

AUSTRIAN POST

INVESTOR PRESENTATION Q1-3 2015

Walter Oblin/CFO

Vienna, November 12, 2015



1. HIGHLIGHTS AND OVERVIEW

2. Strategy Implementation

3. Group Results Q1-3 2015

4. Outlook 2015 and 2016



TRENDS ON THE POSTAL AND LOGISTICS MARKET

CHALLENGING MARKET ENVIRONMENT IN Q1-3 2015



AUSTRIAN LETTER MAIL MARKET

Intensified negative basic trend of e-substitution



AUSTRIAN DIRECT MAIL MARKET

Differentiated development of individual customer segments



AUSTRIAN PARCEL MARKET

Growing competition; online business increases parcel volumes

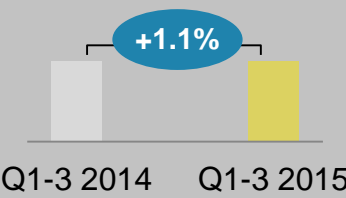
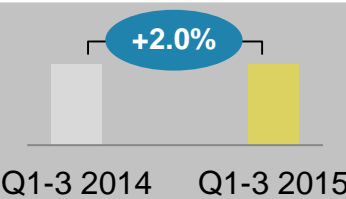
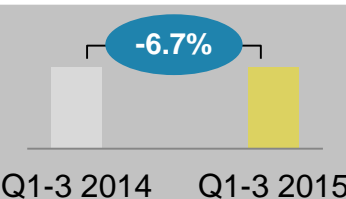



INTERNATIONAL PARCEL MARKET

Increasing competition and price pressure on the B2B parcel market



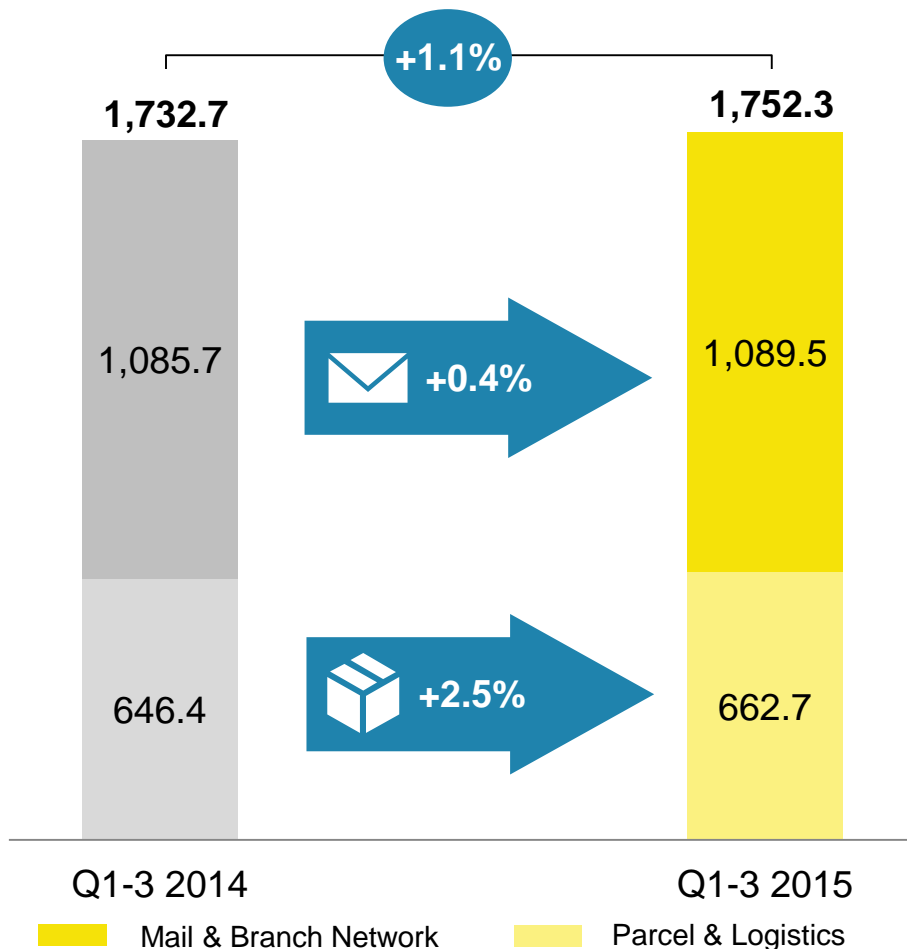
HIGHLIGHTS Q1-3 2015

REVENUE	 <p>Q1-3 2014 Q1-3 2015</p>	<ul style="list-style-type: none"> • Group revenue increase of 1.1% to EUR 1,752.3m (+2.2% in Q3) • Revenue growth in both the mail business (+0.4%) and the parcel segment (+2.5%)
EARNINGS	 <p>Q1-3 2014 Q1-3 2015</p>	<ul style="list-style-type: none"> • EBIT rise of 2.0% to EUR 135.2m (+ EUR 4.9m in Q3) • Increase in earnings per share to EUR 1.54
OPERATING CASH FLOW	 <p>Q1-3 2014 Q1-3 2015</p>	<ul style="list-style-type: none"> • Cash flow from operating activities at EUR 153.6m below 2014 due to tax effects • Free cash flow at EUR 152.0m above the prior-year level
OUTLOOK		<p>Outlook for 2015:</p> <ul style="list-style-type: none"> • Aim to achieve revenue growth of 1-2% • EBITDA margin of around 12%

HIGHER REVENUE IN Q1-3 2015

REVENUE DEVELOPMENT

EUR m



Note: changed presentation of revenue in segment reporting in 2014

GROUP:

- Group revenue up 1.1% in Q1-3 from the previous year
- 2.2% growth in Q3

MAIL & BRANCH NETWORK:

- Slight revenue rise of 0.4% in Q1-3 (+2.0% in Q3)
- Positive revenue effects due to provincial elections in Q3 2015

PARCEL & LOGISTICS:

