

AUSTRIAN POST

INVESTOR PRESENTATION Q1-3 2016

Walter Oblin/CFO

Vienna, November 11, 2016



1. HIGHLIGHTS AND OVERVIEW

2. Strategy Implementation

3. Group Results Q1-3 2016

4. Outlook 2016



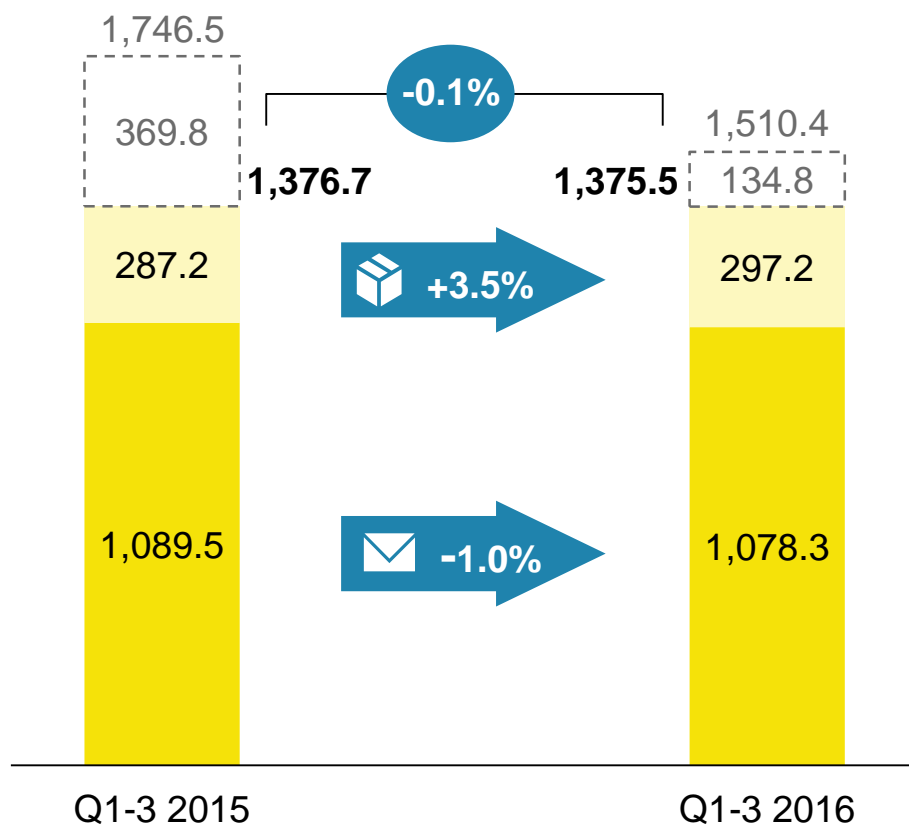
HIGHLIGHTS Q1-3 2016

MARKET	<ul style="list-style-type: none">• Ongoing e-substitution of addressed letter mail• Parcel market characterised by growing e-commerce and intensified competition
REVENUE	<ul style="list-style-type: none">• Stable Q1-3 revenue excl. trans-o-flex of EUR 1,375.5m (-0.1%)• Reported revenue down to EUR 1,510.4m (Q1-3 2015: EUR 1,746.5m) due to sale of former subsidiary trans-o-flex (as at April 8, 2016)
EARNINGS	<ul style="list-style-type: none">• EBIT Q1-3 of EUR 135.5m at the prior-year level (+0.2%)• Quarterly development during the year impacted by election effects and interest-bearing provisions (non-cash)
CASH FLOW/ BALANCE SHEET	<ul style="list-style-type: none">• Cash flow from operating activities of EUR 158.9m (+3.5%)• Conservative balance sheet policy with strong cash position, equity ratio of 40.0%
OUTLOOK	<ul style="list-style-type: none">• Revenue forecast of EUR 2.0bn for 2016 remains unchanged• Stability of operating earnings (EBIT) targeted for 2016 and 2017

STABLE REVENUE IN THE CORE BUSINESS

REVENUE DEVELOPMENT

EUR m



GROUP:

- Stable revenue excl. trans-o-flex of EUR 1,375.5m (down 1.6% in Q3)
- Reported revenue down from EUR 1,746.5m to EUR 1,510.4m due to sale of trans-o-flex

PARCEL & LOGISTICS:

- 3.5% increase in the core business in Q1-3 2016 (rise of 3.0% in Q3)

MAIL & BRANCH NETWORK:

- Stable revenue development in Q1-3, ongoing e-substitution of addressed letter mail (2.8% revenue decline in Q3 with one working day less)

■ Mail & Branch Network ■ Parcel & Logistics □ trans-o-flex (sale as at April 8, 2016)

