

AUSTRIAN POST

INVESTOR PRESENTATION Q1 2015

Walter Oblin/CFO
Vienna, May 7, 2015



1. HIGHLIGHTS AND OVERVIEW

2. Strategy Implementation

3. Group Results Q1 2015

4. Outlook 2015



TRENDS ON THE POSTAL AND LOGISTICS MARKET

MARKET ENVIRONMENT REMAINS CHALLENGING



AUSTRIAN LETTER MAIL MARKET

Negative basic trend of e-substitution of traditional letters is continuing



AUSTRIAN DIRECT MAIL MARKET

Differentiated development of individual customer segments



PARCEL MARKET IN AUSTRIA

Strong competition; online business increases consumer parcel volumes



INTERNATIONAL PARCEL MARKET

Growing competition and price pressure on the B2B parcel market



HIGHLIGHTS Q1 2015

REVENUE

- Slight revenue increase of 0.6% to EUR 601.9m
- Decline in the mail business (-0.3%) offset by parcel growth (+2.2%)

EARNINGS

- EBIT down 7.4% to EUR 53.9m
- Earnings impacted by interest rate effect for staff-related provisions
- Rise in earnings per share to EUR 0.65

CASH FLOW AND BALANCE SHEET

- Increase in cash flow from operating activities to EUR 59.6m
- High cash and cash equivalents, low level of liabilities

OUTLOOK

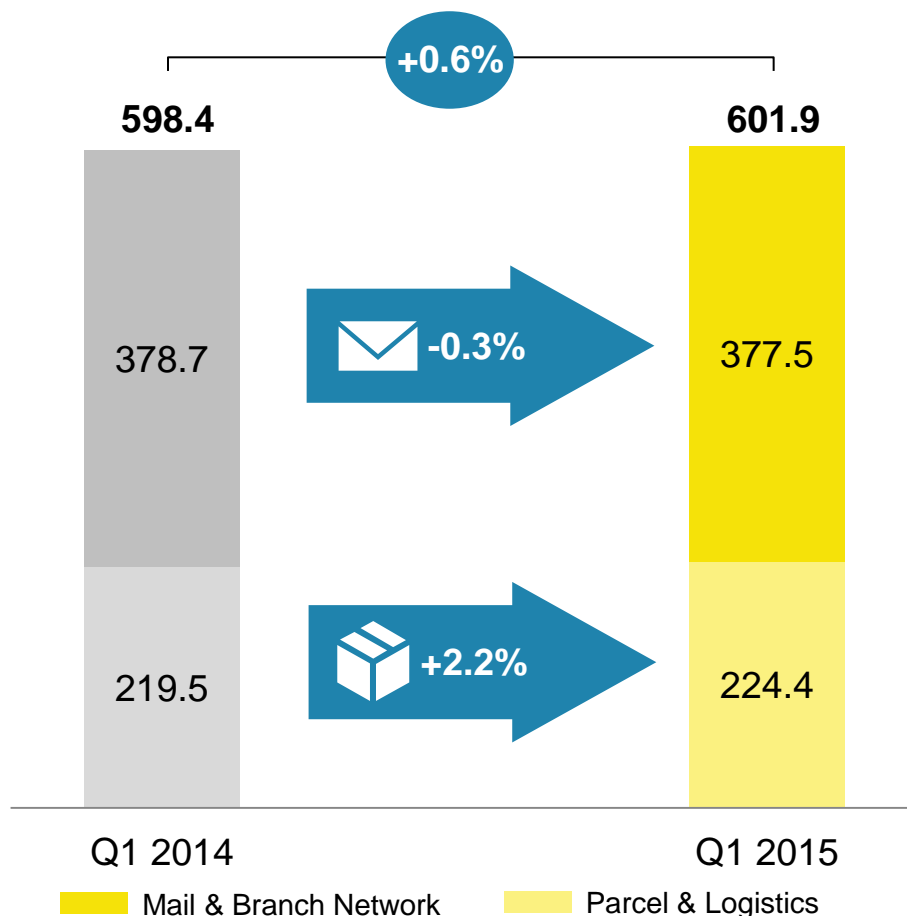
- Outlook confirmed for 2015:
- Targeted revenue growth of 1-2%
 - Goal of improving EBIT



SLIGHT RISE IN REVENUE IN Q1 2015

REVENUE DEVELOPMENT

EUR m



Note: change in presentation of revenue in segment reporting

GROUP:

Revenue up slightly by 0.6% year-on-year

MAIL & BRANCH NETWORK:

- Marginal revenue drop of 0.3% due to electronic substitution and declining branch network revenue
- Solid development of direct mail business
- Increase in postal rates starting March 2015

PARCEL & LOGISTICS:

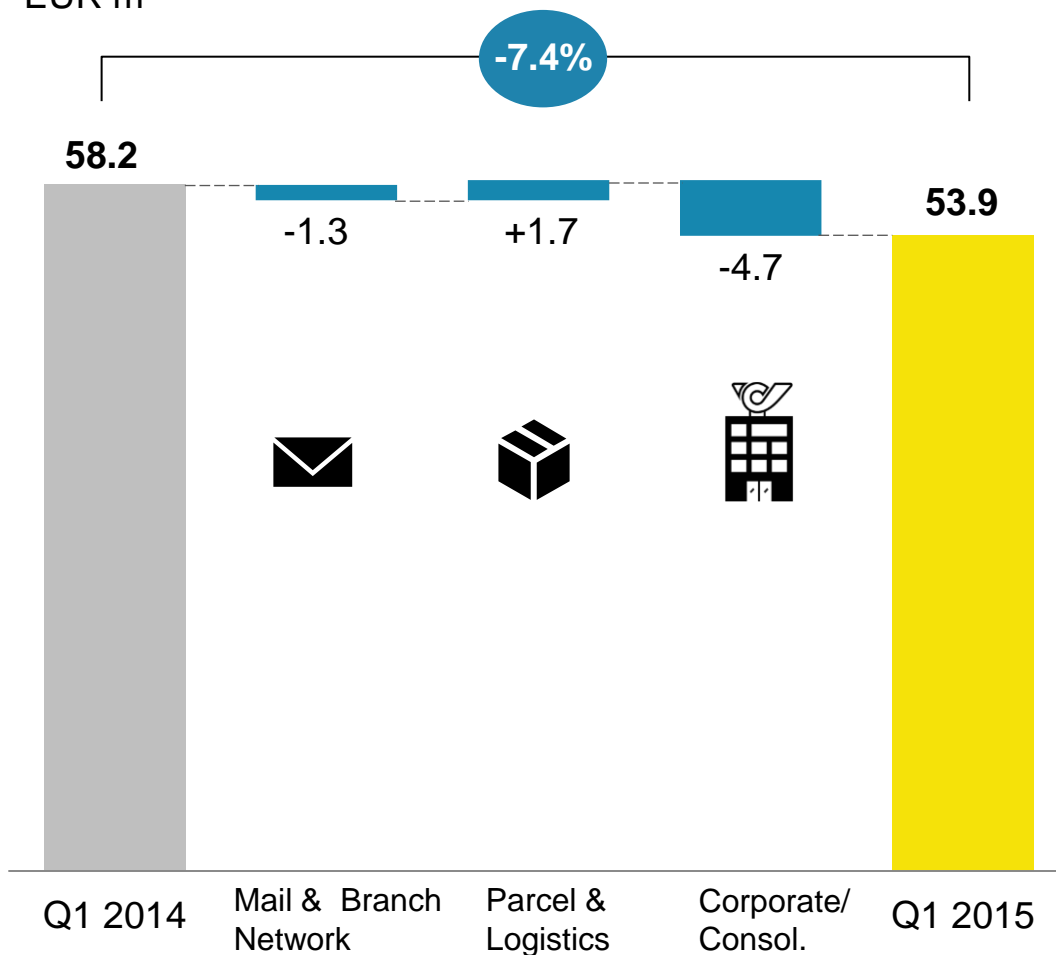
- Revenue up 2.2% based on growth in Austria and CEE
- Revenue decrease in Germany



EBIT INFLUENCED BY INTEREST RATE EFFECT FOR PROVISIONS

EBIT DEVELOPMENT

EUR m



GROUP:

- EBIT decline of EUR 4.3m
- Earnings development impacted by interest rate effect for staff-related provisions (minus EUR 4.8m)

MAIL & BRANCH NETWORK:

- Slight revenue decline
- EBIT decrease of EUR 1.3m in Q1 2015

PARCEL & LOGISTICS:

- Earnings improvement of EUR 1.7m
- Positive development in Austria and CEE, structural changes in Germany

CORPORATE:

- Negative effect of parameter adjustments for interest-bearing staff-related provisions



1. Highlights and Overview

2. STRATEGY IMPLEMENTATION

3. Group Results Q1 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 AND PARCEL BUSINESS IN AUSTRIA

LETTER MAIL AND DIRECT MAIL

- E-substitution in Q1 2015 in the predicted range of minus 3-5%
- Absence of one-time mailings by certain telecommunication, finance and insurance customers (compared to Q1 2014)
- Positive impetus of the advertising industry due to special promotional campaigns before Easter

NEW POSTAL RATES AS OF MARCH 1, 2015

- Postal rate increase leads to positive price development and negatively impacts volumes
- Increased purchases of the new assortment of postage stamps



B2B AND B2C PARCELS

- Strong market position for private customers (77%) and business customers (28%)
- Competitors increasingly focus on B2C market; increased price pressure
- Offering of food delivery throughout Austria since April 2015

TRENDS AND INITIATIVES

Same day delivery

Next day delivery

Food logistics



2. GROWTH IN SELECTED MARKETS

Germany (trans-o-flex)