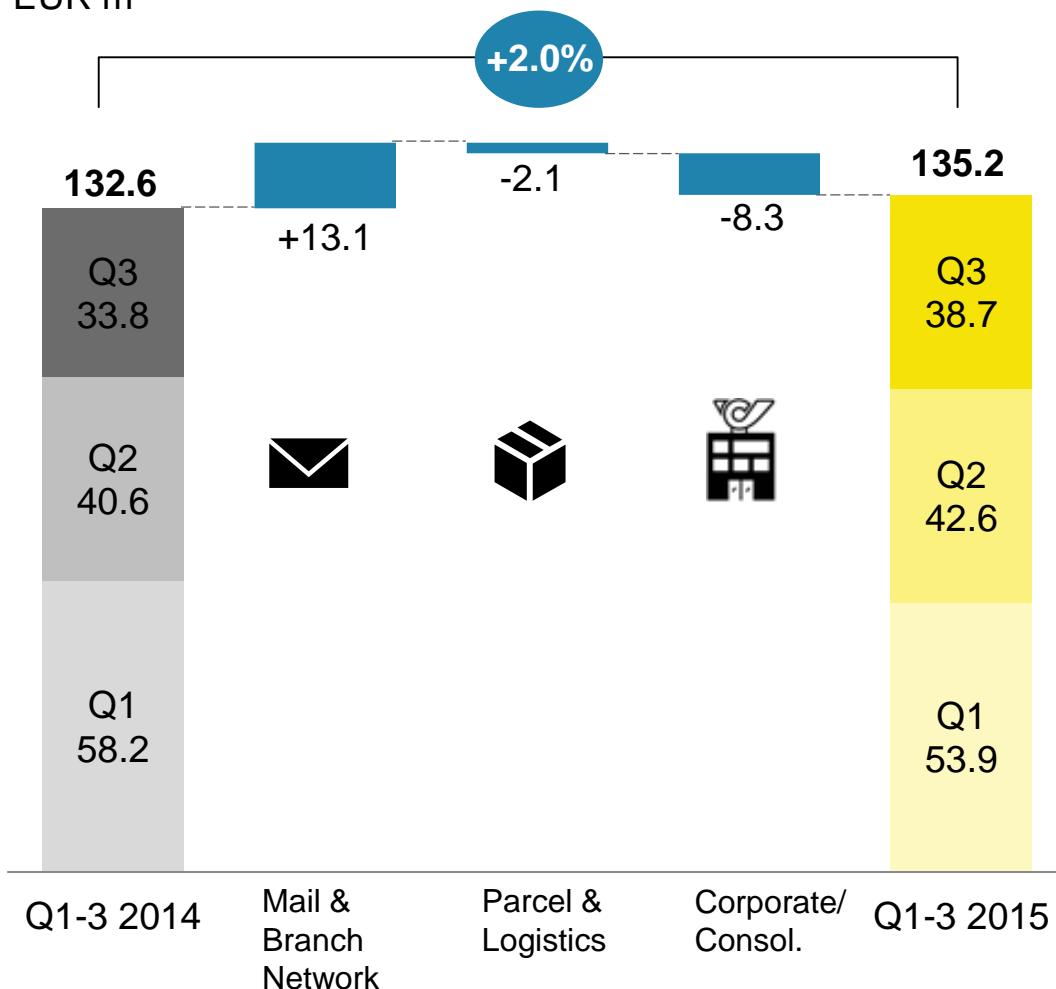
- Revenue increase of 2.5% in Q1-3 (+2.8% in Q3)
- Growth in Austria and CEE, revenue decrease in Germany



EBIT INCREASE IN Q1-3 2015

EBIT DEVELOPMENT

EUR m



GROUP:

- EBIT rise of 2.0% in Q1-3 (+14.6% in Q3)

MAIL & BRANCH NETWORK

- EBIT improvement of EUR 13.1m in Q1-3 (+ EUR 6.5m in Q3)
- Prior-year period reported negative special effects of EUR -4.9m (impairment on goodwill)

PARCEL & LOGISTICS:

- EBIT down EUR 2.1m in Q1-3 (decline of EUR 2.4m in Q3)
- Positive development in Austria and CEE, structural measures/network restructuring in Germany

CORPORATE:

- Higher provisions for new staff-related measures (partially offset by positive effect from parameter adjustments for interest-bearing provisions)
- Increased expenditures for maintenance, communications and consulting

1. Highlights and Overview

2. STRATEGY IMPLEMENTATION

3. Group Results Q1-3 2015

4. Outlook 2015 and 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

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. LETTER MAIL MARKET IN AUSTRIA

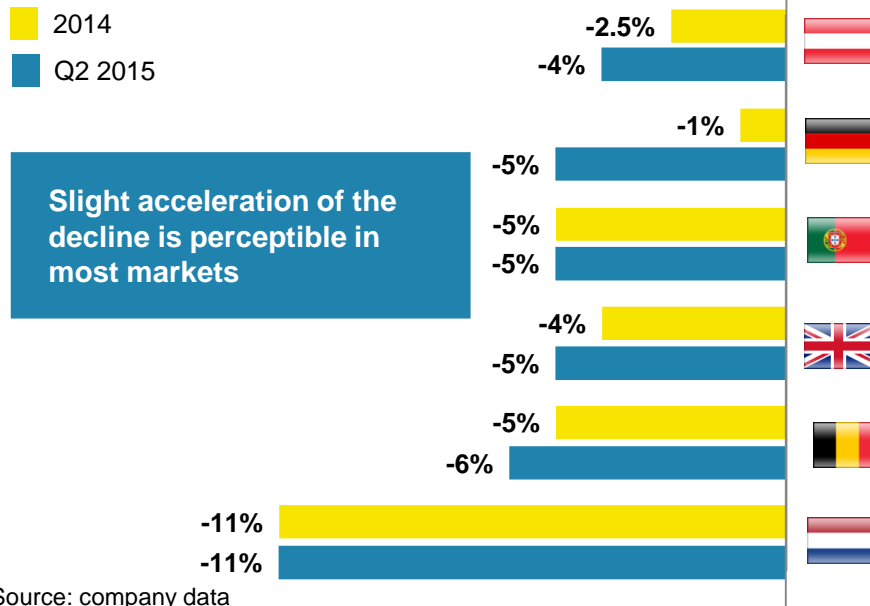
CONVENTIONAL LETTER MAIL



DIRECT MAIL



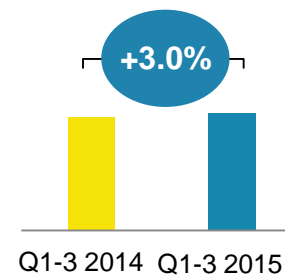
DECLINE IN LETTER MAIL VOLUMES (INTERNATIONAL)