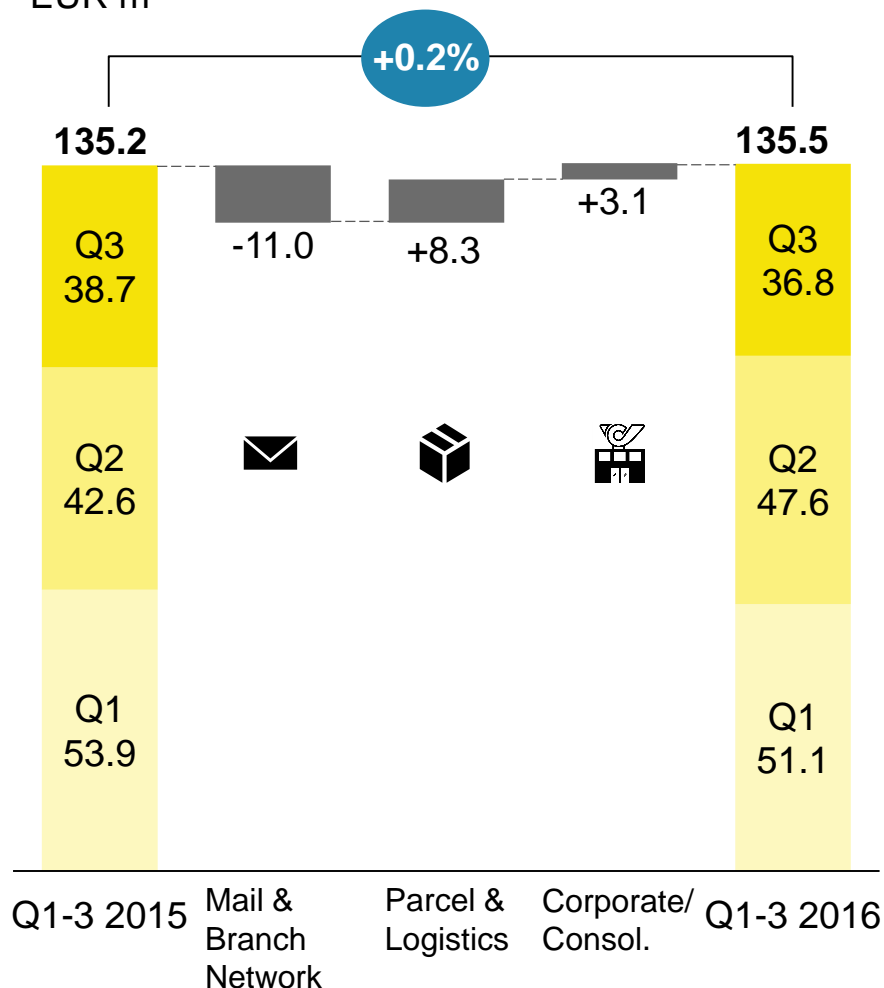
Note: Adjusted revenue reporting in the P&L Division. Exported services are recognised according to the net method (previously reported as revenue and expenses for services used).



STABLE EBIT IN Q1-3 2016

EBIT DEVELOPMENT

EUR m



GROUP:

EBIT of EUR 135.5m at the prior-year level (+0.2%); improvement following disposal of trans-o-flex is in contrast to negative effects from interest-bearing provisions (non-cash)

MAIL & BRANCH NETWORK:

EBIT decline includes EUR 7.1m effect in 2015/2016 related to interest-related provisions and a EUR 2.0m impairment loss for PostMaster Romania in Q2 2016

PARCEL & LOGISTICS:

EBIT up EUR 8.3m following sale of trans-o-flex

CORPORATE:

Improved earnings despite negative effect from interest-bearing staff-related provisions

1. Highlights and Overview

2. STRATEGY IMPLEMENTATION

3. Group Results Q1-3 2016

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 AUSTRIAN POST PROVIDES NEW IDEAS FOR THE MAIL MARKET

LETTER MAIL



Ongoing e-substitution (banks, insurance companies, public institutions)



Focus on absentee voting: Trend towards using absentee ballots, especially by young voter groups

DIRECT MAIL/MEDIA POST



Volatile advertising market, diverging development of individual customer groups



Multi-year cooperation with mail order houses in order to promote this advertising channel

YOUR FAST LANE TO EUROPE



Increased sales due to the international **e-commerce business** (growth from Europe and Asia)

EIN PRODUKTIVER TAG BEGINNT MIT EINEM ORDENTLICHEN FRÜHSTÜCK!



SME campaign: consulting for and acquisition of new SME advertising customers



1 ONGOING GROWTH OF THE AUSTRIAN PARCEL BUSINESS

PARCEL BUSINESS OF AUSTRIAN POST



Strong market growth thanks to e-commerce against the backdrop of intensified competition

Efficiency enhancement in 2017 – Even more parcels and packets to be delivered by mail carriers



Improved parcel revenue in Q1-3 2016 despite tougher competition

- ✓ >90% of all parcels delivered the next working day
- ✓ >90% reach recipients on the first delivery attempt
- ✓ Austrian-wide self-service solutions
- ✓ 3,800 pick-up and drop-off points in Austria
- ✓ “Same day delivery” and “Desired delivery date”



Joint delivery of letters, packets and parcels throughout Austria

Additional parcel delivery in urban areas by own parcel delivery staff



2 GROWTH IN SELECTED MARKETS

ACTIVE IN 12 MARKETS – GROWTH FOCUS ON PARCEL & LOGISTICS

GERMANY

trans-o-flex:

- Sale concluded (closing on April 8, 2016)

Austrian Post International:

- Growth of the international mail business
- Revenue up 14.6% in Q1-3 2016



CEE/SEE

Parcel subsidiaries:

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

Mail subsidiaries:

- Signing for disposal of PostMaster Romania on Sept. 22, 2016
- Focus on markets with profitable growth