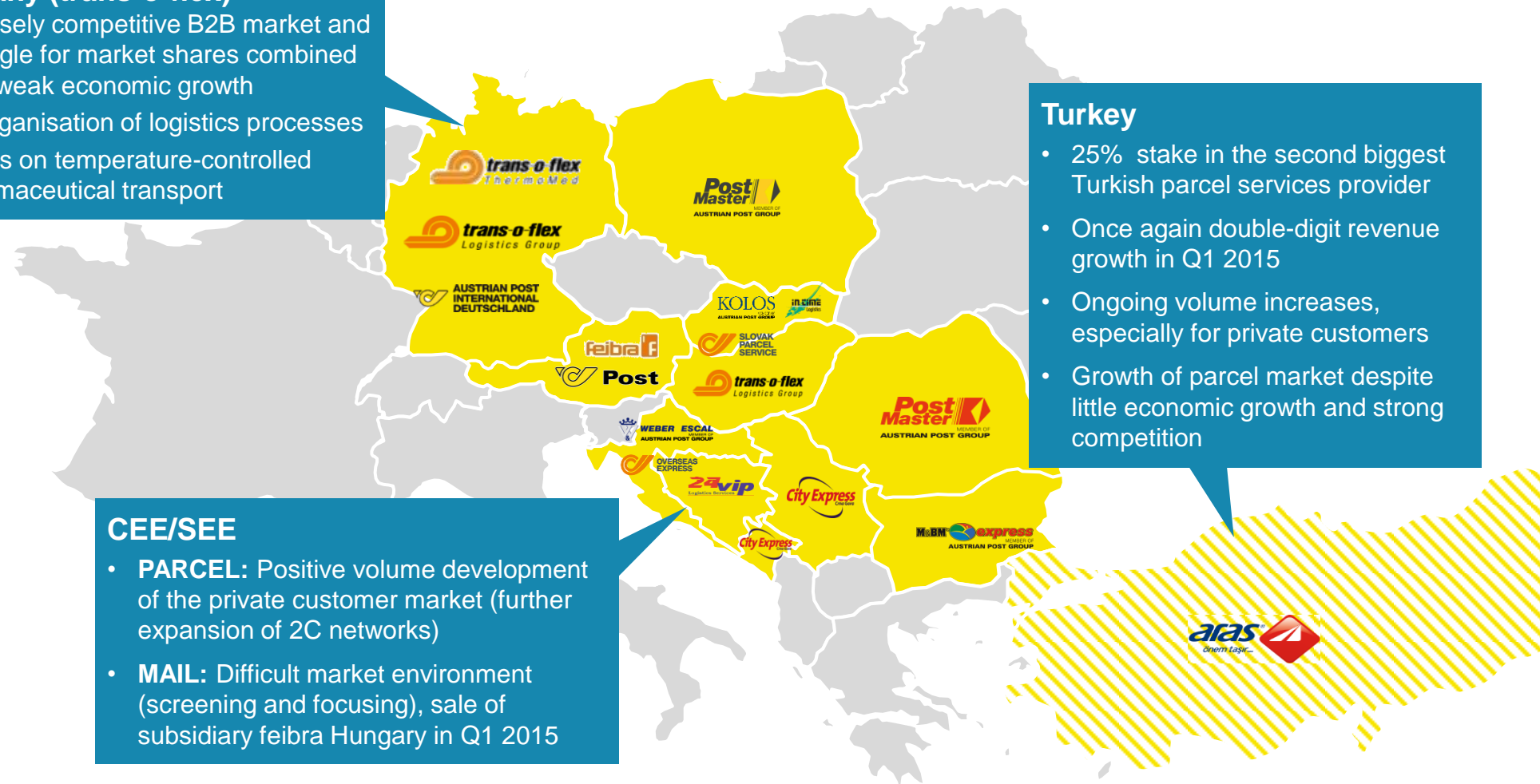
- Intensely competitive B2B market and struggle for market shares combined with weak economic growth
- Reorganisation of logistics processes
- Focus on temperature-controlled pharmaceutical transport

Turkey

- 25% stake in the second biggest Turkish parcel services provider
- Once again double-digit revenue growth in Q1 2015
- Ongoing volume increases, especially for private customers
- Growth of parcel market despite little economic growth and strong competition

CEE/SEE

- **PARCEL:** Positive volume development of the private customer market (further expansion of 2C networks)
- **MAIL:** Difficult market environment (screening and focusing), sale of subsidiary feibra Hungary in Q1 2015



2. EXPANSION OF TEMPERATURE-CONTROLLED PHARMA TRANSPORT

TRANS-O-FLEX INTENSIFIES FOCUS ON THE PHARMACEUTICALS MARKET

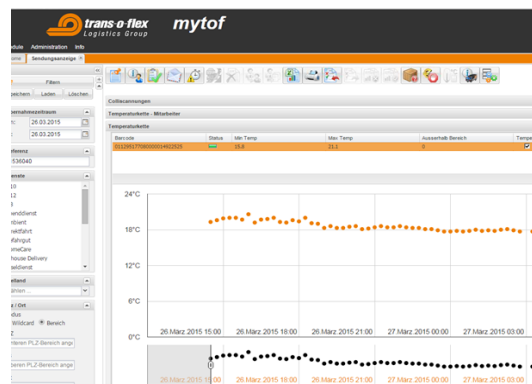
- EU guideline “Good Distribution Practice“ (GDP) for temperature-controlled transport of pharmaceuticals (stricter legal requirements)
- trans-o-flex presses ahead with capacity expansion for pharmaceutical transport
- Conversion to and expansion of temperature-controlled logistics by mid-2015
- “trans-o-flex ambient” steadily expands customer base



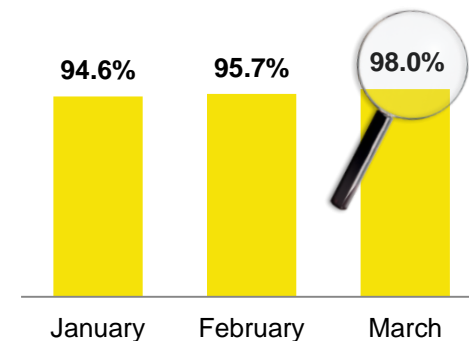
Nationwide basic network for temperature-controlled transport throughout Germany since Oct. 2014



Customers can track temperature online (99% of shipments)