Source: company data

- Decrease in volume of addressed direct mail
- ⊕ Growth in unaddressed mail items (further increase in outreach and number of KUVERT users)

REVENUE FROM UNADDRESSED MAIL ITEMS

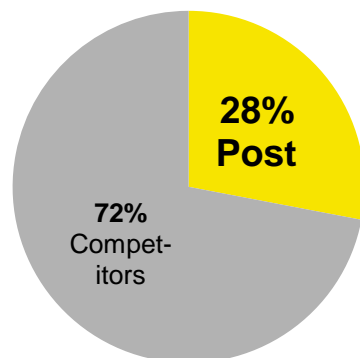


1. COMPETITION ON THE AUSTRIAN PARCEL MARKET

PARCELS TO BUSINESS CUSTOMERS



MARKET SHARE B2B 2014 (87m PARCELS)

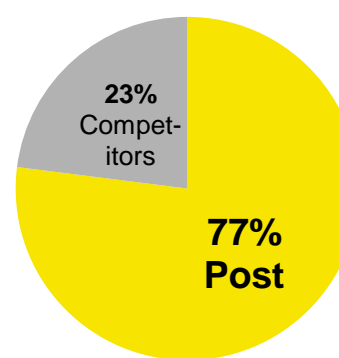


Little economic momentum for the business parcel segment

PARCELS TO PRIVATE CUSTOMERS



MARKET SHARE B2C/C2C 2014 (64m PARCELS)



Strong growth due to online shopping trend; increased competition

Source: Kreutzer, Fischer & Partner, February 2015

Austrian Post: 74m parcels in 2014 → 78-80m parcels expected in 2015

1. NATIONWIDE PARCEL NETWORK

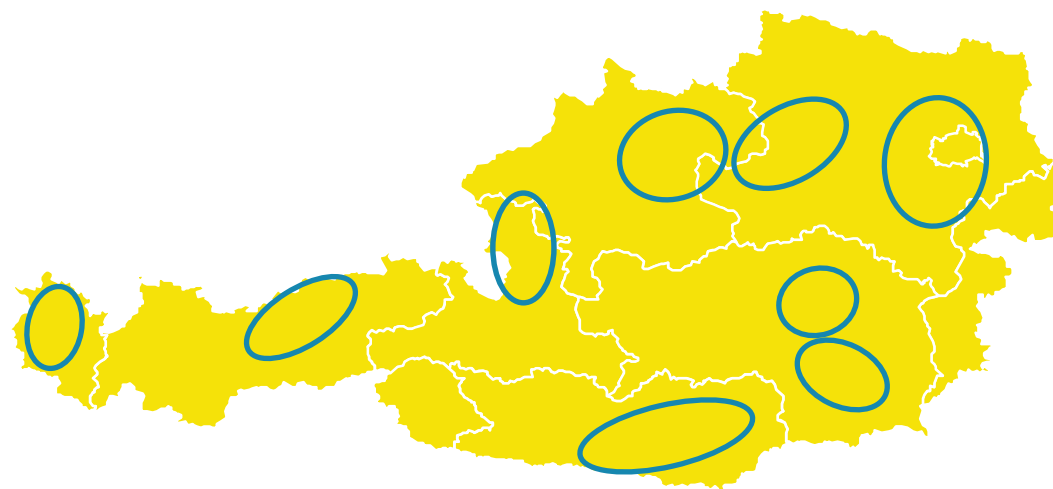
THE MOST EFFICIENT LOGISTICS OPERATOR IN AUSTRIA




Joint delivery of mail and parcels by mail carriers:

>90% of Austria

>50% of parcels delivered together with mail



 Parcel delivery by own parcel delivery staff



7 logistics centres
260 delivery bases



2,000 service points (of which 1,300 are opened on Saturdays)

Cooperation with  (1,600 shops)

