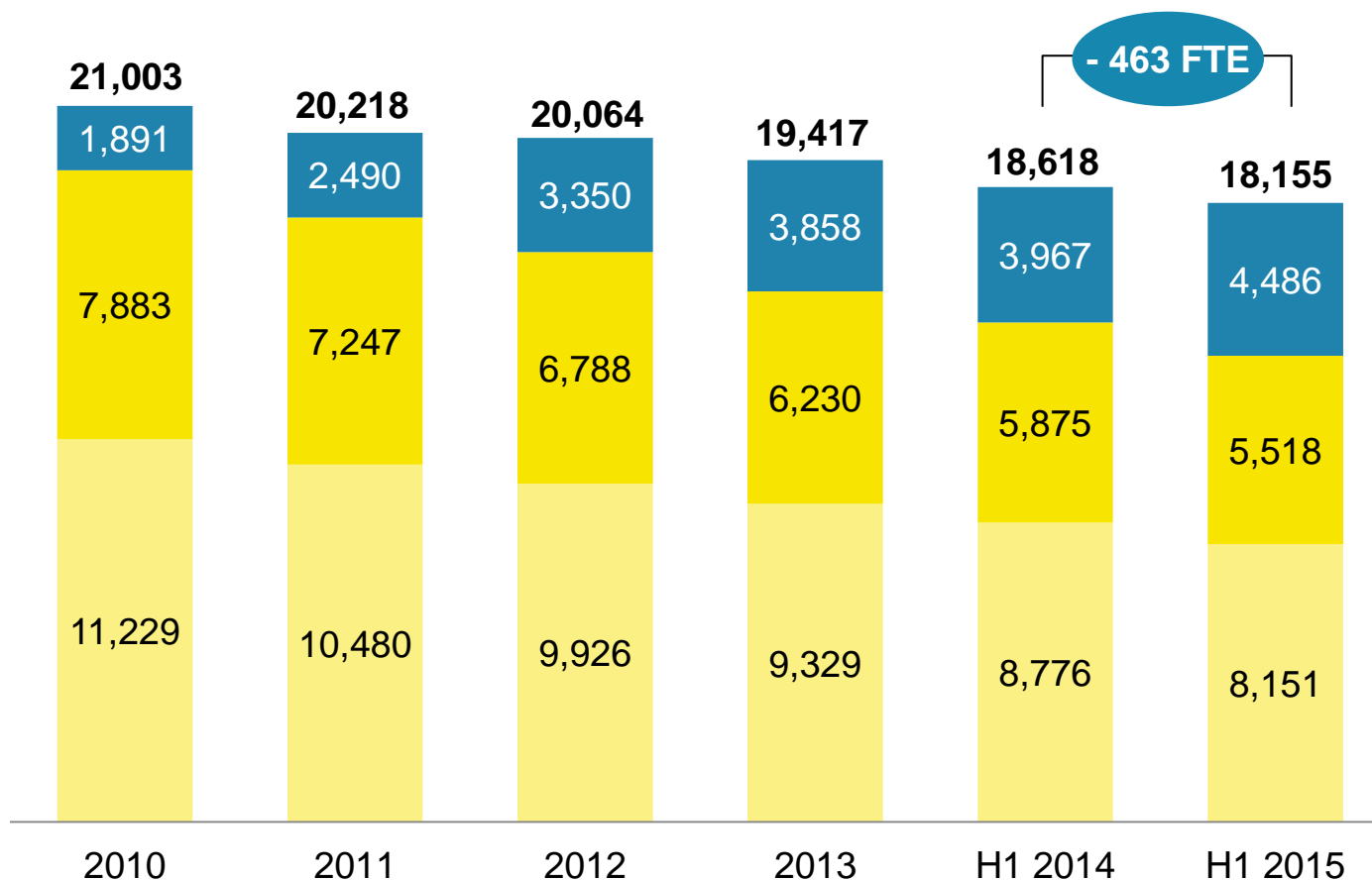
SHOPTIMISATION



- Optimisation of branch offices, pick-up and delivery processes
- Conversion to single driver courier, step-by-step implementation at 50% of own shops