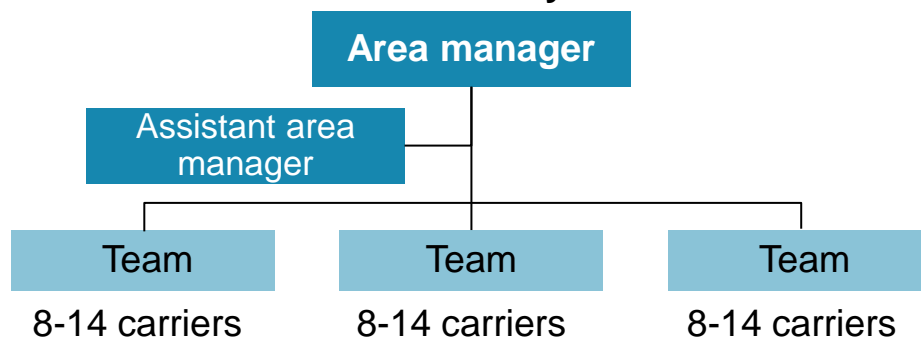
Ongoing improvement of delivery time quality – already more than 98%



3. OPTIMISATION OF PROCESSES AND STRUCTURES

MODERN LEADERSHIP STRUCTURES

Teamwork 2018 in mail delivery



CUSTOMER-ORIENTED BRANCH NETWORK



Network stability achieved
1,302 postal partners,
519 own branches

254 branch offices in the
new design

New commission model
for postal partners

DEPLOYMENT OF NEW TECHNOLOGIES



Automatic
sequencing

Cash recycler

OPTIMISED DEPLOYMENT OF RESOURCES



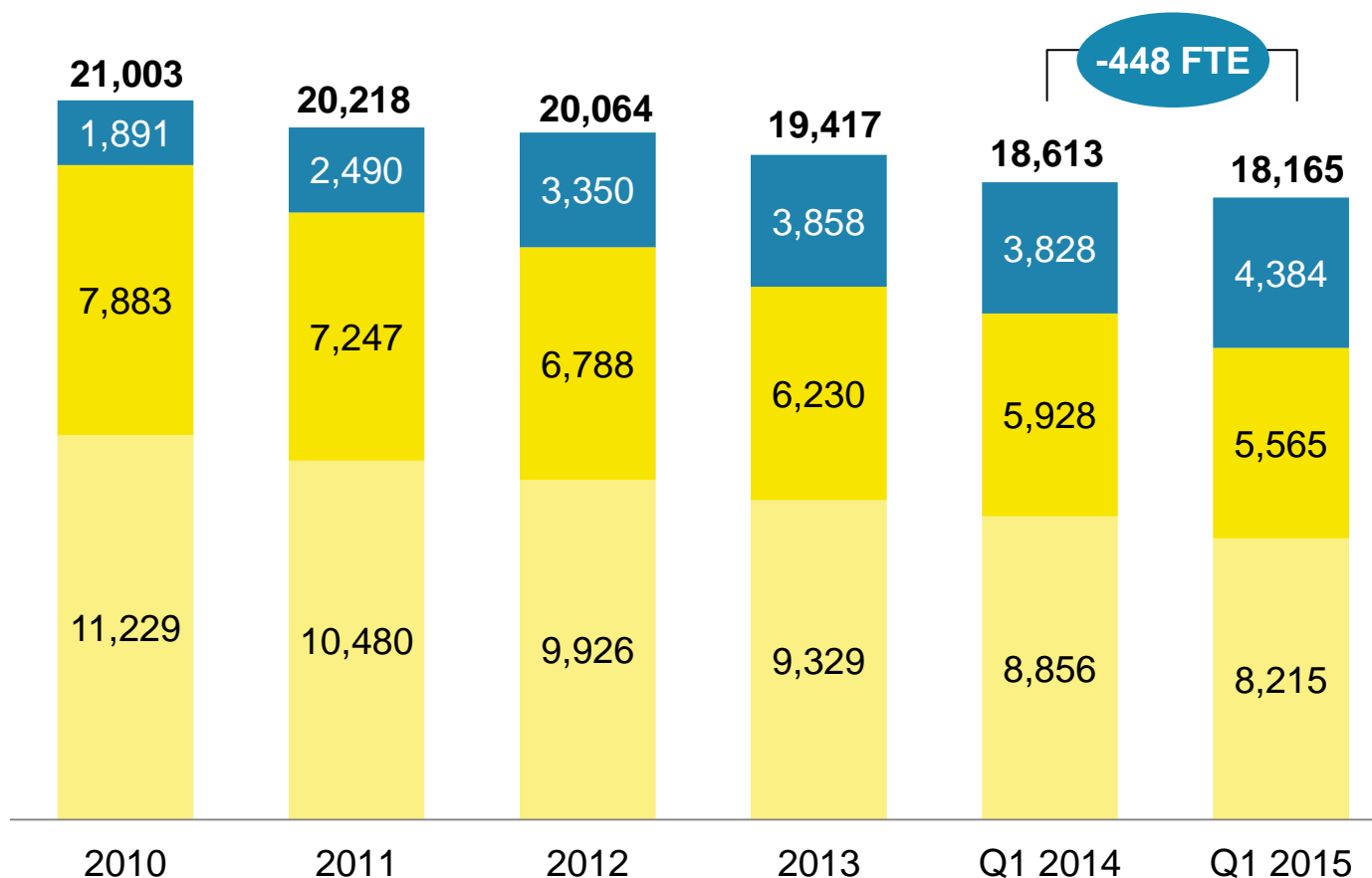
Customer-oriented staff
HR management

Optimal use of
resources






3. STAFF STRUCTURE IN AUSTRIA

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



Change Q1 2014/2015:

- 640 Civil servants
- 363 Old CWA
- + 556 New CWA
- = - 448 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

ONGOING ROLL-OUT OF INNOVATIVE 24/7 SELF-SERVICE SOLUTIONS

Franking machines & drop-off boxes



270 self-serv. zones
2015 target: 300

Pick-up stations



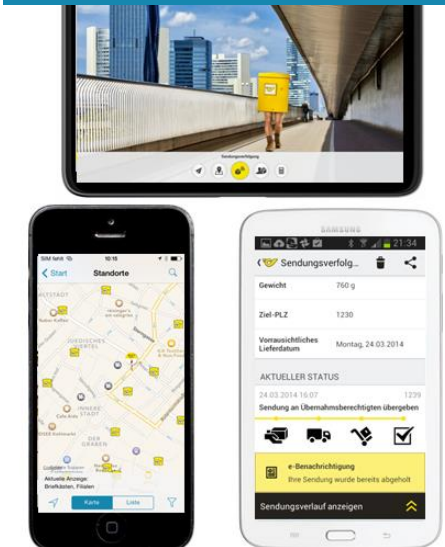
150 pick-up stations
2015 target: 200

Pick-up boxes



9,500 pick-up boxes
2015 target: 11,000

Post App



200,000 Downloads
since 6/2014

1. Highlights and Overview

2. Strategy Implementation

3. GROUP RESULTS Q1 2015

4. Outlook 2015

FINANCIAL INDICATORS Q1 2015 AT A GLANCE

	Q1 2014	Q1 2015	
Revenue (EUR m)	598.4	601.9	Revenue slightly above prior year (+0.6%)
EBITDA margin	13.2%	12.5%	EBITDA margin of 12.5% within targeted range
EBIT margin	9.7%	9.0%	Ongoing high profitability
Earnings/share (EUR)	0.64	0.65	Slight rise in earnings per share vs. Q1 2014
Cash flow (EUR m)	50.6	59.6	Increased cash flow from operating activities
Equity ratio	42.1 %	43.7%	Conservative balance sheet structure with low debt

KEY INCOME STATEMENT INDICATORS

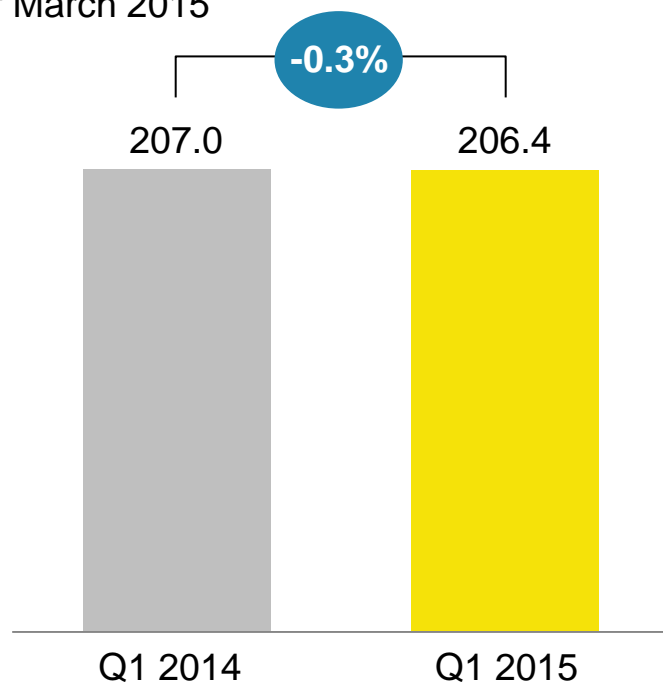
EUR m	Q1 2014	Q1 2015	Change		
			%	abs.	
Revenue	598.4	601.9	0.6%	3.5	▶ Slight revenue rise of 0.6%
Other operating income	16.5	16.4	-1.1%	-0.2	
Raw materials, consumables and services used	-183.8	-184.5	0.4%	0.7	Interest rate adjustments lead to increased costs for staff-related provisions of EUR 4.8m
Staff costs	-280.6	-281.7	0.4%	1.2	▶
Other operating expenses	-71.4	-76.3	6.9%	4.9	▶ Increase in other operating expenses, e.g. due to various IT projects
Results from financial assets accounted for using the equity method	-0.4	-0.6	-71.2%	-0.3	
EBITDA	78.8	75.1	-4.6%	-3.6	
<i>EBITDA margin</i>	13.2%	12.5%	–	–	
Depreciation, amortisation and impairment	-20.6	-21.2	3.2%	0.7	
EBIT	58.2	53.9	-7.4%	-4.3	
<i>EBIT margin</i>	9.7%	9.0%	–	–	
Other financial result	-0.8	3.4	>100%	4.2	▶ Termination of cross-border leasing leads to positive effect in other financial result of EUR 3.3m
Income tax	-13.8	-13.6	-1.4%	-0.2	
Profit for the period	43.7	43.8	0.2%	0.1	