1. PARCEL DELIVERY AS A QUALITY BENCHMARK

NUMBER 1 FOR SERVICE AND QUALITY



Delivery six days a week



**300 self-service zones
200 pick-up stations**



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



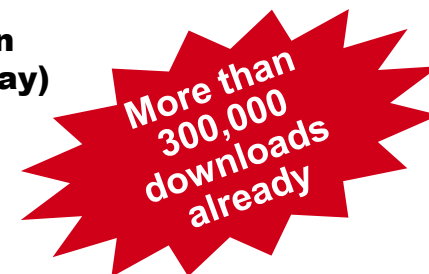
12,000 pick-up boxes



CO₂ neutral delivery

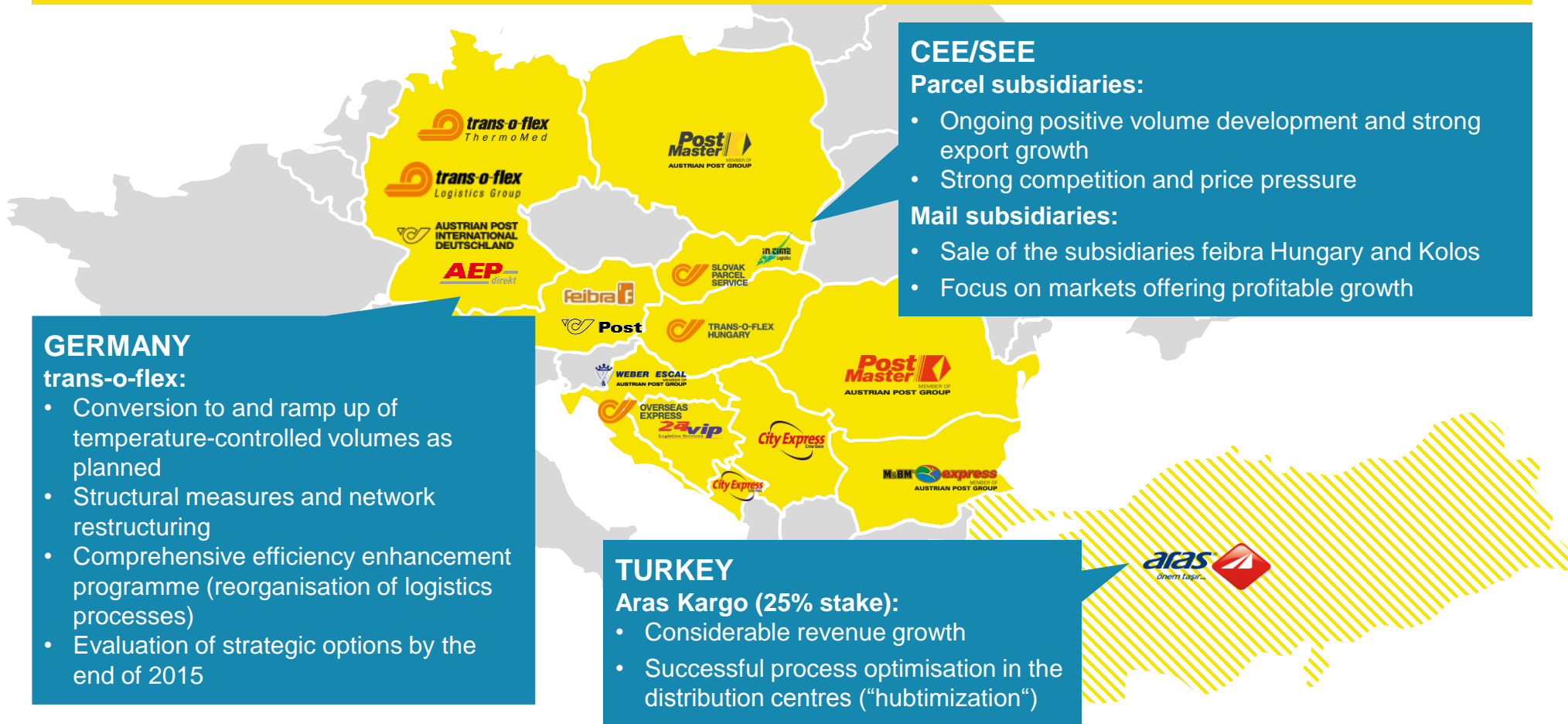


**Post App
Parcel
redirection
(desired day)**



2. GROWTH IN SELECTED MARKETS

ACTIVE IN 12 MARKETS – GROWTH FOCUS IN PARCEL & LOGISTICS



GERMANY

trans-o-flex:

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

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

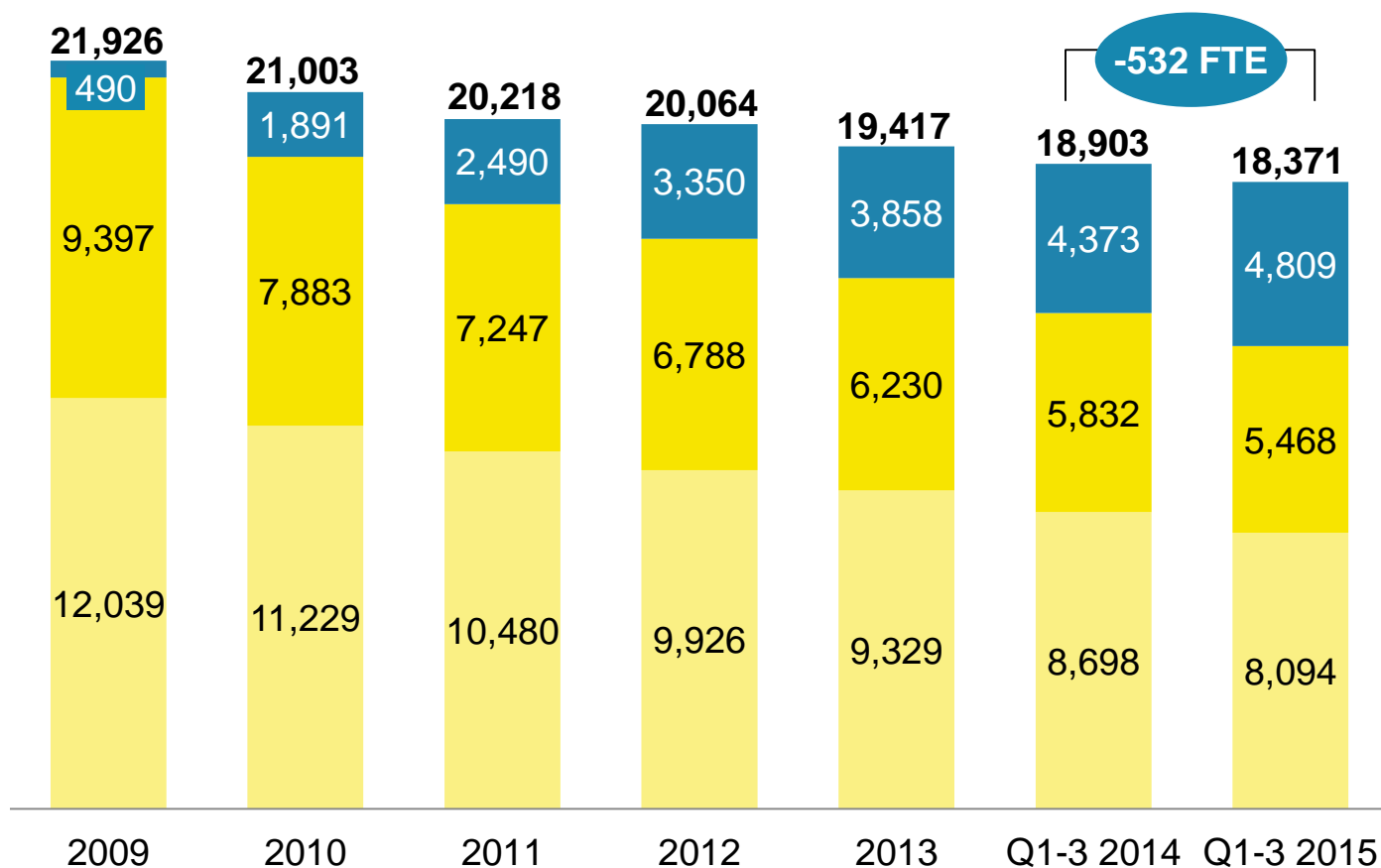
TURKEY

Aras Kargo (25% stake):

- Considerable revenue growth
- Successful process optimisation in the distribution centres (“hubtimization“)




3. STAFF STRUCTURE IN AUSTRIA

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



Change Q1-3 2014/2015:

- 604 Civil servants
- 364 Old CWA
- + 437 New CWA
- = - 532 employees**

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



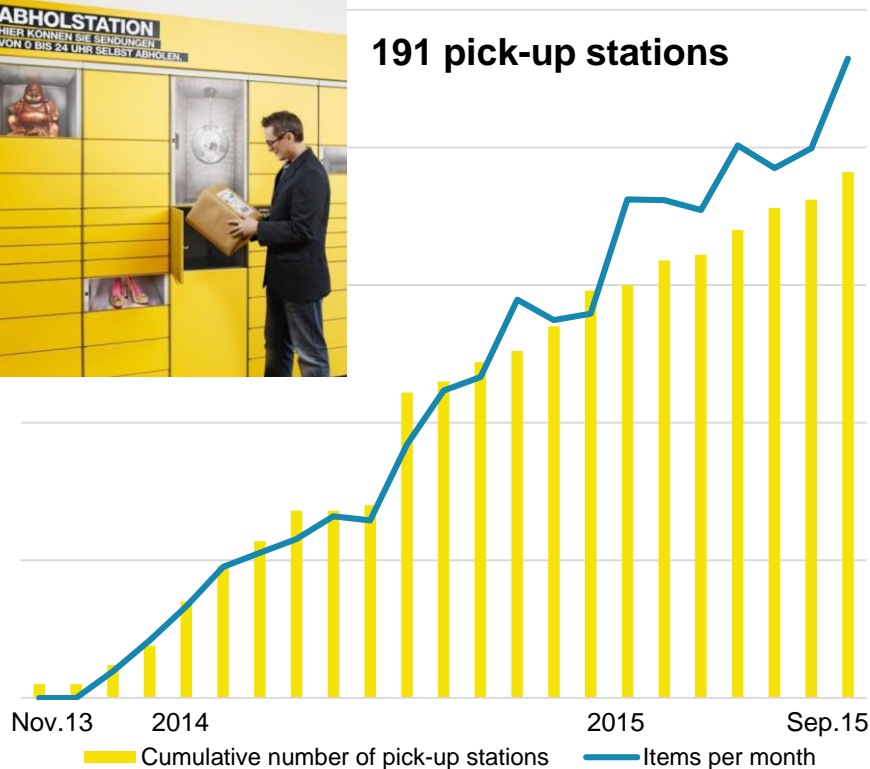
4. CUSTOMER ORIENTATION IN AUSTRIA

INNOVATIVE 24/7 SELF-SERVICE SOLUTIONS

Pick-up stations



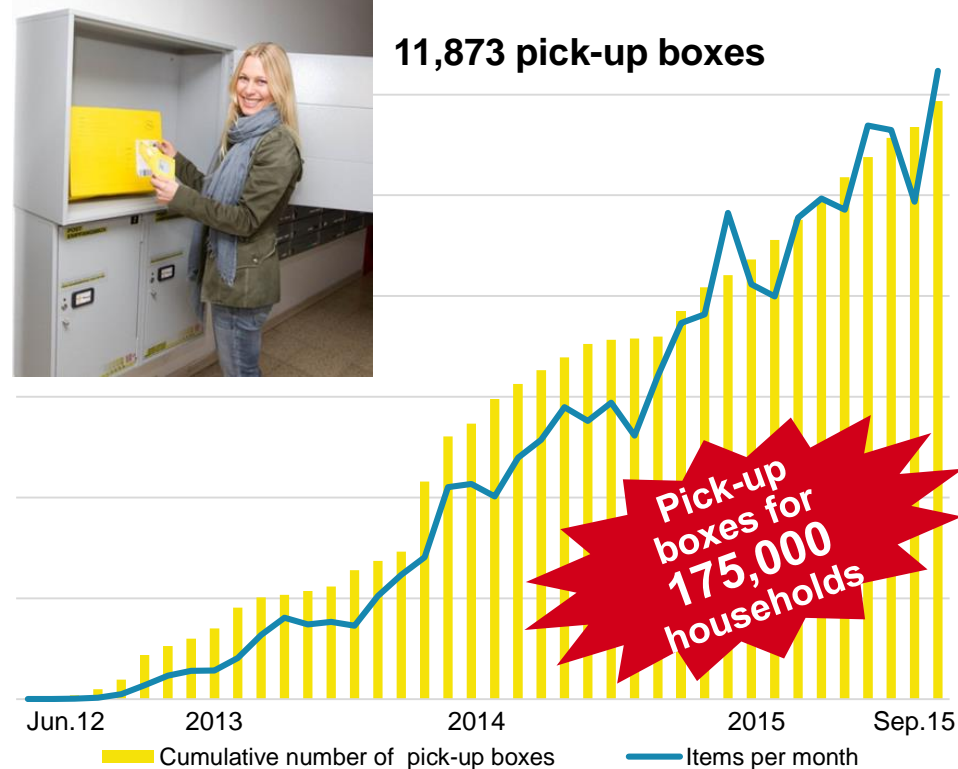
191 pick-up stations



Pick-up boxes



11,873 pick-up boxes



1. Highlights and Overview

2. Strategy Implementation

3. GROUP RESULTS Q1-3 2015

4. Outlook 2015 and 2016

FINANCIAL INDICATORS Q1-3 2015 AT A GLANCE

	Q1-3 2014	Q1-3 2015	
Revenue (EUR m)	1,732.7	1,752.3	Revenue above the prior-year level (+1.1%)
EBITDA margin	11.6%	11.4%	EBITDA margin of 11.4% within the target range
EBIT margin	7.7%	7.7%	Ongoing high profitability
Earnings/share (EUR)	1.47	1.54	Earnings per share higher than in the previous year
Cash flow (EUR m)	120.7	152.0	Free cash flow above the prior-year period
Equity ratio	41.3%	41.4%	Conservative balance sheet with low debt