TURKEY

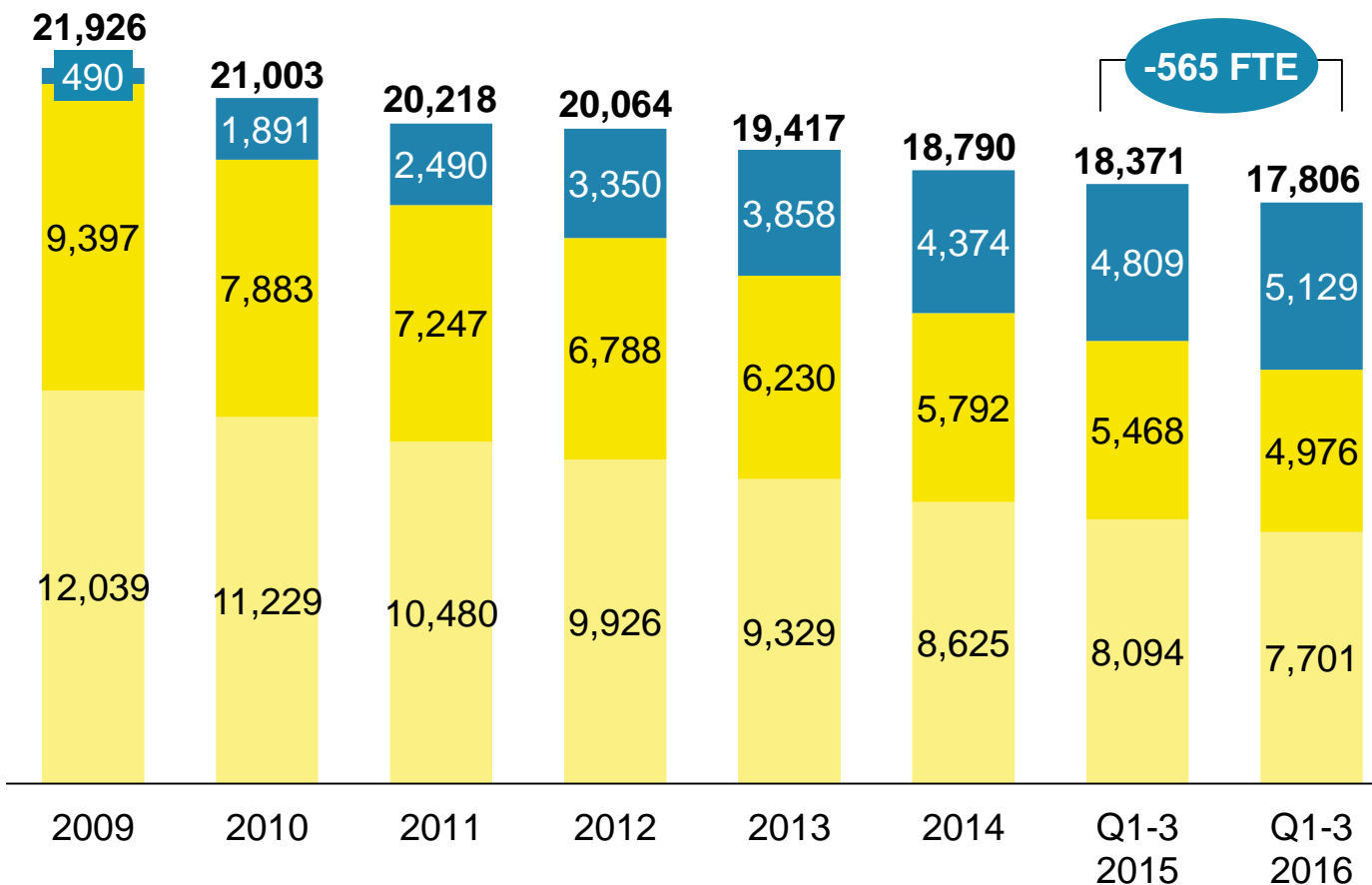
Aras Kargo:

- 25% shareholding in the second largest Turkish parcel services provider
- Double-digit volume and revenue growth in the local currency
- Call option process initiated for acquisition of an additional 50% stake
- Talks are being held with the family owners



3 STAFF STRUCTURE IN AUSTRIA

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



Change Q1-3 2015/Q1-3 2016:

- 393 Civil servants
- 492 Old CWA
- + 320 New CWA

- 565 Employees

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



4 NEW CUSTOMER SOLUTIONS ARE WIDELY ACCEPTED

INNOVATIVE 24/7 SELF-SERVICE SOLUTIONS

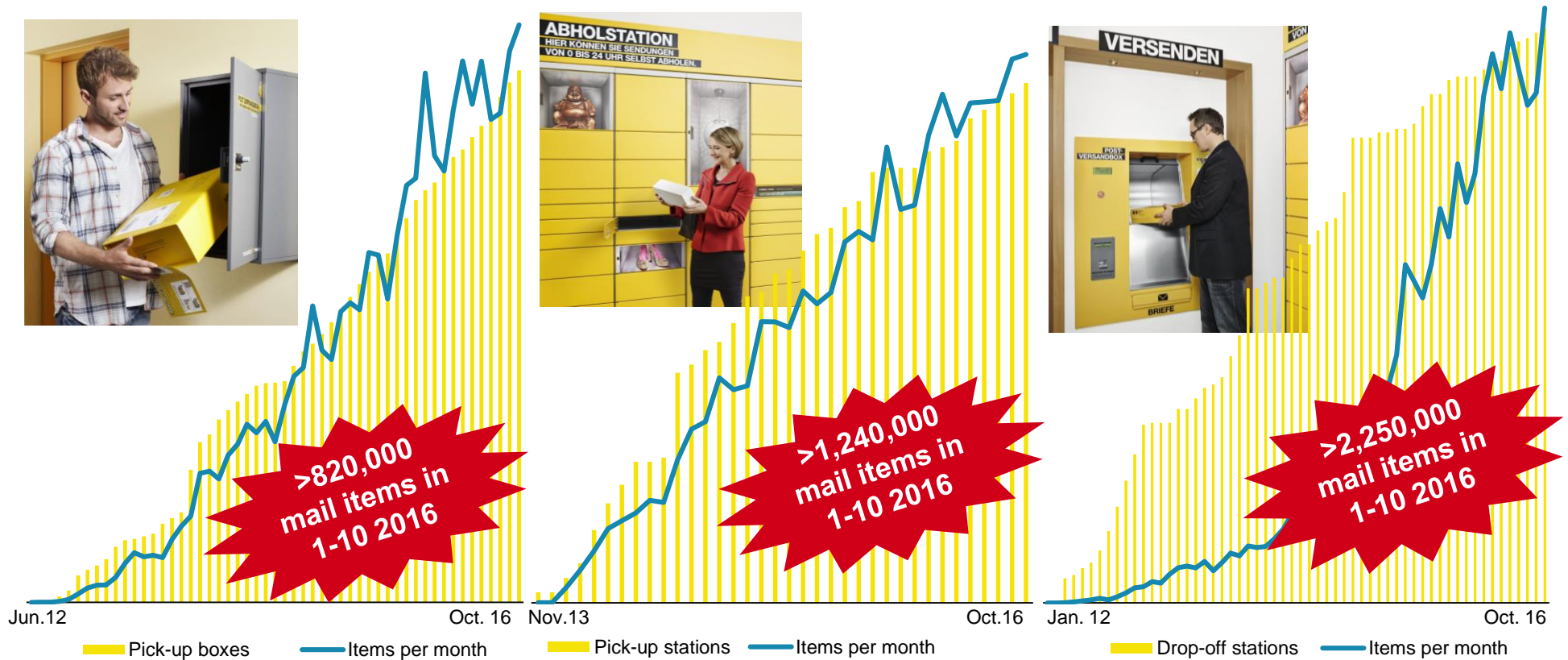
17,300 pick-up boxes



250 pick-up stations



330 drop-off stations



4 NEW INNOVATIONS IN THE PARCEL BUSINESS

POST FLEXIBOX FOR EVERY DOORSTEP



**Suitable for
80% of all
parcels**

- Available starting mid-November 2016
- For use indoors and weather-protected exterior areas
- Cost: EUR 124

PARCEL PICKUP AS PART OF THE DELIVERY PROCESS



**40,000 parcels
picked up in
October**

- Since October 1, 2016
- For labelled parcels/returns
- Service for private customers
- Free of charge

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3. GROUP RESULTS Q1-3 2016

4. Outlook 2016



FINANCIAL INDICATORS Q1-3 2016 AT A GLANCE

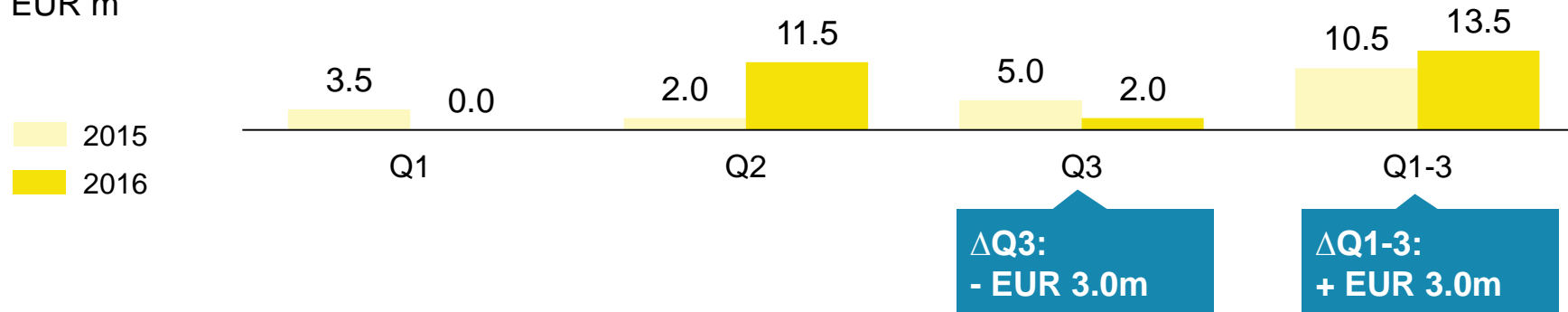
	Q1-3 2015 ¹	Q1-3 2016	
Revenue (EUR m)	1,746.5	1,510.4	Revenue below the previous year due to deconsolidation of trans-o-flex
Revenue excl. trans-o-flex (EUR m)	1,376.7	1,375.5	Stable revenue (-0.1%) in the core business
EBITDA margin	11.4%	12.7%	Improved EBITDA margin of 12.7%
EBIT margin	7.7%	9.0%	Improved profitability
Earnings/share (EUR)	1.54	1.49	Earnings per share slightly below the previous year (positive special effect in 2015)
Cash flow (EUR m)	153.6	158.9	Increase in the cash flow from operating activities
Equity ratio	39.8%	40.0%	Conservative balance sheet structure with a low level of debt

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

REVENUE AND EARNINGS IMPACTED BY ELECTIONS AND INTEREST RATE EFFECTS ON PROVISIONS

ELECTIONS EFFECTS

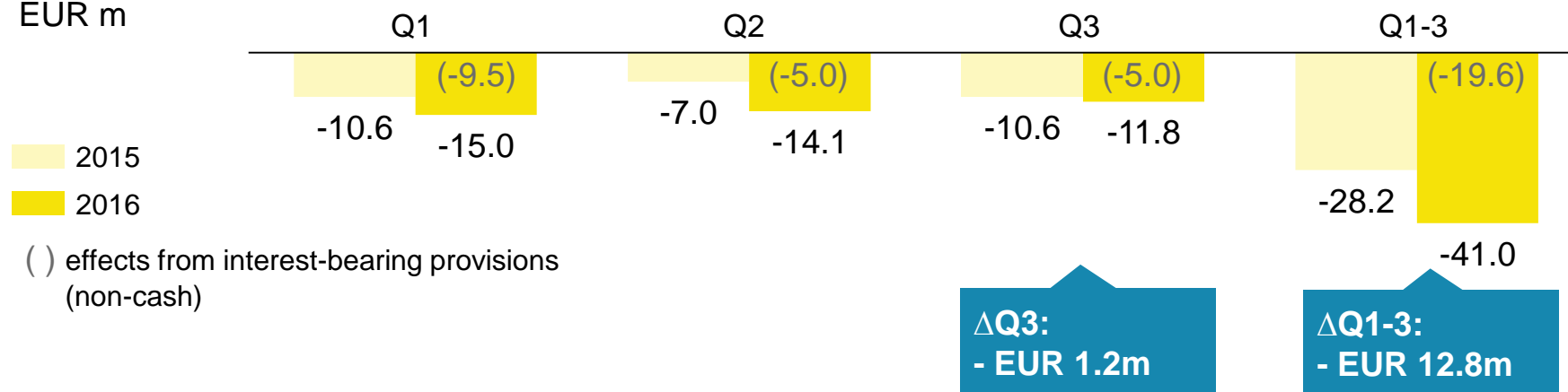
EUR m



NON-OPERATIONAL STAFF COSTS

(incl. changes in provisions related to a change in the discount interest rate)

