INVESTOR INFORMATION
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AUSTRIAN POST Q1 2019:
Good start into the year 2019 with a slight revenue increase

Revenue

- Revenue up by 0.4% to EUR 492.5m
- Good parcel growth (+6.7%) compensated for the decline in the Mail & Branch Network Division (–1.4%)

Earnings

- EBIT up by 1.3% to EUR 57.4m
- Earnings per share of EUR 0.64 (+3.4%)

Cash flow and balance sheet

- Operating free cash flow of EUR 60.8m (+10.4%)
- Capitalisation of right-of-use assets from leases according to IFRS 16 increased the balance sheet total by EUR 270m

Outlook 2019

- Targeted stability of revenue and earnings in the core business

Austrian Post's Group revenue in the first quarter of the current financial year amounted to EUR 492.5m, comprising a slight increase of 0.4% year-on-year. The market development of the mail and parcel business in the first quarter confirmed the trends forecasted for the 2019 financial year. The traditional letter mail business is anticipated to experience volume declines of about 5% annually as a consequence of electronic substitution. The direct mail business is also generally declining, additionally influenced by the current data protection regulations. The share of total Group revenue generated by the Mail & Branch Network Division was somewhat over 70% in the first quarter of 2019. The new product and pricing model as well as additional revenue from elections positively impacted the division's development in contrast to the fundamental decline in addressed letter mail volumes and lower direct mail revenue.

In contrast, good growth rates are expected in the Austrian parcel business in 2019, driven by the expansion of e-commerce. Competitive intensity – especially due to own delivery by a large customer in Vienna – as well as demands for delivery quality remain high. The Parcel & Logistics Division generated nearly 30% of the total Group revenue in the reporting period against the backdrop of an ongoing upward trend. Revenue growth of 6.7% in the parcel business was primarily driven by the e-commerce trend and the related parcel volume increases in Austria. Austrian Post profits from dynamic market growth driven by the ongoing online shopping trend. The related competitive intensity and price pressure remain high. Predicted future parcel volumes have led Austrian Post to work full steam ahead on an extensive expansion of parcel logistics capacities in Austria.

"Parcel capacities are expected to increase by 25% starting in summer of 2019 when the new parcel centre in Hagenbrunn in the north of Vienna starts its operation", states Austrian Post CEO Georg Pölzl. The ground-breaking ceremony for the second planned parcel centre in Kalsdorf near Graz took place on March 18, 2019. Completion is scheduled for mid-2020. Overall transport and sorting capacities should each be doubled over the medium-term. Furthermore, Austrian Post is steadily pressing ahead with the expansion of its service offering based on self-service and online solutions, making it easier and more convenient to send and receive parcels. On the basis of the solid revenue development combined with strict cost discipline, Group EBIT rose by 1.3% year-on-year to EUR 57.4m. Earnings per share improved from EUR 0.62 to EUR 0.64 compared to the prior-year period.

A dividend of EUR 2.08 per share was distributed on April 25, 2019. In this way, Austrian Post has once again confirmed its clear capital market positioning as a reliable dividend stock. "Reliability and stability towards shareholders and other stakeholders of our company remain the focal point of our strategic activities, and we want to continue along this path", adds CEO Georg Pölzl. Accordingly, Austrian Post aims to achieve a stable development in both revenue and operating earnings in the core business in line with the previous year. "We want to remain faithful to our positioning as a reliable company going forward. In the spirit of customer orientation, the quality of our services will continue to be the focus of our business operations", Pölzl concludes.

You can find the complete version of the outlook as well as detailed information (excerpts) from the Interim Report Q1 2019 starting on page 4. The entire report is available on the Internet at post.at/ir --> Reporting.

KEY FIGURES

EUR m	Q1 2018	Q1 2019	Change %	Change EUR m
Revenue	**490.6**	**492.5**	**0.4%**	**1.9**
Mail & Branch Network	359.6	**354.7**	-1.4%	-4.9
Parcel & Logistics	132.2	**141.0**	6.7%	8.8
Corporate/Consolidation	-1.2	**-3.2**	–	-2.0
Other operating income	34.6	**21.0**	-39.3%	-13.6
Raw materials, consumables and services used	-103.9	**-110.3**	-6.1%	-6.4
Staff costs	-274.0	**-251.7**	8.1%	22.3
Other operating expenses	-70.3	**-66.3**	5.6%	4.0
Results from financial assets accounted for using the equity method	-0.6	**-0.7**	-8.2%	0.0
EBITDA	**76.5**	**84.6**	**10.7%**	**8.2**
Depreciation, amortisation and impairment losses	-19.8	**-27.2**	-37.7%	-7.4
EBIT	**56.7**	**57.4**	**1.3%**	**0.7**
Mail & Branch Network	73.6	**75.3**	2.4%	1.7
Parcel & Logistics	10.9	**9.7**	-10.8%	-1.2
Corporate/Consolidation	-27.8	**-27.6**	0.6%	0.2
Other financial result	1.7	**3.4**	>100%	1.8
Earnings before tax	**58.4**	**60.8**	**4.2%**	**2.5**
Income tax	-16.5	**-17.5**	-6.0%	-1.0
Profit for the period	**41.8**	**43.3**	**3.5%**	**1.5**
Earnings per share (EUR)[1]	0.62	**0.64**	3.4%	0.02
Cash flow from operating activities	**175.9**	**72.3**	**-58.9%**	**-103.6**
Investment in property, plant and equipment (CAPEX)	**-41.0**	**-19.7**	**52.0%**	**21.3**
Free cash flow	**134.2**	**19.0**	**-85.9%**	**-115.3**
Operating free cash flow[2] (Free cash flow before acquisitions/securities and Growth CAPEX)	**55.1**	**60.8**	**10.4%**	**5.7**