KEY INCOME STATEMENT INDICATORS

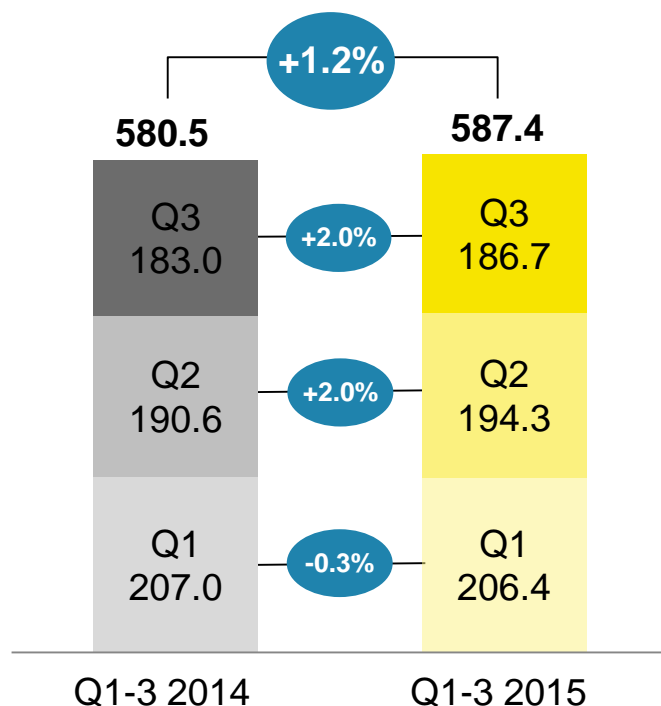
EUR m	Change						
	Q1-3 2014	Q1-3 2015	%	abs.	Q3 2014	Q3 2015	
Revenue	1,732.7	1,752.3	1.1%	19.7	560.8	573.4	▶ Revenue up 1.1%
Other operating income	50.1	50.4	0.5%	0.2	17.7	17.6	
Raw materials, consumables and services used	-545.4	-551.7	-1.2%	-6.3	-182.6	-187.8	
Staff costs	-815.4	-813.6	0.2%	1.8	-263.7	-261.8	▶ Stable staff costs include higher termination benefits and provisions for new staff-related measures
Other operating expenses	-220.2	-237.9	-8.0%	-17.6	-76.5	-81.9	▶ Increase due to higher expenditures for maintenance, communications and consulting
At equity consolidation	-1.5	-0.2	89.6%	1.4	-0.5	0.0	
EBITDA	200.2	199.3	-0.4%	-0.9	55.1	59.6	
<i>EBITDA margin</i>	11.6%	11.4%	-	-	9.8%	10.4%	
Depreciation, amortisation and impairment	-67.6	-64.1	5.2%	3.5	-21.3	-20.9	
EBIT	132.6	135.2	2.0%	2.6	33.8	38.7	
<i>EBIT margin</i>	7.7%	7.7%	-	-	6.0%	6.7%	
Other financial result	-2.4	2.6	>100%	5.0	-0.6	-0.8	▶ Termination of cross-border leasing led to positive effect in other financial result of EUR 3.3m in Q1
Income tax	-30.4	-33.8	-11.0%	-3.4	-7.0	-11.3	
Profit for the period	99.8	104.1	4.3%	4.3	26.2	26.7	



MAIL & BRANCH NETWORK DIVISION: REVENUE DEVELOPMENT Q1-3 2015

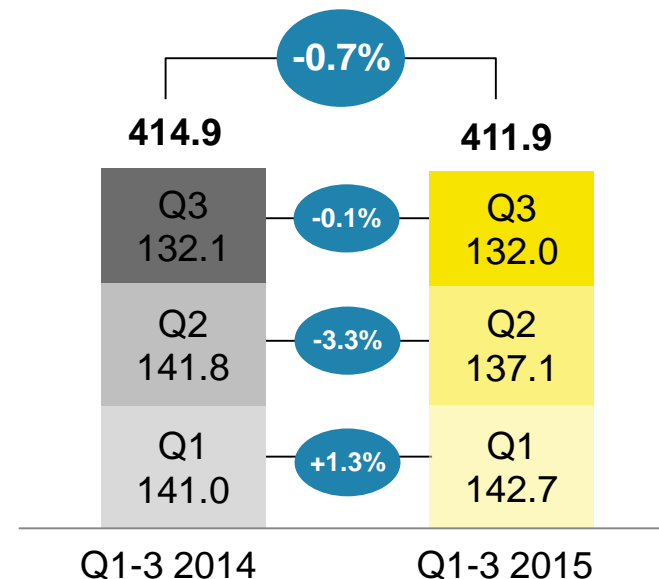
LETTER MAIL & MAIL SOLUTIONS (EUR m)

- Intensified e-substitution – current decline of letter mail volume of about 4%
- Positive revenue effects due to adjustment of postal rates as of March 2015



DIRECT MAIL/MEDIA POST (EUR m)

- Higher volume of unaddressed mail items (mainly large retail companies)
- Decline in addressed mail items (especially mail order houses) and discontinuation of various one-time mailings
- Positive effects from elections in Austria in Q3
- Revenue decline in CEE due to sales of subsidiaries



Note: changed presentation of revenue in segment reporting in 2014





MAIL & BRANCH NETWORK DIVISION: KEY INCOME STATEMENT INDICATORS

EUR m			Change		Q3 2014 ¹	Q3 2015	
	Q1-3 2014 ¹	Q1-3 2015	%	abs.			
Revenue	1,085.7	1,089.5	0.4%	3.8	344.7	351.5	▶ Revenue up 0.4% in Q1-3
• Letter Mail & Mail-Solutions	580.5	587.4	1.2%	6.9	183.0	186.7	▶ Branch network faced with negative trend for telecommunication products and financial services, positive effect in Q3 due to changed invoicing model
• Direct Mail	313.1	311.4	-0.6%	-1.8	101.7	101.1	
• Media Post	101.8	100.5	-1.2%	-1.3	30.4	30.9	
• Branch Services	90.3	90.3	0.0%	0.0	29.7	32.7	
Total revenue ²	1,142.6	1,150.2	0.7%	7.5	363.9	371.8	
At equity consolidation	-0.1	-0.4	<-100%	-0.3	0.0	0.1	
EBITDA	223.2	232.5	4.2%	9.3	64.3	71.1	
<i>EBITDA margin³</i>	19.5%	20.2%	-	-	17.7%	19.1%	
Depreciation, amortisation and impairment	-27.7	-23.9	13.7%	3.8	-7.7	-7.9	▶ Impairment loss on goodwill at PostMaster Poland totalling EUR 4.9m in Q2 2014
EBIT	195.5	208.6	6.7%	13.1	56.7	63.2	
<i>EBIT margin³</i>	17.1%	18.1%	-	-	15.6%	17.0%	

