# Austrian Post Group
# Q1-3 2008 Results

## Investor Presentation

November 13, 2008

# Highlights Q1-Q3 2008

- **Q1-3 Group revenue up 7.0% to EUR 1,784.6m**
  - Mail Division: good revenue development in all business areas, stable earnings
  - Parcel & Logistics Division: lower margin due to integration costs and streamlining
  - Branch Network Division: slight rise in financial services despite global financial crisis
  - Group earnings lower than in 2007 due to changes in Austria market and one-off effects
- **Austrian Post not significantly impacted by financial crisis**
  - No current external borrowing requirements
  - Operating cash flow covers capital expenditure
  - Conservative investment policy with lowest possible risk
- **Postal market largely considered to be stable**
- **Outlook for 2008:**
  - Increasing revenue
  - Earnings before interest and tax (EBIT) in 2008 on 2007 level,
    then rise in 2009 expected
  - Basic dividend in 2009 above previous year‘s payment of EUR 1.40/share

**1. Market Overview**

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# Austrian Post in the current environment

**Austrian Post not significantly impacted by the international financial crisis**

- **Solid balance sheet structure**
  - High equity ratio
  - No external borrowing requirements
  - Investments can be financed from the cash flow
  - Conservative investment policy with lowest possible risk
  - No pension commitments in Austria (neither civil servants nor salaried employees)
- **Strong utility-type business model**
  - Solid Letter Mail market (letters, direct mails, media post)
  - Stable Parcels business; ongoing competition

## MAIL DIVISION

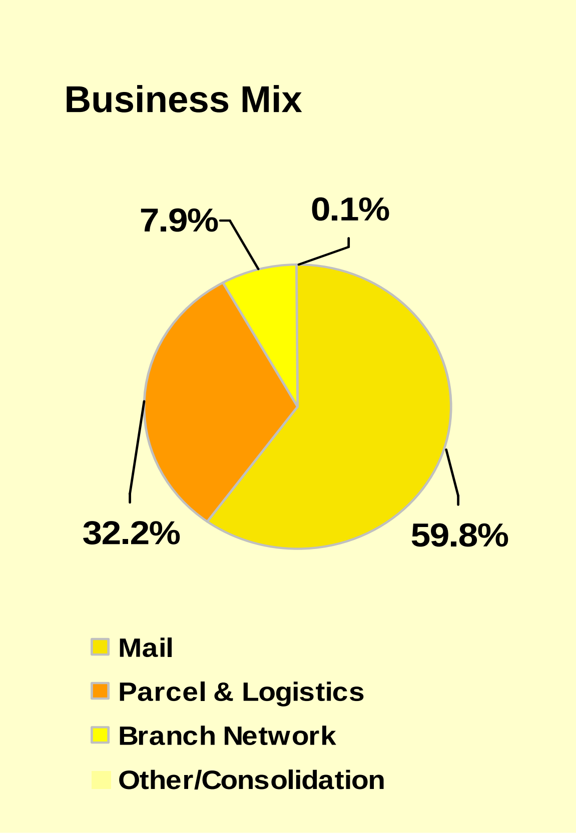
- Letter Mail: largely stable, electronic substitution tends to reduce mail volumes; however, positive volume effects (e.g. elections), on balance revenue decrease of 0.4% in Q1-3 2008
- Infomail: ongoing increase in the popularity of advertising brochures and addressed direct mail; organic growth of about 4.5% in Q1-3 2008
- Media Post: further growth through regional media plus organic growth

## PARCEL & LOGISTICS DIVISION

- At present stable volume development (B2B and B2C/C2C)
- Internet business supports economic growth
- Ongoing cost and competitive pressures

## BRANCH NETWORK DIVISION

- Slight growth of financial services and money transport
- Cyclical business based on retail product sales



# Overview: Mail Division Q1-3 2008

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### Solid development of Letter Mail

- Development of domestic mail volume better than forecast (-0.4%)

### Growth in Direct Mail

- Further growth of addressed and unaddressed direct mail (+4.5% organic growth)