[1] Undiluted earnings per share in relation to 67,552,638 shares
[2] Q1 2018: excluding special effects of EUR 95.9m as a result of the termination of the cooperation agreement with BAWAG P.S.K.

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EXCERPTS FROM THE GROUP MANAGEMENT REPORT:

REVENUE DEVELOPMENT IN DETAIL

In the first quarter of 2019, Group revenue of Austrian Post improved by 0.4% to EUR 492.5m. The dynamically growing parcel market resulted in a 6.7% increase in parcel revenue, which compensated for the revenue decline of 1.4% in the Mail & Branch Network Division.

The Mail & Branch Network Division accounted for 71.6% of the Group revenue. The decline in first-quarter divisional revenue was due to the fundamental decrease in addressed letter mail volumes as a result of electronic substitution, lower Direct Mail revenue and the gradual redimensioning of the financial services business in 2019. In turn, the new product structure, growth in the area of Mail Solutions and additional revenue from elections helped to increase revenue. The Parcel & Logistics Division generated 28.4% of the total Group revenue in the reporting period against the backdrop of an ongoing upward trend. The 6.7% revenue increase was driven primarily by organic volume growth in Austria.

Revenue of the **Mail & Branch Network Division** totalled EUR 354.7m in the first quarter of 2019. Of this amount, 58.7% can be attributed to the Letter Mail & Mail Solutions business, whereas Direct Mail accounted for 26.5% of the total divisional revenue. Media Post had a share of 8.6%. Branch Services generated 6.2% of the division's revenue. In the first quarter of 2019, **Letter Mail & Mail Solutions** revenue amounted to EUR 208.2m, comprising a year-on-year increase of 2.9%. The new product structure and additional revenue from elections had a positive impact on revenue. The downward volume development as a consequence of the substitution of letters by electronic forms of communication continued. The basic volume trend in Austria showed a drop of about 3.5% in the first three months of 2019, the annual expectation is about 5%. The Mail Solutions business area reported a revenue increase of 5.4%, mainly in the fields of document logistics and output management. Revenue of the **Direct Mail** business fell by 6.0% in the first quarter of 2019 to EUR 94.0m. Several customers continued to show uncertainty with respect to addressed mail items as a result of the new General Data Protection Regulation. Unaddressed direct mail is primarily impacted by the decline in retail sales and shift effects related to the Easter holidays. **Media Post** revenue from the delivery of newspapers and magazines was down by 4.7% in a year-on-year comparison to EUR 30.7m. This development is mainly attributable to the declining subscription business for newspapers and magazines. **Branch Services** revenue amounted to EUR 21.8m in the first quarter of 2019, a drop of 13.3% from the prior-year level. In line with the agreement concluded with the banking partner BAWAG P.S.K., the termination of the partnership will be completed by the end of 2020. Financial services revenue will be continually reduced in 2019.

Revenue of the **Parcel & Logistics Division** improved by 6.7% to EUR 141.0m in the first quarter of 2019 compared to EUR 132.2m in the previous year. Growth in the parcel business resulted mainly from the ongoing e-commerce trend in Austria. Austrian Post was able to join this market growth during the period under review despite a large customer's own delivery operations in Vienna. Intense competition and high price pressure continue to prevail. At the same time, demands imposed on quality and delivery speed are increasing. The Austrian parcel market is expected to show upper single-digit growth in the 2019 financial year. On balance, the Premium Parcels business (parcel delivery within 24 hours) accounted for 48.8% of the total divisional revenue in the first three months of 2019. This represents a revenue increase of 11.2 % to EUR 68.9m. Standard Parcels, which mainly constitutes shipments to private customers in Austria, contributed 41.2 % to the division's revenue. This business area generated revenue growth of 1.9 % to EUR 58.0m in the first quarter of 2019. Other Parcel Services, which include various additional logistics services, accounted for revenue of EUR 14.1m in the first three months of 2019, comprising a year-on-year increase of 6.1 %. From a regional perspective, 80.5 % of the total revenue in the Parcel & Logistics Division was generated in Austria and 19.5 % by the subsidiaries in South East and Eastern Europe. The Austria business has produced the revenue growth of 6.2 % in the first quarter of 2019. Revenue in the highly competitive South East and Eastern European region was up by 8.7 % in the first three months of 2019.