MAIL & BRANCH NETWORK DIVISION: REVENUE DEVELOPMENT Q1 2015

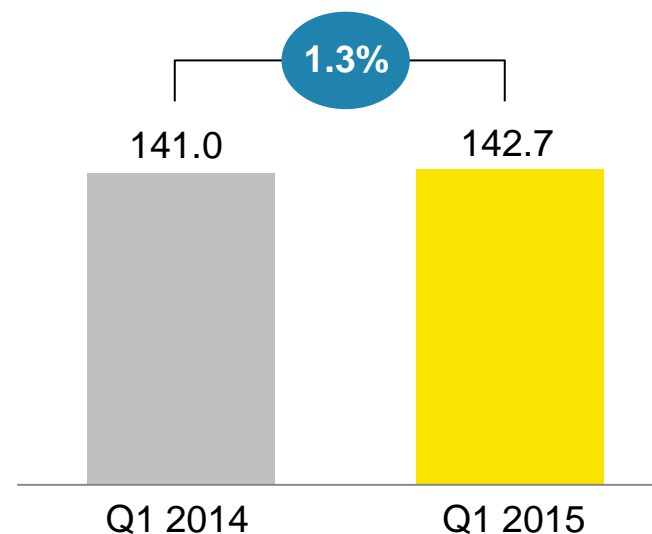
LETTER MAIL & MAIL SOLUTIONS (EUR m)

- Basic trend of e-substitution (minus 3-5% p.a.)
- Absence of one-time mailings by certain telecommunication, finance and insurance customers compared to Q1 2014
- Positive revenue effects due to increase of postal rates as of March 2015



DIRECT MAIL/MEDIA POST (EUR m)

- Solid development in the field of direct mail due to advertising impetus before Easter
- Revenue decline for newspapers and magazines
- Election effects of a similar magnitude to Q1 2014



Note: change in the presentation of revenue in segment reporting in 2014



MAIL & BRANCH NETWORK DIVISION: KEY INCOME STATEMENT INDICATORS

EUR m	Q1 2014 ¹	Q1 2015	Change	
			%	abs.
Revenue	378.7	377.5	-0.3%	-1.2
• Letter Mail & Mail-Solutions	207.0	206.4	-0.3%	-0.6
• Direct Mail	105.7	109.1	3.3%	3.5
• Media Post	35.3	33.6	-4.7%	-1.7
• Branch Services	30.8	28.4	-7.8%	-2.4
Total revenue ²	397.8	397.9	0.0%	0.1
Other operating expenses	55.2	56.7	2.6%	1.4
Results from financial assets accounted for using the equity method	0.1	-0.4	<100%	-0.5
EBITDA	85.4	84.5	-1.1%	-0.9
<i>EBITDA margin³</i>	21.5%	21.2%	–	–
Depreciation, amortisation and impairment	7.5	7.9	5.5%	0.4
EBIT	77.9	76.6	-1.7%	-1.3
<i>EBIT margin³</i>	19.6%	19.3%	–	–

Solid revenue development featuring slight decline

Revenue down for telecommunications products and financial services

Including small negative earnings effects from the sale of feibra Hungary and MEILLERGHP

¹ Change in the presentation of revenue in segment reporting

² Incl. revenue with other segments

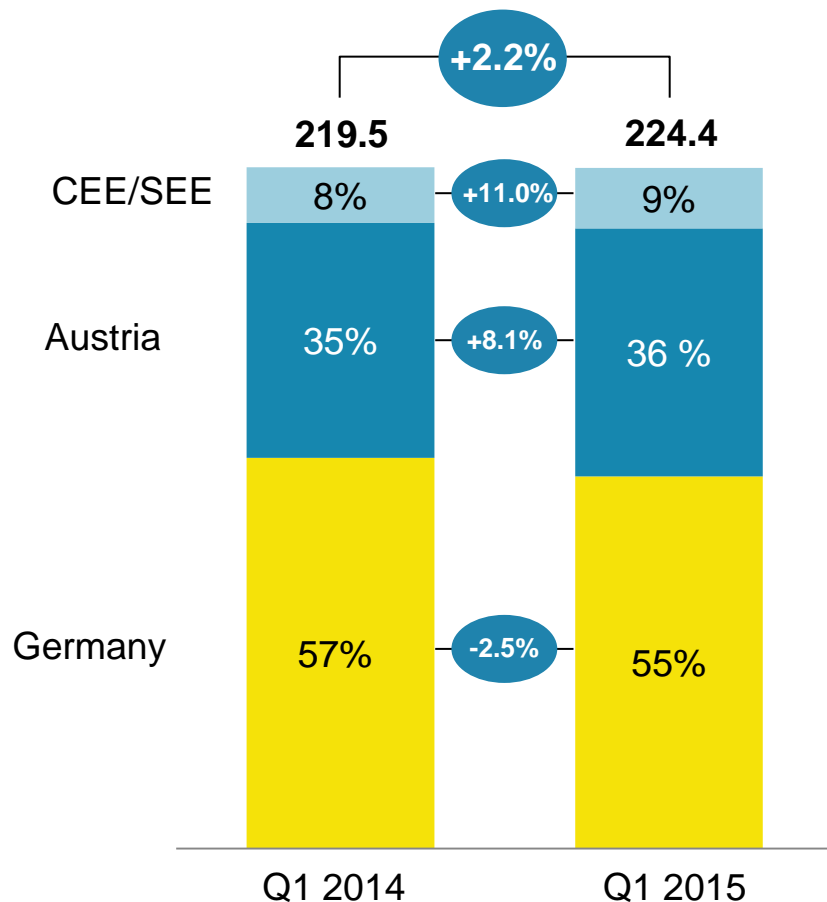
³ EBIT margin, EBITDA margin in relation to total revenue





PARCEL & LOGISTICS DIVISION: REVENUE DEVELOPMENT Q1 2015

REVENUE (EUR m), **REGIONAL MIX** (%)