### Media Post

- Organic growth through regional media plus one-off effects (+7.3% total revenue in Q1-3 2008)

### Current measures

- Opening of pre-sorting centre in Vienna Inzersdorf → expansion of existing letter mail centre
- Efficiency-enhancing measures → new capacity model
- Development of new services (internal postal departments, printing)


# Overview: Parcel & Logistics Division Q1-3 2008

- B2B: moderate growth in Germany;
  good volume development in Austria
- B2C/C2C: Internet business as growth driver
- Volume increase in South/Eastern Europe, expansion in Bosnia
- Ongoing market competition
- Streamlining of parcels/logistics operations in Austria completed by end of 2008
- Higher integration costs in 2008 for new companies in the Netherlands and Belgium (conversion of IT systems, branding, mergers)


**Current measures**

- Efficiency improvement and cost optimisation
- Strengthening of growth perspectives: expansion of combined freight, temperature-controlled cross-border business, extension of branch focus of trans-o-flex

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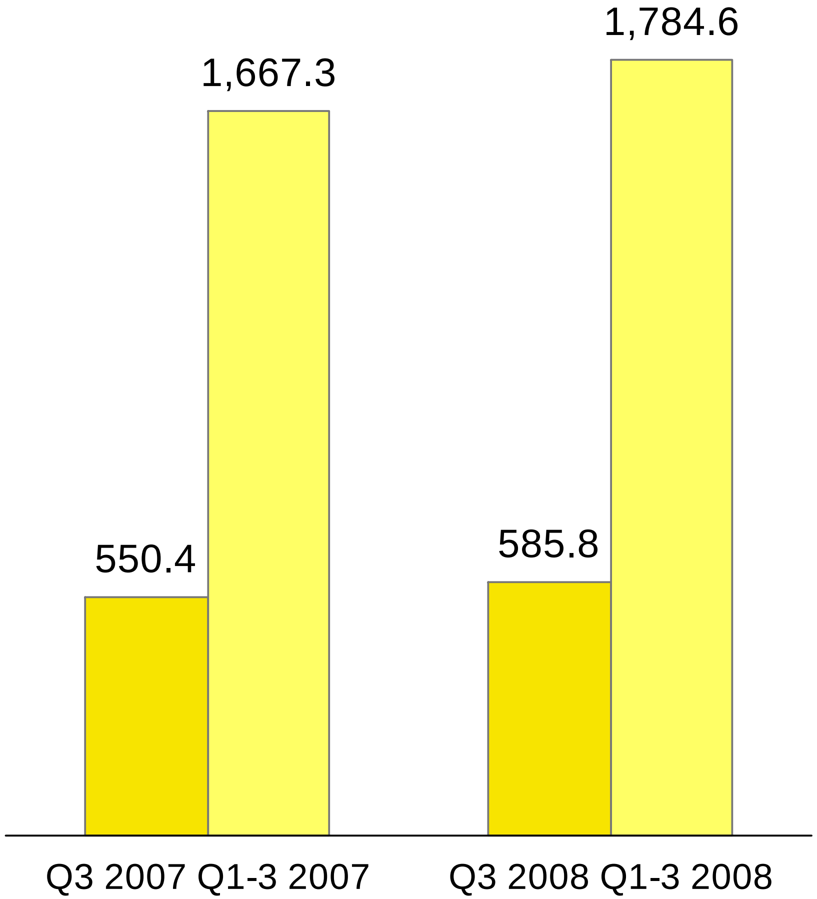
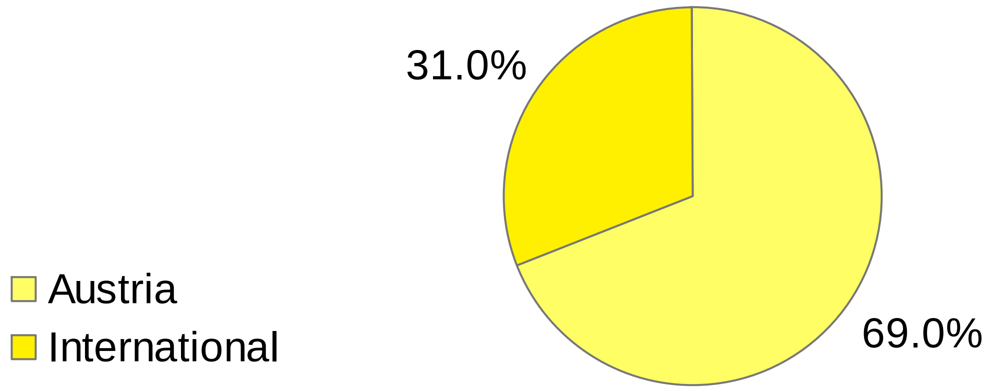
# Q1-3 2008 Revenue