3. STAFF STRUCTURE IN AUSTRIA

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



Change H1 2014/2015:

- 625 Civil servants
- 357 Old CWA
- + 518 New CWA
- = - 463 employees**

- New collective wage agreement (CWA) since 2009
- Old collective wage agreement
- Civil servants

Adjusted reporting 2010-2013: merger of PDG with Post AG



4. CUSTOMER ORIENTATION AND INNOVATION

INNOVATIVE 24/7 SELF-SERVICE SOLUTIONS

Franking machines & drop-off boxes



276 self-service zones

Pick-up stations



170 pick-up stations

Pick-up boxes



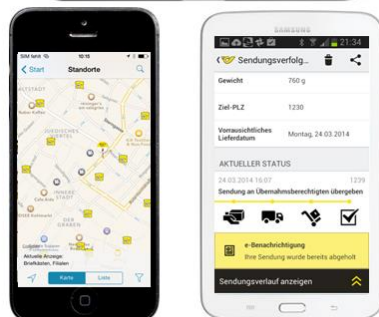
10,757 pick-up boxes

Ongoing Roll-Out

4. CUSTOMER ORIENTATION AND INNOVATION

INTERACTION FOR ENHANCED CUSTOMER COMFORT

Post App

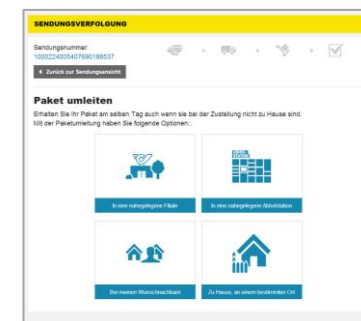


- E-notification
- Parcel redirection
- Track & trace, advance parcel notice and info storage
- Branch office, letterbox and postal code locator, rate calculator

Parcel redirection

Since August 2014 redirection to...

- nearby branch office
- nearby pick-up station
- designated neighbour
- selected place (drop-off authorisation)



▪ 250,000 downloads since 6/2014

- About 2,000 interactions/week and rising
- 400,000 registered customers

1. Highlights and Overview

2. Strategy Implementation

3. GROUP RESULTS H1 2015

4. Outlook 2015

FINANCIAL INDICATORS H1 2015 AT A GLANCE

	H1 2014	H1 2015	
Revenue (EUR m)	1,171.9	1,178.9	Revenue slightly above prior-year level (+0.6%)
EBITDA margin	12.4%	11.9%	EBITDA margin of 11.9% within targeted range
EBIT margin	8.4%	8.2%	Ongoing high profitability
Earnings/share (EUR)	1.08	1.14	Slight rise in earnings/share due to one-off item
Cash flow (EUR m)	95.9	107.7	Increased cash flow from operating activities
Equity ratio	41.2%	40.3%	Conservative balance sheet with low debt