EUR m



() effects from interest-bearing provisions (non-cash)

KEY PROFIT AND LOSS ACCOUNT INDICATORS

EUR m	Change					Q3 2015 ¹	Q3 2016	
	Q1-3 2015 ¹	Q1-3 2016	%	Δ				
Revenue	1,746.5	1,510.4	-13.5%	-236.2		571.6	439.3	Disposal of trans-o-flex: EUR 369.8m in Q1-3 2015 vs. EUR 134.8m in Q1-3 2016
Other operating income	50.4	50.1	-0.5%	-0.2		17.6	14.0	
Raw materials, consumables and services used	-546.0	-384.0	29.7%	162.0		-186.0	-97.7	Interest rate adjustment raises expenses for staff-related provisions by EUR 19.6m in Q1-3 2016
Staff costs	-813.6	-784.8	3.5%	28.8		-261.8	-239.5	
Other operating expenses	-237.9	-200.2	15.8%	37.6		-81.9	-61.1	
At equity consolidation	-0.2	0.3	>100%	0.5		0.0	-0.3	Q1-3 2016 featuring increased election effects of EUR 3.0m, and rise in non-operational staff costs ² of EUR 12.8m
EBITDA	199.3	191.8	-3.8%	-7.5		59.6	54.6	
<i>EBITDA margin</i>	11.4%	12.7%	-	-		10.4%	12.4%	
Depreciation, amortisation and impairment	-64.1	-56.3	12.1%	7.8		-20.9	-17.8	
EBIT	135.2	135.5	0.2%	0.2		38.7	36.8	Termination of a cross-border leasing agreement in 2015 led to a positive effect of EUR 3.3m
<i>EBIT margin</i>	7.7%	9.0%	-	-		6.8%	8.4%	
Other financial result	2.6	-1.3	<-100%	-3.9		-0.8	-0.8	
Income tax	-33.8	-33.8	0.1%	0.0		-11.3	-9.4	
Profit for the period	104.1	100.5	-3.5%	-3.6		26.7	26.7	

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

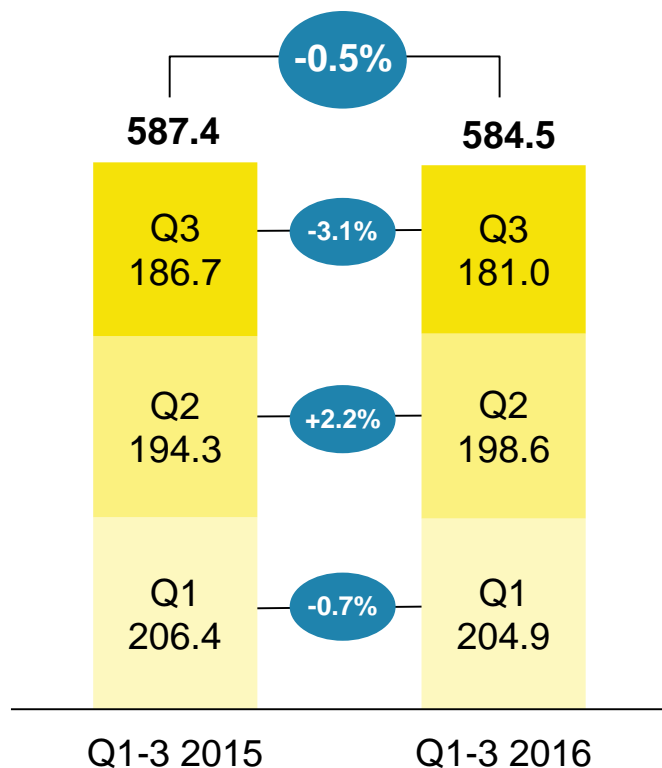
² Including changes in provisions related to a change in the discount interest rate



MAIL & BRANCH NETWORK DIVISION: Q1-3 2016 REVENUE DEVELOPMENT

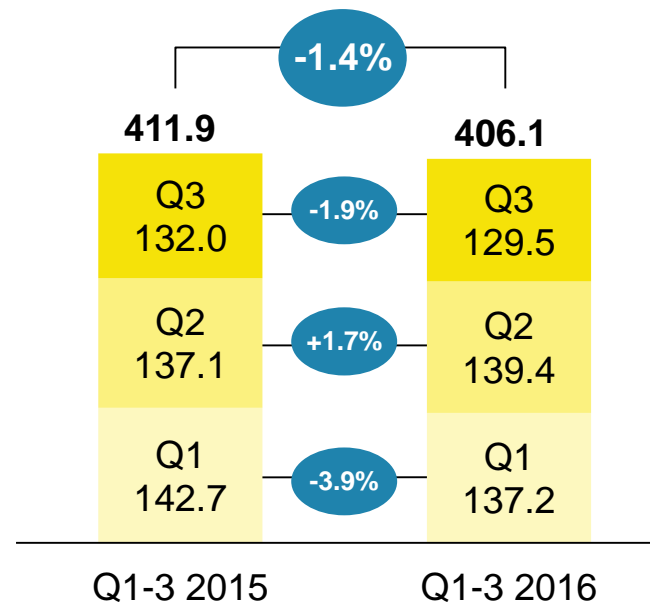
LETTER MAIL & MAIL SOLUTIONS (EUR m)

- Decline of letter mail volume by about 5%
- Lower revenue contributions from elections in Q3 2016



DIRECT MAIL/MEDIA POST (EUR m)

- Reduced advertising activities on the part of individual customer groups, positive effect of the international business
- Lower revenue from elections in Q3 2016
- Decline in CEE due to sale of mail subsidiaries (- EUR 3.0m)