## Revenues (EUR m)

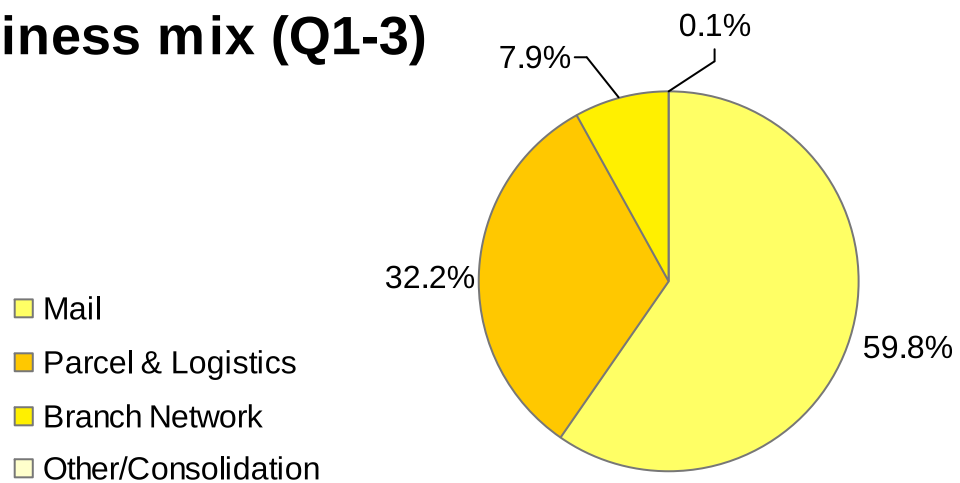
Growth: Q1-3: +7.0%
Q3: +6.4%




## Regional mix (Q1-3)



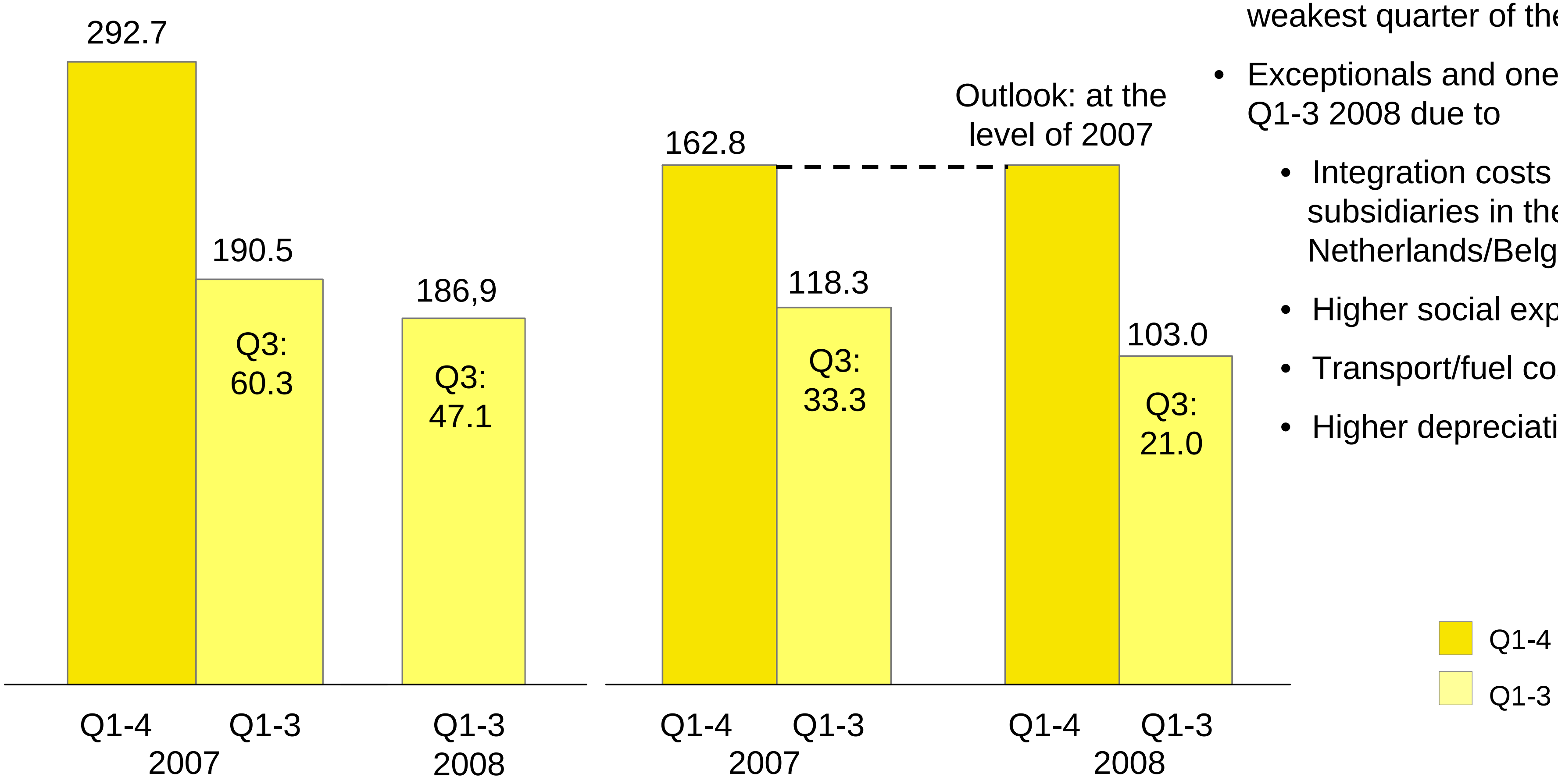

## Business mix (Q1-3)



# Earnings results

## EBITDA Q1-3 2008: -1.9% EBIT Q1-3 2008: -13.0%

**EURm**




- The third quarter is the seasonally weakest quarter of the year
- Exceptionals and one-offs in Q1-3 2008 due to
  - Integration costs of subsidiaries in the Netherlands/Belgium
  - Higher social expenses
  - Transport/fuel costs
  - Higher depreciation

## Key indicators - income statement

| EUR m | Q1-Q3 2007 | Q1-Q3 2008 | Change | Q3 2007 | Q3 2008 |
|---|---|---|---|---|---|
| **revenue** | **1,667.3** | **1,784.6** | **+7.0%** | **550.4** | **585.8** |
| Raw materials, consumables and services used | -491.1 | -564.1 | +14.9% | -168.3 | -195.2 |
| Staff costs | -838.1 | -867.4 | +3.5% | -268.8 | -286.3 |
| Other operating expenses | -200.5 | -219.8 | +9.6% | -68.7 | -74.6 |
| **Earnings before interest, tax, depreciation and amortisation (EBITDA)** | **190.5** | **186.9** | **-1.9%** | **60.3** | **47.1** |
| Depreciation and amortisation | -72.2 | -83.9 | +16.2% | -27.0 | -26.1 |
| **Earnings before interest and tax (EBIT)** | **118.3** | **103.0** | **-13.2%** | **33.3** | **21.0** |
| *EBIT margin* | *7.1%* | *5.8%* | - | *6.1%* | *3.6%* |
| **Earnings before tax (EBT)** | **123.4** | **111.1** | **-10.0%** | **36.9** | **22.0** |
| Income tax | -27.3 | -23.6 | -13.8% | -8.6 | -4.6 |
| **Profit for the period** | **96.1** | **87.5** | **-8.9%** | **28.2** | **17.4** |
| Employees (average, full-time equivalent) | 25,522 | 27,141 | +6.3% | - | - |