KEY INCOME STATEMENT INDICATORS

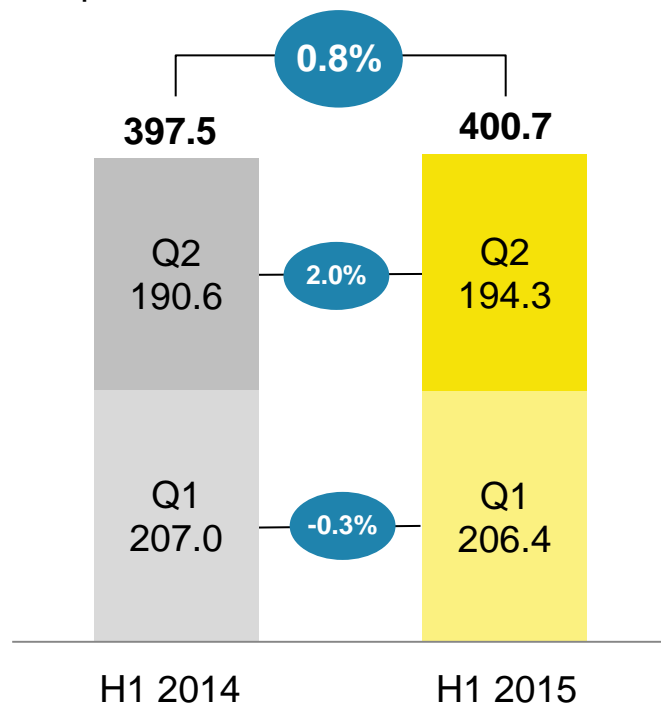
EUR m	Change						
	H1 2014	H1 2015	%	abs.	Q2 2014	Q2 2015	
Revenue	1,171.9	1,178.9	0.6%	7.0	573.5	577.0	▶ Slight revenue increase of 0.6%
Other operating income	32.5	32.8	0.9%	0.3	15.9	16.4	
Raw materials, consumables and services used	-362.8	-364.0	-0.3%	-1.1	-179.0	-179.5	
Staff costs	-551.7	-551.8	-0.0%	-0.1	-271.1	-270.1	▶ Stable staff costs due to improved staff structure
Other operating expenses	-143.7	-156.0	-8.6%	-12.3	-72.2	-79.7	▶ Increase due to higher expenditures for maintenance, communications and consulting
At equity consolidation	-1.1	-0.2	80.8%	0.9	-0.7	0.4	
EBITDA	145.1	139.7	-3.7%	-5.4	66.3	64.6	
<i>EBITDA margin</i>	12.4%	11.9%	-	-	11.6%	11.2%	
Depreciation, amortisation and impairment	-46.3	-43.2	6.6%	3.1	-25.7	-22.0	
EBIT	98.8	96.5	-2.3%	-2.3	40.6	42.6	
<i>EBIT margin</i>	8.4%	8.2%	-	-	7.1%	7.4%	
Other financial result	-1.8	3.4	>100%	5.2	-1.1	-0.1	▶ Termination of cross-border leasing leads to positive effect in other financial result of EUR 3.3m in Q1
Income tax	-23.4	-22.5	4.0%	0.9	-9.7	-8.9	
Profit for the period	73.6	77.4	5.2%	3.9	29.9	33.6	



MAIL & BRANCH NETWORK DIVISION: REVENUE DEVELOPMENT H1 2015

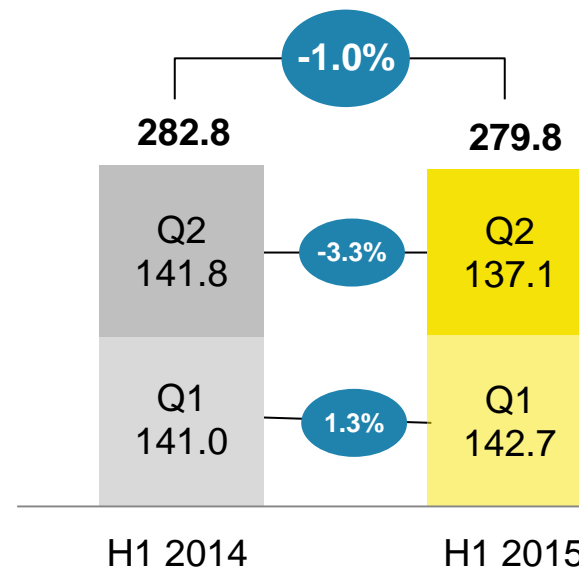
LETTER MAIL & MAIL SOLUTIONS (EUR m)

- Intensified e-substitution – current decline of letter mail volume of about 4%
- Positive revenue effects due to increased postal rates as of March 2015
- Reduced positive effects from elections in Q2 2015



DIRECT MAIL/MEDIA POST (EUR m)

- Higher volume of unaddressed mail items (mainly retail), drop in addressed mail
- Earlier Easter business in 2015 led to revenue shifts from Q2 to Q1
- Revenue decline in Q2 due to lower revenue contributions from elections and discontinuation of one-time mailings