MAIL & BRANCH NETWORK DIVISION: PROFIT AND LOSS ACCOUNT

EUR m	Change						
	Q1-3 2015	Q1-3 2016	%	Δ	Q3 2015	Q3 2016	
Revenue	1,089.5	1,078.3	-1.0%	-11.2	351.5	341.6	Positive election effects in Q1-3 2016 were EUR 3.0m higher than in Q1-3 2015
• Letter Mail & Mail-Solutions	587.4	584.5	-0.5%	-2.9	186.7	181.0	
• Direct Mail	311.4	304.3	-2.3%	-7.0	101.1	98.1	Positive development of mobile products offset by change in the invoicing model
• Media Post	100.5	101.8	1.3%	1.3	30.9	31.4	
• Branch Services	90.3	87.8	-2.8%	-2.5	32.7	31.1	
Total revenue ¹	1,150.2	1,141.2	-0.8%	-9.0	371.8	362.5	
At equity consolidation	-0.4	0.1	>100%	0.4	0.1	0.0	
EBITDA	232.5	223.9	-3.7%	-8.7	71.1	62.4	Impairment loss of EUR 2.0m on goodwill for Postmaster Romania in Q2 2016
<i>EBITDA margin²</i>	20.2%	19.6%	-	-	19.1%	17.2%	
Depreciation, amortisation and impairment	-23.9	-26.2	-9.6%	-2.3	-7.9	-8.0	
EBIT	208.6	197.6	-5.3%	-11.0	63.2	54.4	Negative effect of EUR 7.1m from interest-bearing provisions in a year-on-year comparison
<i>EBIT margin²</i>	18.1%	17.3%	-	-	17.0%	15.0%	

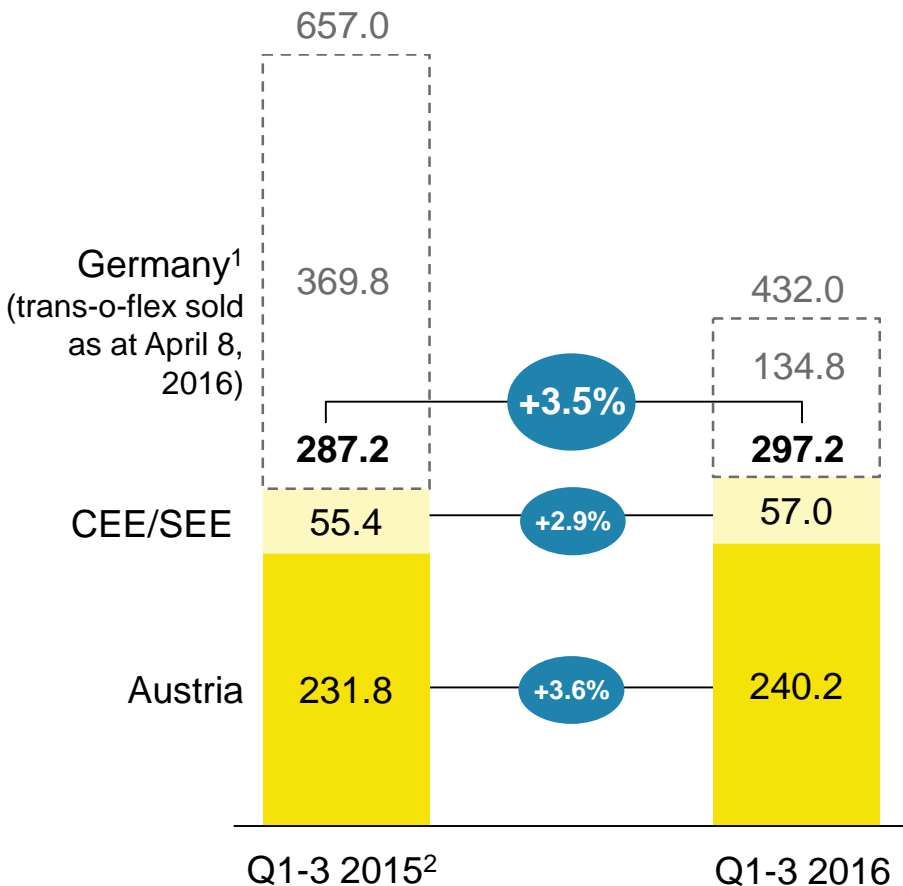
¹ Incl. revenue with other segments

² EBIT margin, EBITDA margin in relation to total revenue



PARCEL & LOGISTICS DIVISION: Q1-3 2016 REVENUE DEVELOPMENT

REVENUE (EUR m)



PARCEL & LOGISTICS DIVISION:

- Revenue up 3.5% in Q1-3 excl. trans-o-flex (Q3: +3.0%)

GERMANY:

- Disposal of trans-o-flex as at April 8, 2016

CEE/SEE: +2.9% (Q3: +2.2%)

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

AUSTRIA: +3.6% (Q3: +3.2%)

- Intensified competition on the Austrian parcel market
- Market growth driven by e-commerce

¹ Including revenue from trans-o-flex ThermoMed Austria GmbH

² Adjustment in reporting revenue. Exported services are recognised according to the net method (previously reported as revenue and expenses for services used).





PARCEL & LOGISTICS DIVISION: PROFIT AND LOSS ACCOUNT

EUR m	Change					
	Q1-3 2015 ¹	Q1-3 2016	%	Δ	Q3 2015 ¹	Q3 2016
Revenue excl. trans-o-flex	287.2	297.2	3.5%	10.0	94.8	97.7
Revenue	657.0	432.0	-34.2%	-225.0	220.1	97.7
• Premium	490.1	276.9	-43.5%	-213.2	166.4	49.4
• Standard	140.0	132.0	-5.7%	-8.0	44.3	41.7
• Other Parcel Services	26.9	23.1	-14.1%	-3.8	9.4	6.6
Total revenue ²	662.7	440.0	-33.6%	-222.7	222.0	100.3
At equity consolidation	2.2	1.3	-43.2%	-1.0	0.6	0.2
EBITDA	32.4	33.2	2.3%	0.7	9.3	10.7
<i>EBITDA margin³</i>	4.9%	7.5%	-	-	4.2%	10.7%
Depreciation, amortisation and impairment	-16.0	-8.4	47.2%	7.5	-5.4	-2.9
EBIT	16.5	24.7	50.3%	8.3	4.0	7.8
<i>EBIT margin³</i>	2.5%	5.6%	-	-	1.8%	7.8%

Overall revenue decline due to sale of trans-o-flex, but 3.5% revenue increase in the core business, trend towards premium parcels

EBIT improvement following sale of trans-o-flex

¹ Adjustment of revenue reporting, cost of materials and services used: exported services recognised according to the net method (previously reported as revenue and expenses for services used).