SOUTH EAST/EASTERN EUROPE: +11.0%

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

AUSTRIA: +8.1%

- Solid volume growth due to online shopping
- Positive impact of Easter business
- Intensive competition also in the Austrian parcel market

GERMANY: -2.5%

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

Note: change in the presentation of revenue in segment reporting in 2014





PARCEL & LOGISTICS DIVISION: KEY INCOME STATEMENT INDICATORS

EUR m	Q1 2014 ¹	Q1 2015	Change		
			%	abs.	
Revenue	219.5	224.4	2.2%	4.9	Revenue increase of 2.2% in Q1 2015
• Premium	164.9	167.2	1.4%	2.3	
• Standard	45.9	48.4	5.5%	2.5	
• Other Parcel Services	8.7	8.8	0.9%	0.1	
Total revenue ²	221.8	226.4	2.1%	4.6	
Results from financial assets accounted for using the equity method	0.3	0.4	30.2%	0.1	Lower negative effects from write-downs and structural measures compared to Q1 2014
EBITDA	10.7	12.3	15.6%	1.7	
<i>EBITDA margin</i> ³	4.8%	5.4%	–	–	
Depreciation, amortisation and impairment	-5.2	-5.1	-0.7%	0.0	
EBIT	5.5	7.2	30.9%	1.7	Good development in Austria and CEE/SEE, structural changes in Germany
<i>EBIT margin</i> ³	2.5%	3.2%	–	–	

¹ Change in presentation of revenue in segment reporting

² Incl. revenue with other segments

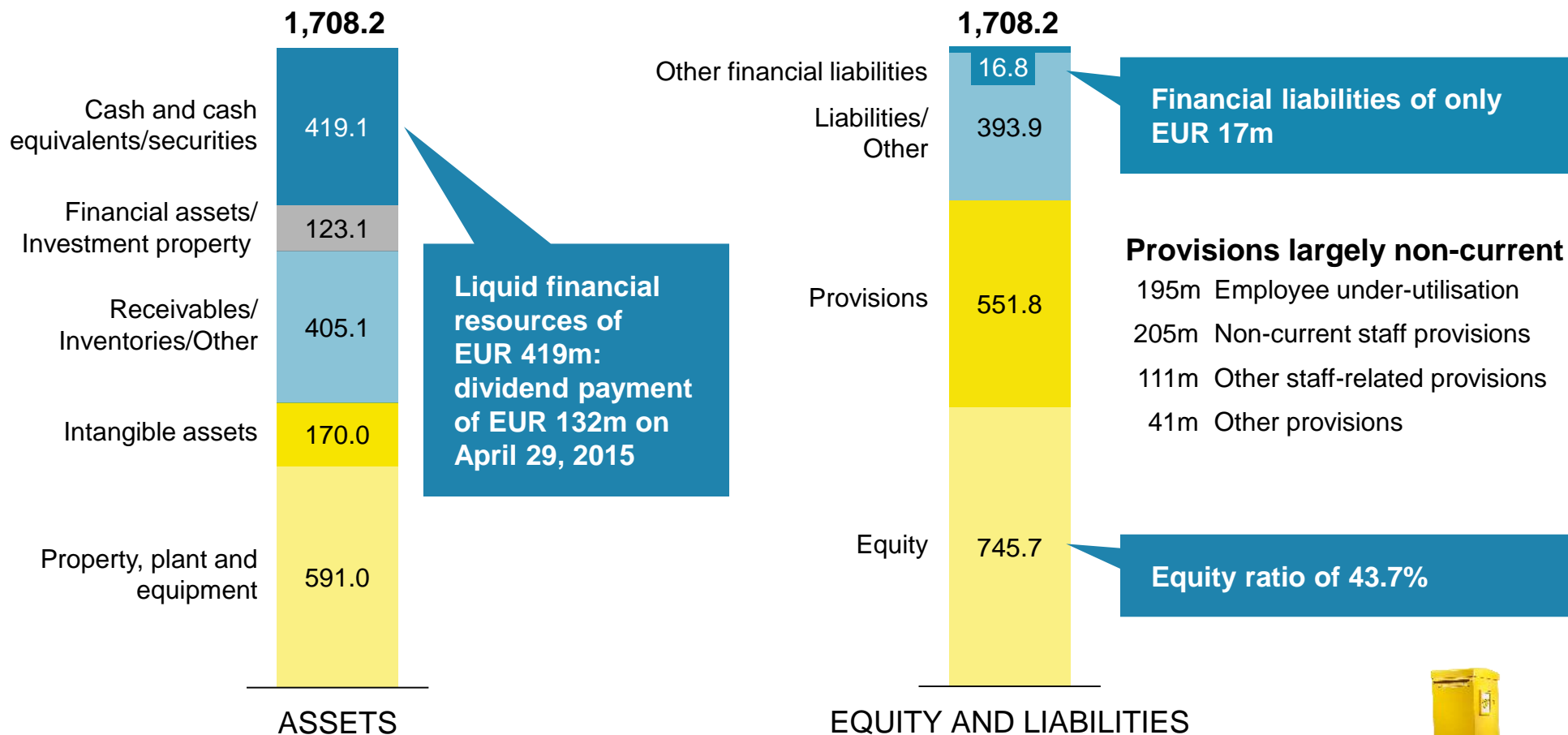
³ EBIT margin, EBITDA margin in relation to total revenue