EARNINGS DEVELOPMENT

The largest expense items in relation to Austrian Post's Group revenue are staff costs (51.1 %), raw materials, consumables and services used (22.4 %) and other operating expenses (13.5 %).

Austrian Post's staff costs amounted to EUR 251.7m in the first quarter of 2019, implying a year-on-year decline of 8.1 %. Operational staff costs increased only marginally. The Austrian Post Group employed an average of 20,197 people in the first three months of 2019, remaining on the prior year level. Steady efficiency improvements and structural changes made it possible to compensate for salary increases mandated by collective wage agreements. In addition to operational staff costs, staff costs of Austrian Post also include various non-operational costs such as termination benefits and changes in provisions, which are primarily related to the specific employment situation of civil servants at Austrian Post. Non-operational staff costs declined in a year-on-year comparison. There were no significant expenses in the first quarter of 2019, whereas the prior-year period included about EUR 20m of provisions allocated for the redimensioning of financial services.

Raw materials, consumables and services used rose by 6.1 % to EUR 110.3m, which is primarily related to higher costs for outsourced transport services required to handle increased parcel volumes.

Other operating expenses fell by EUR 4.0m to EUR 66.3m. This decrease is mainly due to the elimination of leasing expenses related to the first-time application of the accounting standard IFRS 16. Other operating income totalled EUR 21.0m in the first quarter of 2019, compared to EUR 34.6m in the previous year. The first quarter of 2018 included an one-off income of about EUR 20m comprising lump sum compensation by the banking partner BAWAG P.S.K. for shortening the duration of the contractual agreement.

The application of IFRS 16 expands reporting of leasing relationships, which in turn impacts the presentation of Group earnings. The effect on other operating expenses amounted to EUR 8.1m, which correspondingly affected EBITDA. Accordingly, EBITDA equalled EUR 84.6m, a year-on-year increase by EUR 8.2m. This corresponds to an EBITDA margin of 17.2 %. In contrast, depreciation, amortisation and impairment losses related to IFRS 16 rose by EUR 7.7m and the net interest expense was up by EUR 1.1m. In the result a stable to slightly positive development is shown. The EBIT of EUR 57.4m represented an improvement of 1.3 % year-on-year. The EBIT margin equalled 11.7 %. The upward valuation of EUR 5.4m for the stake held in FinTech Group AG has positively impacted the Group's other financial result of EUR 3.4m in the first quarter of 2019. After deducting income tax of EUR 17.5m, the Group's profit for the period equalled EUR 43.3m (+3.5%). Earnings per share were EUR 0.64, compared to EUR 0.62 per share in the first quarter of the previous year.

From a divisional perspective, EBITDA of the Mail & Branch Network Division totalled EUR 81.1m in the first three months of 2019, a year-on-year increase of 3.2%. Divisional EBIT improved by 2.4% to EUR 75.3m. The revenue decline could be offset by a high level of cost discipline.

The Parcel & Logistics Division achieved revenue growth against the backdrop of intense competition and margin pressure and generated an EBITDA of EUR 13.7m (+0.8%) and EBIT of EUR 9.7m (–10.8%). The EBIT decline is mainly attributable to higher costs in the logistics network to avoid capacity bottlenecks. This shows that volume and revenue increases are managed on the basis of higher logistics expenses.

EBIT of the Corporate Division (incl. Corporate) improved by 0.6% to minus EUR 27.6m, primarily due to lower costs for social plan models. The Corporate Division provides non-operational services typically rendered for the purpose of managing and controlling at a Corporate Group level. These services include, amongst others, the management of commercial properties owned by the Group, the provision of IT services, the development of new business models and the administration of the Internal Labour Market of Austrian Post.

CASH FLOW AND BALANCE SHEET

Due to a special payment of EUR 107.0m in total made by BAWAG P.S.K. in the first quarter of 2018, cash flow figures are only comparable to a limited extent. In the first quarter of 2019, the gross cash flow amounted to EUR 86.1m in contrast to EUR 107.4m in the prior-year period. One-off income of EUR 20.1m as lump sum compensation by BAWAG P.S.K. was included in this value in the previous year. The cash flow from operating activities equalled EUR 72.3m in the reporting period compared to the prior-year figure of EUR 175.9m. The first quarter of 2018 included the entire special effect of EUR 95.9m in connection with the termination of the cooperation agreement with BAWAG P.S.K. (EUR 107.0m less services rendered in the first quarter of 2018 in the amount of EUR 11.1m).