¹ Changed presentation of revenue in segment reporting

² Incl. revenue with other segments

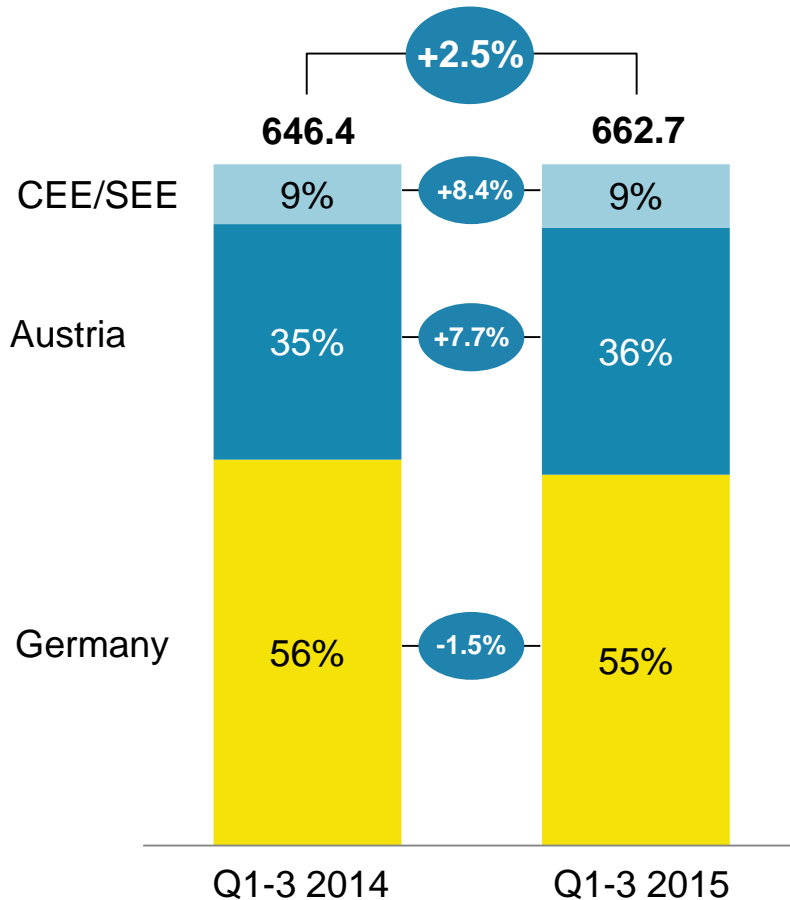
³ EBIT margin and EBITDA margin in relation to total revenue





PARCEL & LOGISTICS DIVISION: REVENUE DEVELOPMENT Q1-3 2015

REVENUE (EUR m), REGIONAL MIX (%)



CEE/SEE: +8.4% (Q3: +5.6%)

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

AUSTRIA: +7.7% (Q3: +6.4%)

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

GERMANY: -1.5% (Q3: +0.2%)

- 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					
	Q1-3 2014 ¹	Q1-3 2015	%	abs.	Q3 2014 ¹	Q3 2015
Revenue	646.4	662.7	2.5%	16.4	215.8	221.9
• Premium	486.2	495.8	2.0%	9.6	163.1	168.2
• Standard	134.2	140.0	4.3%	5.7	44.0	44.3
• Other Parcel Services	25.9	26.9	4.1%	1.1	8.8	9.4
Total revenue ²	652.9	668.5	2.4%	15.6	217.8	223.8
At equity consolidation	1.1	2.2	>100%	1.2	0.3	0.6
EBITDA	34.2	32.4	-5.1%	-1.7	11.7	9.3
<i>EBITDA margin³</i>	5.2%	4.9%	-	-	5.4%	4.2%
Depreciation, amortisation and impairment	-15.6	-16.0	-2.2%	-0.3	-5.3	-5.4
EBIT	18.5	16.5	-11.2%	-2.1	6.4	4.0
<i>EBIT margin³</i>	2.8%	2.5%	-	-	2.9%	1.8%

Revenue increase of 2.5% in Q1-3 2015

Good development in Austria and CEE, structural measures and network restructuring in Germany

¹ Changed presentation of revenue in segment reporting

² Incl. revenue with other segments

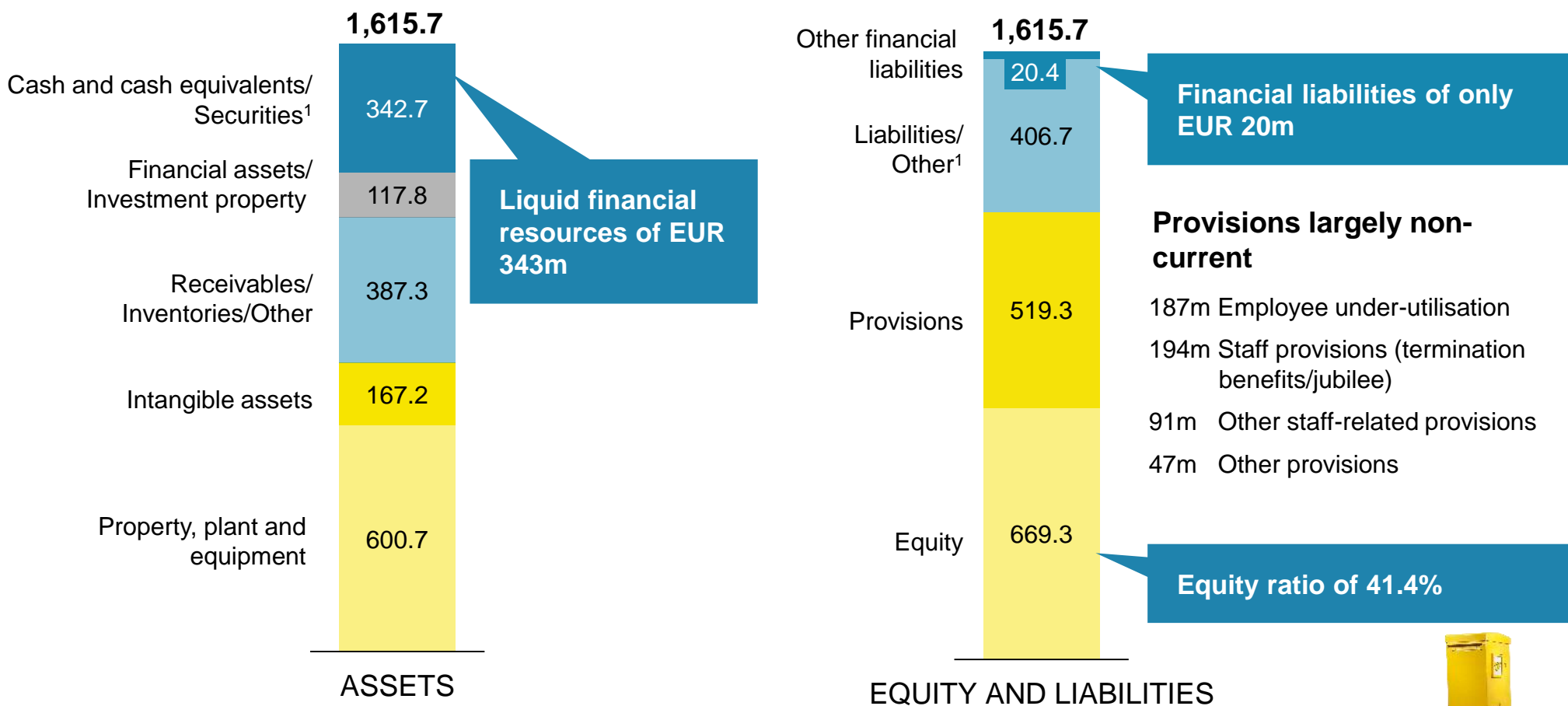
³ EBIT margin and EBITDA margin in relation to total revenue