Note: changed presentation of revenue in segment reporting in 2014





MAIL & BRANCH NETWORK DIVISION: KEY INCOME STATEMENT INDICATORS

EUR m	Change						
	H1 2014 ¹	H1 2015	%	abs.	Q2 2014 ¹	Q2 2015	
Revenue	740.9	738.0	-0.4%	-2.9	362.2	360.5	▶ Solid revenue development, only slight decline
• Letter Mail & Mail-Solutions	397.5	400.7	0.8%	3.1	190.6	194.3	
• Direct Mail	211.4	210.2	-0.6%	-1.2	105.8	101.1	
• Media Post	71.4	69.6	-2.5%	-1.8	36.1	36.0	
• Branch Services	60.6	57.5	-5.1%	-3.1	29.8	29.1	
Total revenue ²	778.8	778.4	-0.1%	-0.4	381.0	380.5	
At equity consolidation	-0.1	-0.4	<-100%	-0.3	-0.2	0.0	
EBITDA	158.9	161.4	1.6%	2.5	73.5	76.9	
<i>EBITDA margin³</i>	20.4%	20.7%	-	-	19.3%	20.2%	
Depreciation, amortisation and impairment	-20.0	-16.0	-20.2%	-4.1	-12.6	-8.1	▶ Impairment loss on goodwill at PostMaster Poland totalling EUR 4.9m in Q2 2014
EBIT	138.9	145.4	4.7%	6.5	60.9	68.8	
<i>EBIT margin³</i>	17.8%	18.7%	-	-	16.0%	18.1%	

¹ Changed presentation of revenue in segment reporting

² Incl. revenue with other segments

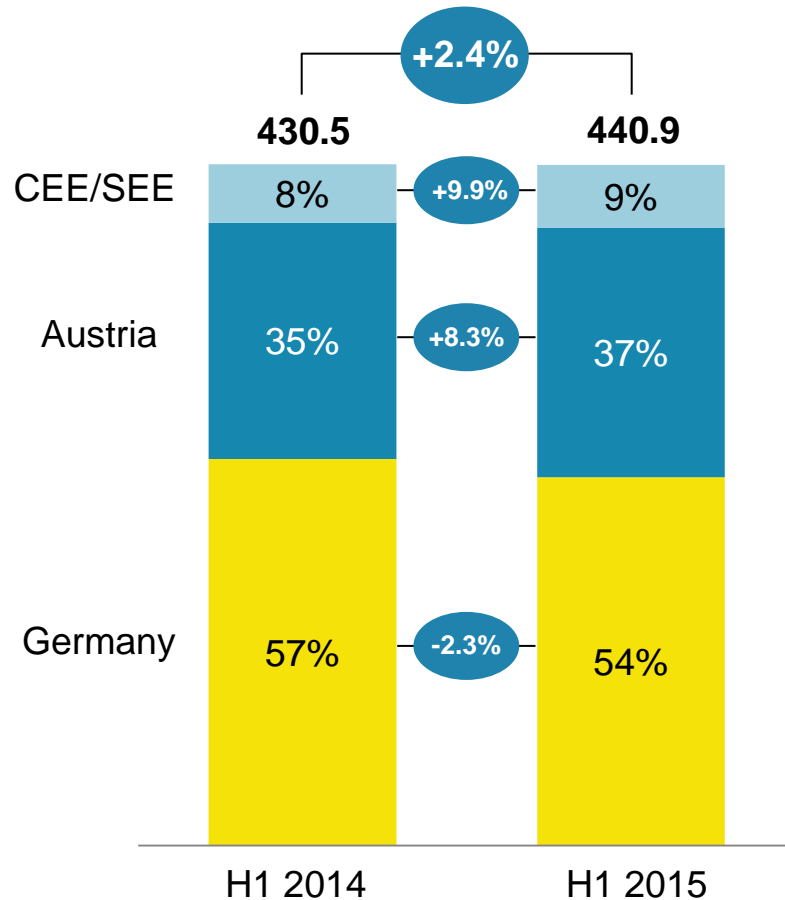
³ EBIT margin and EBITDA margin in relation to total revenue