Organic growth of 0.9%

Exceptionals and one-offs due to:
- Integration of new subsidiaries
- Higher social expenses
- Transport/ fuel
- Higher depreciation

Outlook for 2008: same level as 2007

# Key divisional figures

| EUR m | Q1-3 2007 | Q1-3 2008 | Change 2007/2008 | Q3 2007 | Q3 2008 |
|---|---|---|---|---|---|
| **Revenue** | **1,667.3** | **1,784.6** | **+7.0%** | **550.4** | **585.8** |
| Mail | 990.4 | 1,066.8 | +7.7% | 327.0 | 346.3 |
| Parcel & Logistics | 531.6 | 575.2 | +8.2% | 174.4 | 192.7 |
| Branch Network | 141.8 | 140.3 | -1.0% | 48.0 | 46.3 |
| Other/Consolidation | 3.5 | 2.3 | -35.3% | 1.0 | 0.5 |
| **EBIT** | **118.3** | **103.0** | **-13.0%** | **33.3** | **21.0** |
| Mail | 188.4 | 190.5 | +1.1% | 55.0 | 54.8 |
| Parcel & Logistics | 20.8 | 6.7 | -67.9% | 5.8 | -0.4 |
| Branch Network | 9.7 | 9.5 | -1.8% | 3.9 | 2.8 |
| Other/Consolidation | -100.6 | -103.7 | -3.1% | -31.4 | -36.1 |

## Key indicators – income statement

| EUR m | Q1-3 2007 | Q1-3 2008 | Change | Q3 2007 | Q3 2008 | |
|---|---|---|---|---|---|---|
| **Revenue (external sales)** | **990.4** | **1,066.8** | **+7.7%** | **327.0** | **346.2** | Revenue growth based on good development in letter mail and increase of advertising mail |
| - Letter Mail | 574.9 | 572.3 | -0.4% | 181.8 | 182.9 | |
| - Infomail | 323.1 | 395.4 | +22.4% | 116.6 | 131.9 | |
| - Media Post | 92.4 | 99.1 | +7.3% | 28.7 | 31.5 | |
| **Total revenue [1)]** | **1,025.5** | **1,099.4** | **+7.2%** | **337.7** | **356.8** | |
| **Earnings before interest and tax (EBIT)** | **188.4** | **190.5** | **+1.1%** | **55.0** | **54.8** | Stable earnings situation |
| EBIT margin [2)] | 18.4% | 17.3% | - | 16.3% | 15.4% | |
| EBITDA margin [2)] | 20.7% | 19.7% | - | 19.4% | 17.8% | |

[1)] External sales plus internal sales per division [2)] EBIT and EBITDA margin relative to total revenue

# Parcel & Logistics Division

## Key indicators – income statement

| EUR m | Q1-3 2007 | Q1-3 2008 | Change | Q3 2007 | Q3 2008 |
|---|---|---|---|---|---|
| **Revenue (external sales)** | **531.6** | **575.2** | **+8.2%** | **174.4** | **192.7** |
| Internal sales | 23.2 | 23.2 | +0.1% | 7.3 | 6.3 |
| **Total revenue [1)]** | **554.8** | **598.4** | **+7.9%** | **181.7** | **199.0** |
| **Earnings before interest and tax (EBIT)** | **20.8** | **6.7** | **-67.9%** | **5.8** | **-0.4** |
| EBIT margin [2)] | 3.7% | 1.1% | - | 3.2% | - |
| EBITDA margin [2)] | 6.6% | 4.5% | - | 6.3% | 3.2% |