² Incl. revenue with other segments

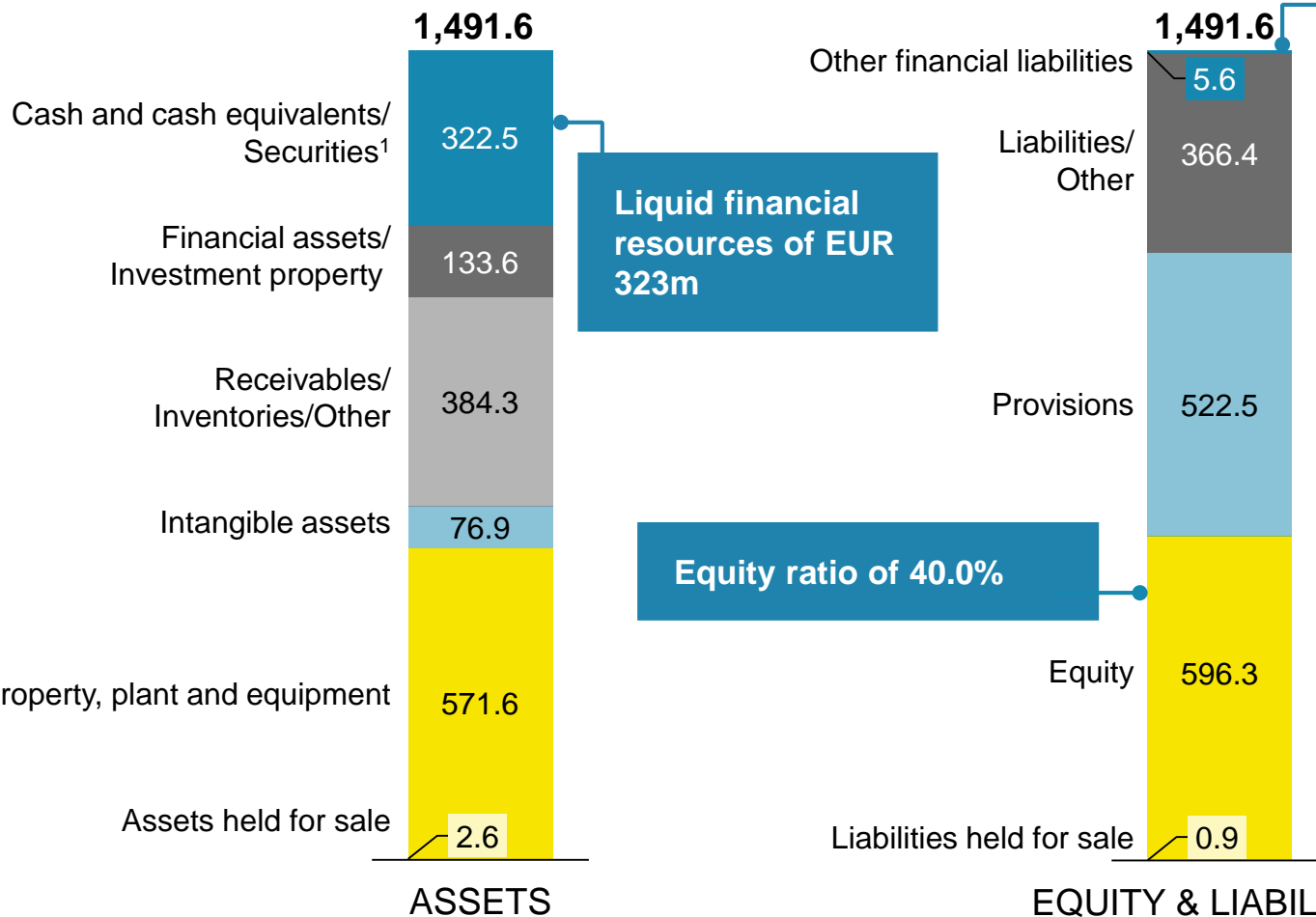
³ EBIT margin and EBITDA margin in relation to total revenue