PARCEL & LOGISTICS DIVISION: REVENUE DEVELOPMENT H1 2015

REVENUE (EUR m), REGIONAL MIX (%)



CEE/SEE: +9.9% (Q2: +8.8%)

- Strong revenue growth, high price pressure
- Good development in Slovakia and Hungary

AUSTRIA: +8.3% (Q2: +8.7%)

- Solid volume growth due to online shopping
- Intensified competition, also on the Austrian parcel market

GERMANY: -2.3% (Q2: -2.2%)

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

Note: changed presentation of revenue in segment reporting in 2014





PARCEL & LOGISTICS DIVISION: KEY INCOME STATEMENT INDICATORS

EUR m	Change						
	H1 2014 ¹	H1 2015	%	abs.	Q2 2014 ¹	Q2 2015	
Revenue	430.5	440.9	2.4%	10.3	211.0	216.4	Revenue up 2.4% in H1 2015
• Premium	323.2	327.6	1.4%	4.5	158.3	160.4	
• Standard	90.2	95.6	6.0%	5.4	44.3	47.2	
• Other Parcel Services	17.1	17.6	2.7%	0.5	8.4	8.8	
Total revenue ²	435.1	444.7	2.2%	9.5	213.3	218.3	
At equity consolidation	0.8	1.6	>100%	0.9	0.4	1.2	Good development in Austria and CEE, structural measures and network restructuring in Germany
EBITDA	22.5	23.1	2.8%	0.6	11.8	10.8	
<i>EBITDA margin³</i>	5.2%	5.2%	-	-	5.5%	4.9%	
Depreciation, amortisation and impairment	-10.4	-10.6	2.6%	0.3	-5.2	-5.5	
EBIT	12.1	12.5	3.0%	0.4	6.6	5.3	
<i>EBIT margin³</i>	2.8%	2.8%	-	-	3.1%	2.4%	

¹ Changed presentation of revenue in segment reporting

² Incl. revenue with other segments

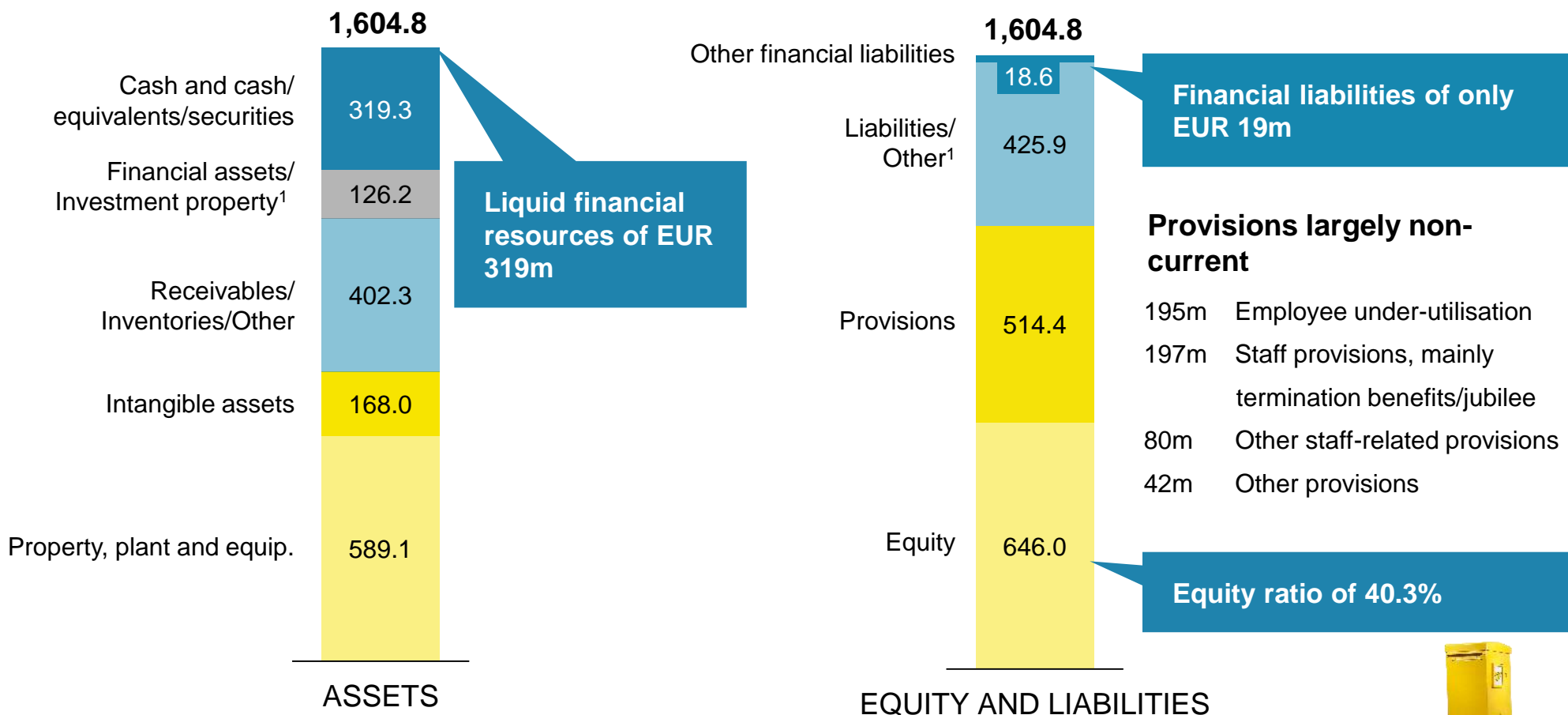
³ EBIT margin and EBITDA margin in relation to total revenue