SOLID BALANCE SHEET STRUCTURE

BALANCE SHEET AS AT SEPTEMBER 30, 2015

EUR m



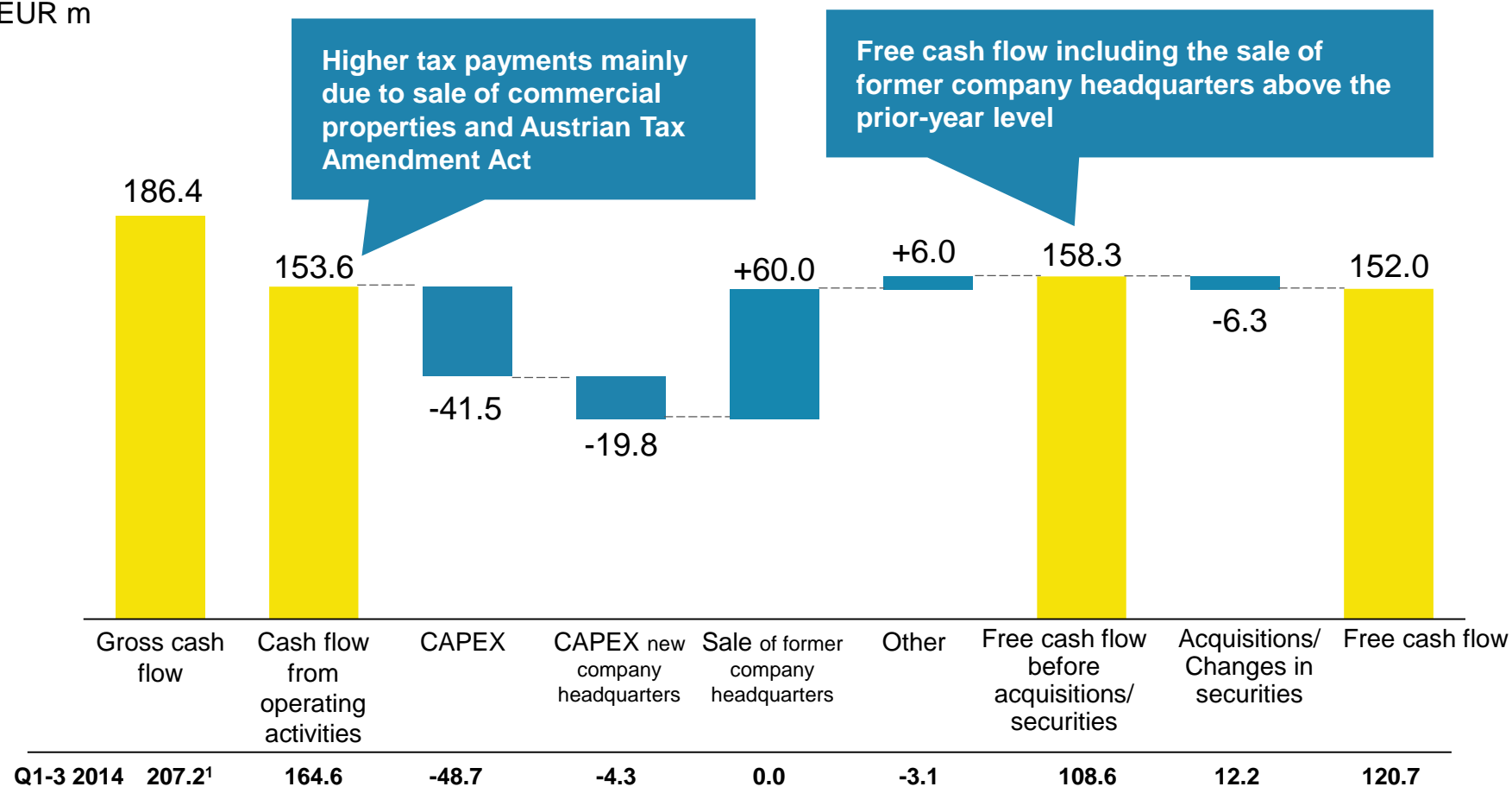
¹ Securities reported in the balance sheet under other financial assets



ROBUST CASH FLOW Q1-3 2015

CASH FLOW DEVELOPMENT

EUR m



¹ Adjusted reporting



1. Highlights and Overview

2. Strategy Implementation

3. Group Results Q1-3 2015

4. OUTLOOK 2015 AND 2016



OUTLOOK 2015 AND 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 momentum in the private customer segment, business parcels environment to remain subdued

Revenue

- Group revenue expected to rise 1-2% in 2015
- 2016 revenue of minus 1% to plus 5% compared to 2015 (depending on market environment and potential increase of stake held in Aras Kargo)

Costs & investments

- Continuous investments, efficiency enhancement and structural improvements
- Operating CAPEX¹ of about EUR 80m in 2015

Earnings

- Goal remains of generating an EBITDA margin of around 12%
- On the basis of prevailing trends in Q1-3 objective of equaling or slightly surpassing the prior-year's operating result in 2015
- Positive and negative special effects possible in 2015, similar to 2014
- Stable earnings development targeted in 2016 but projected earnings range is broader due to the uncertain market environment

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



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Financial calendar 2016

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

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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



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COUNTS, RELY ON
AUSTRIAN POST.**