SOLID BALANCE SHEET STRUCTURE

BALANCE SHEET AS AT MARCH 31, 2015

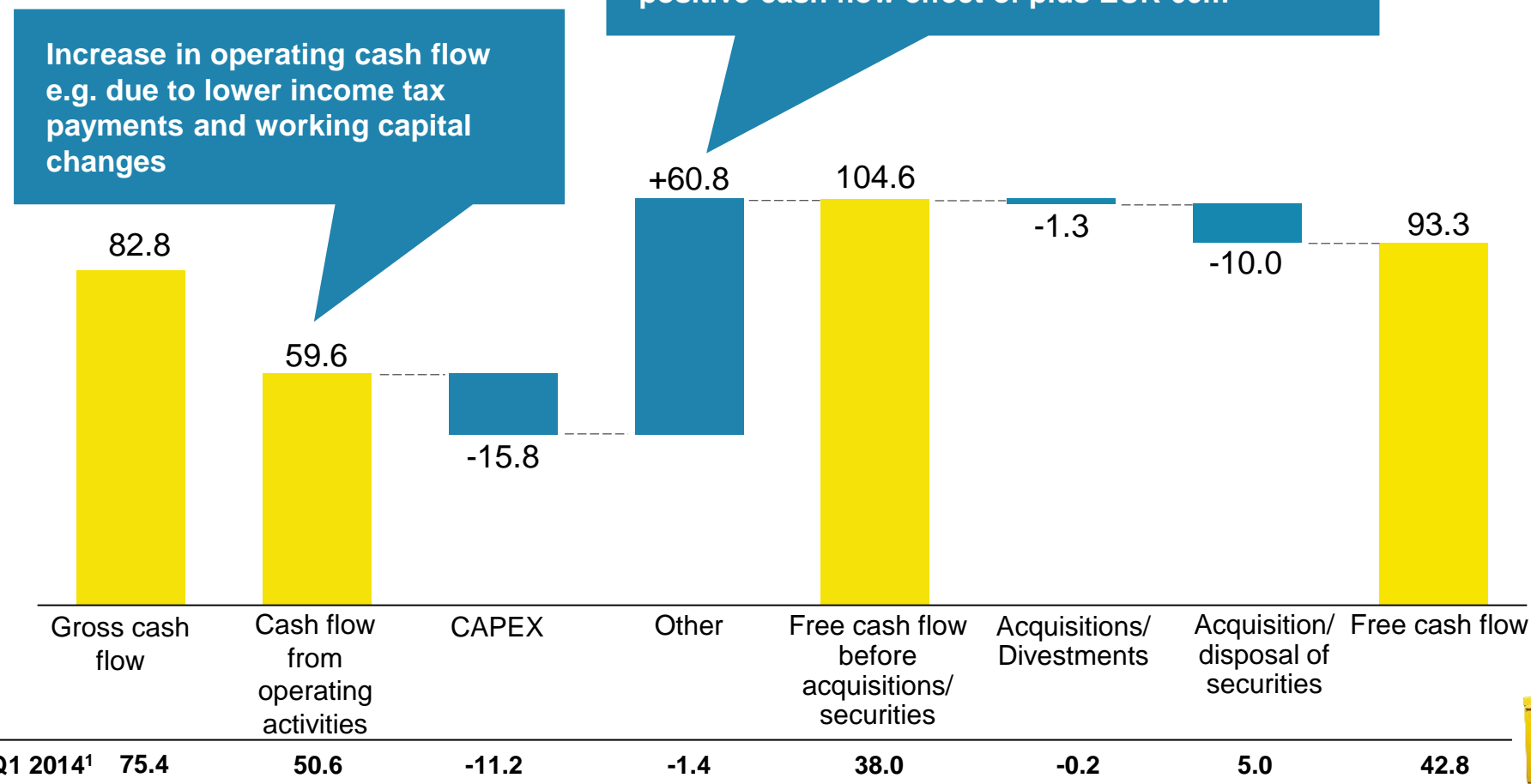
EUR m



ROBUST CASH FLOW

CASH FLOW DEVELOPMENT

EUR m



¹ Adjusted reporting



1. Highlights and Overview

2. Strategy Implementation

3. Group Results Q1 2015

4. OUTLOOK 2015



OUTLOOK CONFIRMED FOR 2015

Market environment

- Ongoing drop in **addressed mail volume** due to electronic substitution; 3-5% decline expected in line with international trends
- Differentiated volume development in direct mail: pressure on retail stores and mail order business; positive impetus from local suppliers
- Competition and price pressure in the **parcel segment**; growth in private customer parcels of 3-6%, little positive impetus for business parcels

Revenue

- Average targeted growth rate of 1-2% p.a.
- Group revenue increase of similar magnitude in 2015

Costs & investments

- Continuous investments, efficiency enhancement and structural improvements
- Operating CAPEX of EUR 80-90m in 2015
- Construction of new company headquarters (completion in 2017)

Earnings

- Medium-term goal of generating a sustainable EBITDA margin of around 12% also applies to 2015
- Targeted ongoing improvement of EBIT



CONTACT

Austrian Post

Investor Relations

Haidingergasse 1, 1030 Vienna

Website: www.post.at/ir

E-mail: investor@post.at

Phone: +43 57767-30401

Fax: +43 57767-30409

Financial calendar 2015

May 7, 2015

Interim report Q1 2015

Aug. 6, 2015

Half-year financial report 2015

Nov. 12, 2015

Interim report Q1-3 2015

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.**