SOLID BALANCE SHEET STRUCTURE

BALANCE SHEET AS AT JUNE 30, 2015

EUR m



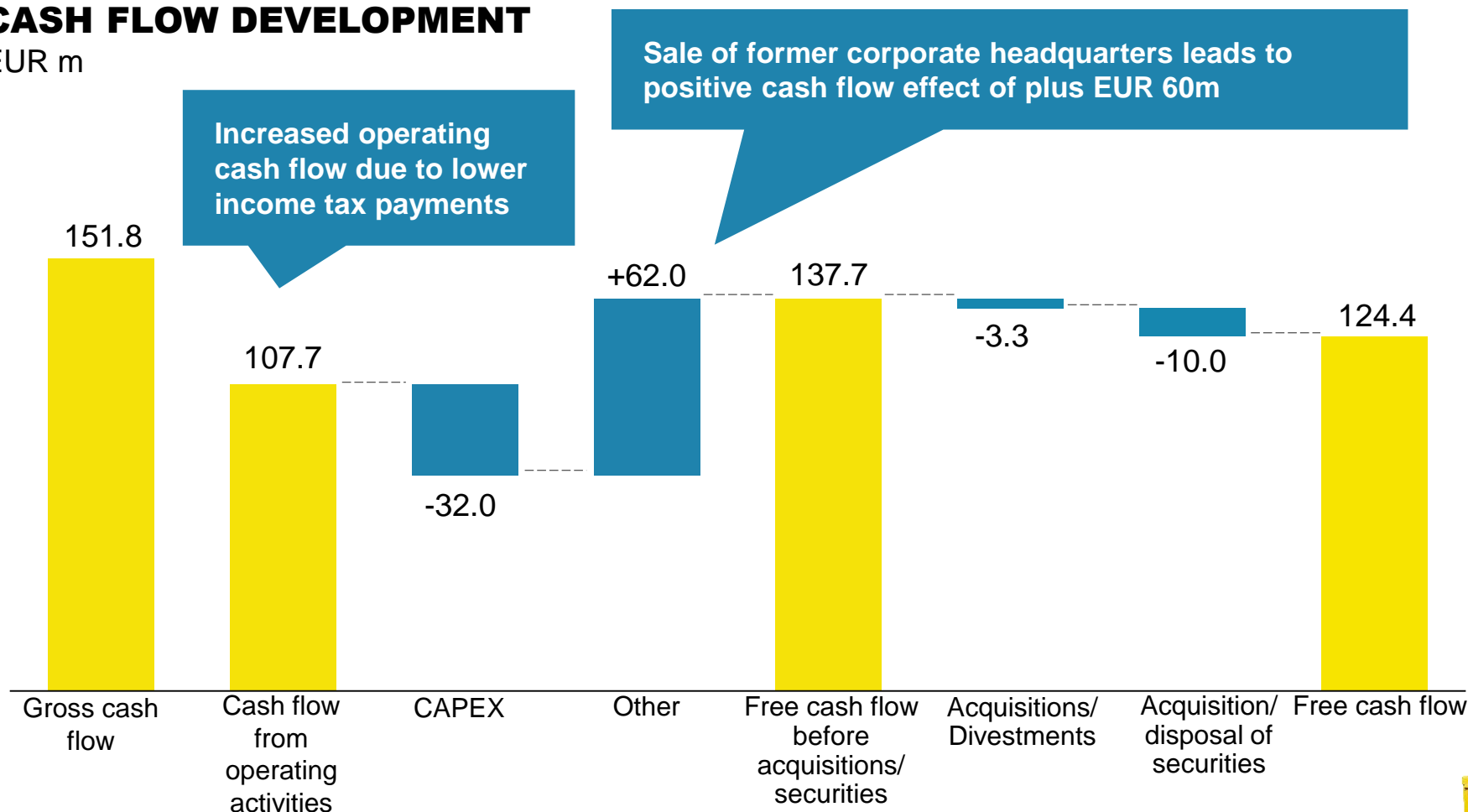
¹ Includes assets and liabilities held for sale