SOLID BALANCE SHEET STRUCTURE

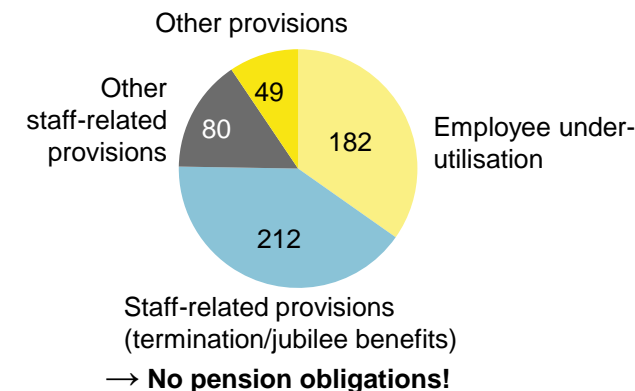
BALANCE SHEET AS AT SEPTEMBER 30, 2016

EUR m

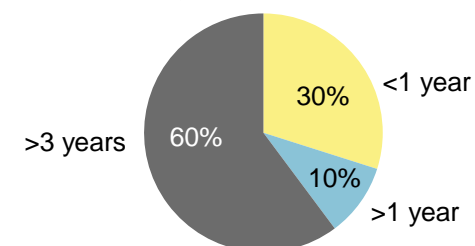


Financial liabilities of only EUR 6m

Structure of provisions EUR m



Provisions by term

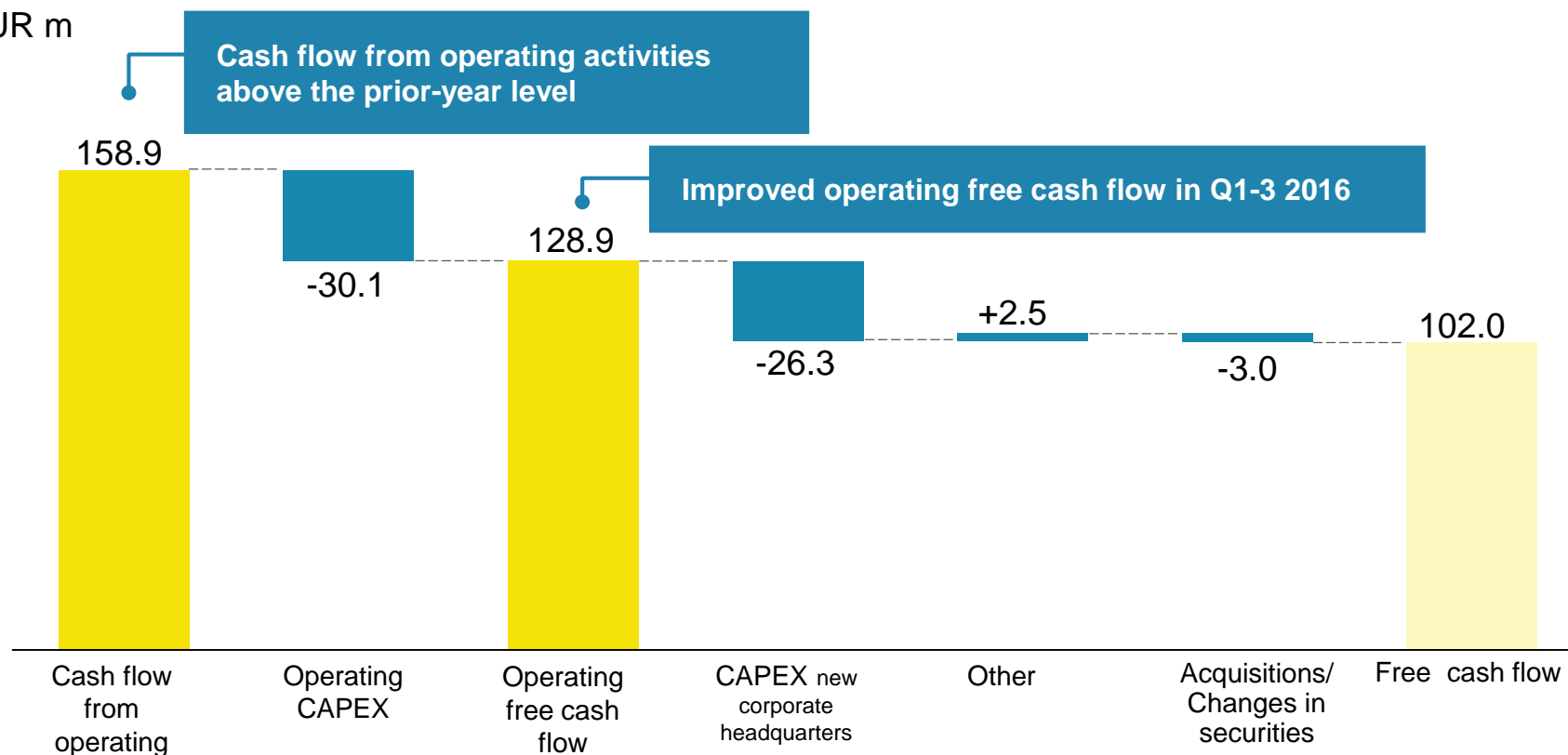


¹ Securities are reported on the balance sheet under other financial assets.

ROBUST CASH FLOW Q1-3 2016

CASH FLOW DEVELOPMENT

EUR m



	Cash flow from operating activities	Operating CAPEX	Operating free cash flow	CAPEX new corporate headquarters	Other	Acquisitions/Changes in securities	Free cash flow
Q1-3 2015	153.6	-41.6	112.0	-19.8	66.1 ¹	-6.3	152.0
Q1-3 2014	164.6	-48.6	116.0	-4.4	-3.0	12.2	120.7

¹ Incl. sale of former corporate headquarters



1. Highlights and Overview

2. Strategy Implementation

3. Group Results Q1-3 2016

4. OUTLOOK 2016



UNCHANGED OUTLOOK FOR 2016

Market environment

- Public and financial sector customers are trying to reduce mail volumes. A volume decline of about 5% continues to be expected in upcoming quarterly periods.
- Differentiated trends in the direct mail market
- Expanding parcel market featuring intensified competition

Revenue

- Disposal and deconsolidation of trans-o-flex as at April 8, 2016
- Revenue forecast of EUR 2.0 billion in 2016 (current business portfolio)

Costs & investments

- Ongoing investments, efficiency increases and structural improvements
- Operating CAPEX¹ of about EUR 70m in 2016

Earnings

- Earnings dependent on development of letter mail and parcel volumes as well as the realisation of the efficiency improvement programme
- Operating earnings (EBIT) 2016 expected at the level of 2015

2017 targets

- Stability with respect to revenue, earnings development, investments and dividend policy remains the primary target for 2017

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

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Financial calendar 2017

March 9, 2017

Annual results 2016

April 20, 2017

Annual General Meeting

May 2/4, 2017

Ex-dividend day/Dividend payment date

May 12, 2017

Interim report Q1 2017

August 10, 2017

Half-year financial report 2017

November 15, 2017

Interim report Q1-3 2017

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ABHOLSTATION

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VON 0 BIS 24 UHR SELBST ABHOLEN.

WENN'S REINLICH WICHTIG BIS
DANN LÖST SICH MIT DER POST  Post



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