The cash flow from investing activities reached a level of minus EUR 53.4m in the first three months of 2019 compared to minus EUR 41.7m in Q1 2018. This increase resulted primarily from money market investments in the amount of EUR 30.0m. In contrast, lower payments for the acquisition of property, plant and equipment (CAPEX) had the opposite effect. They amounted to EUR 19.7m in the first quarter of 2019, down from EUR 41.0m in the previous year. Operating free cash flow adjusted for the special effect in 2018 rose to EUR 60.8m in the period under review from EUR 55.1m in the prior-year quarter. Cash flow from financing activities amounted to minus EUR 11.0m in the first three months of 2019. The difference of minus EUR 11.4m compared with the previous period was mainly due to the first-time application of IFRS 16, which requires the repayment of liabilities and interest from leasing agreements to be reported under the cash flow from financing activities.

Austrian Post pursues a conservative balance sheet policy and financing structure. This is demonstrated by the high equity ratio and solid amount of cash and cash equivalents invested at the lowest possible risk. The balance sheet total of Austria Post was due to the first-time adoption of

IFRS 16 EUR 1,980.1m as at March 31, 2019. Property, plant and equipment increased by EUR 270.3m to EUR 925.2m as at March 31, 2019 due to capitalisation from right-of-use assets from leases pursuant to IFRS 16 and thus constituted the largest single balance sheet item. Intangible assets totalled EUR 25.8m, whereas goodwill reported for acquisitions amounted to EUR 58.7m at the end of the first quarter 2019. Receivables at EUR 294.3m comprised the second largest balance sheet item on the asset side. The equity and liabilities side of the balance sheet is characterised by a high equity ratio of 37.2% as at March 31, 2019. This corresponds to equity of EUR 737.5m. Non-current liabilities totalled EUR 666.3m at the end of the reporting period, whereas current liabilities amounted to EUR 576.3m.

OUTLOOK 2019

The market development of the mail and parcel business in the first quarter confirmed the trends forecasted for the 2019 financial year. The traditional letter mail business is anticipated to experience volume declines of about 5% annually as a consequence of electronic substitution. The direct mail business is also generally declining, additionally influenced by the current data protection regulations. In contrast, good growth rates are expected in the Austrian parcel business in 2019, driven by the expansion of e-commerce. Competitive intensity – especially due to own delivery by a large customer in Vienna – as well as demands for delivery quality remain high.

Austrian Post expects a stable or slightly improved revenue development for the 2019 financial year, depending on the actual start of the planned cooperation with Deutsche Post DHL Group in Austria. Both companies have agreed upon a long-term partnership. This collaboration is subject to a review by Austrian and German competition authorities. Provided a positive decision is made, the partnership should begin in the course of 2019. It stipulates the delivery of parcels in Austria by Austrian Post. In addition, it is planned that Austrian Post will take over the employees and a majority of its logistics facilities in Austria.

Against the backdrop of the expected volume development in the parcel business, the investment programme to expand capacities is the top priority in the company's further development. The objective is to double parcel sorting capacities and accelerate the investment effort. Austrian Post plans basic investments of about EUR 70m in 2019 in addition to growth investments in excess of EUR 50m. Moreover, investments in the range of EUR 25m are expected for expanding the existing properties or acquiring new land, as well as EUR 15m for sorting technology resulting from the cooperation with Deutsche Post DHL Group. Starting the operation of a parcel centre in Hagenbrunn in the north of Vienna is expected to increase capacity by 25% beginning in summer of 2019. Construction of a second logistics centre located in Kalsdorf near Graz has also been initiated.

Another target of Austrian Post is to achieve stability in the development of its operating earnings of the core business in 2019 (2018 EBIT: EUR 210.9m). In this regard, the focus will clearly be on volume development in the mail and parcel business as well as optimising the logistics infrastructure in Austria. The company will continue to press ahead with measures designed to reduce costs and enhance efficiency.

In 2019, Austrian Post will take further steps towards developing a new financial services offering. An initial step was taken on the basis of the previously communicated partnership with the GRAWE Banking Group. It is planned for Austrian Post to acquire an 80% stake in Brüll Kallmus Bank AG, part of the GRAWE Banking Group, by means of a capital increase, and thus assume management control of the company. Ownership control procedures were initiated with the European Central Bank (ECB) through the Austrian Financial Market Authority (FMA). Subject to the regulatory approval, Austrian Post will subsequently contribute about EUR 56m within the context of the capital increase. In this way, the legal foundation for creating an independent financial services offering in the course of 2020 will be created. In this context, Austrian Post expects start-up costs within the first three years, which should subsequently lead to positive earnings contributions.