ROBUST CASH FLOW H1 2015

CASH FLOW DEVELOPMENT

EUR m



H1 2014 139.2¹

95.9

-22.2

-3.2

70.5

-0.2

13.0

83.2

¹ Adjusted reporting



1. Highlights and Overview

2. Strategy Implementation

3. Group Results H1 2015

4. OUTLOOK 2015



OUTLOOK 2015

Market environment

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

Revenue

- Group revenue expected to rise 1-2% in 2015
- Growth in the parcel and logistics business should offset mail decrease in the medium term

Costs & Investments

- Continuous investments, efficiency enhancement and structural improvements
- Operating CAPEX¹ of about EUR 80m in 2015
- Construction of new company headquarters (completion in 2017)

Earnings

- Medium-term goal of generating an EBITDA margin of around 12% also applies to 2015
- Improved operating result targeted for 2015

¹ Operating CAPEX = CAPEX excluding investments in new company headquarters



CONTACT

Austrian Post

Investor Relations

Haidingergasse 1, 1030 Vienna

Website: www.post.at/ir

E-mail: investor@post.at

Telephone: +43 57767-30401

Fax: +43 57767-30409

Financial calendar 2015/2016

November 12, 2015	Interim report Q1-3 2015
March 10, 2016	Annual Results 2015
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

Disclaimer

This presentation contains forward-looking statements, based on the currently held beliefs and assumptions of the management of Austrian Post, which are expressed in good faith and, in their opinion, reasonable. These statements may be identified by words such as “expectation” or “target” and similar expressions, or by their context. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of Austrian Post, or results of the postal industry generally, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on these forward-looking statements. Austrian Post disclaims any obligation to update these forward-looking statements to reflect future events or developments.

Austrian Post | Legal form: Public limited company under Austrian law | Registered seat in the Municipality of Vienna | Commercial register number FN 180219d of the Commercial Court of Vienna

This presentation can contain legally protected and confidential information and is protected by copyright. The reproduction, dissemination or duplication of this presentation, either in part or as a whole, requires the express written permission of Austrian Post.



ABHOLSTATION

HIER KÖNNEN SIE SENDUNGEN
VON 0 BIS 24 UHR SELBST ABHOLEN.

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



ANNA MAY WERBUNGSPHOTOGRAPHIE
DER GROSSE ATLAS



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