**Premium parcels:** growth, ongoing cost pressures

**Standard parcels** in Austria: volume decline as forecast

Higher costs due to integration costs in the Netherlands/Belgium

[1)] External sales plus internal sales per division [2)] EBIT and EBITDA margin relative to total revenue

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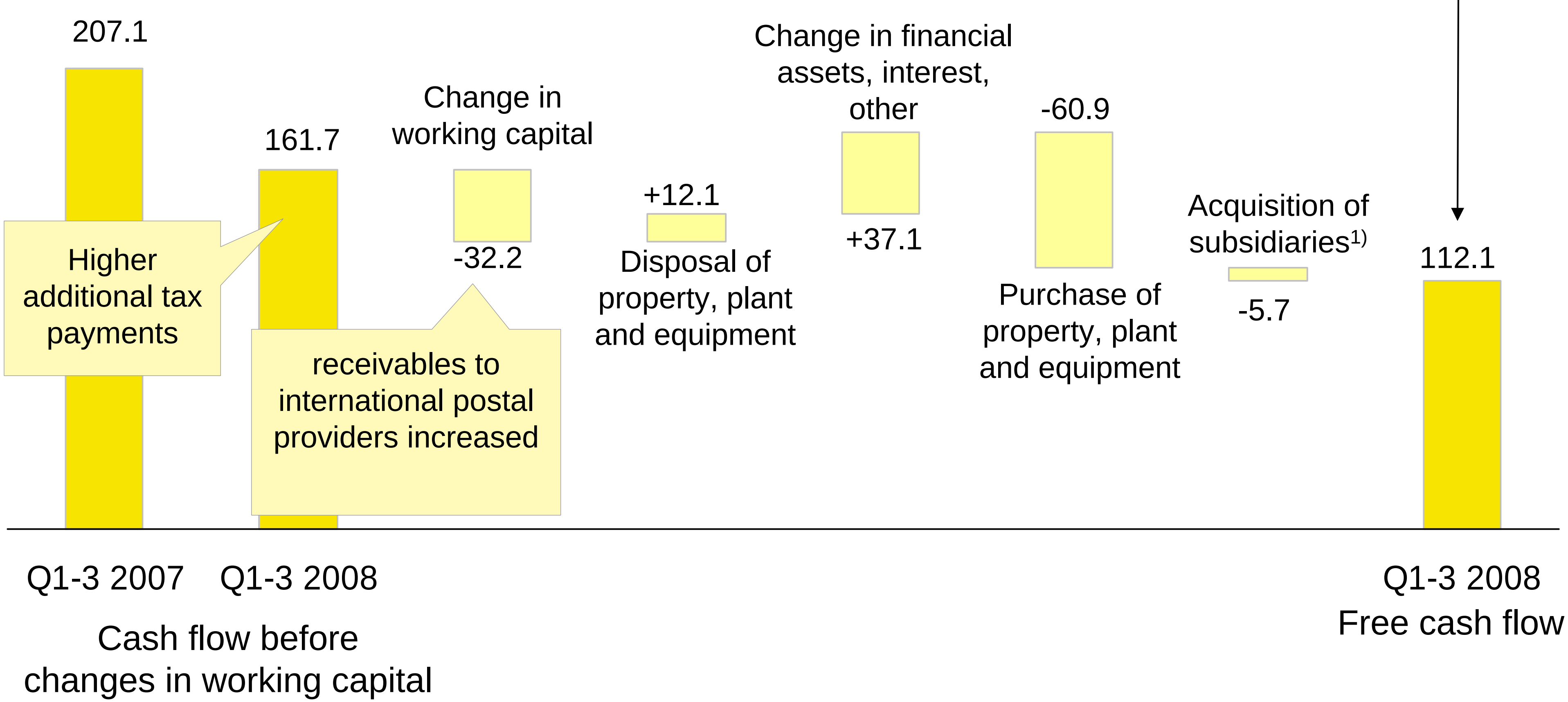
## Key indicators – income statement

| EUR m | Q1-3 2007 | Q1-3 2008 | Change | Q3 2007 | Q3 2008 | |
|---|---|---|---|---|---|---|
| **Revenue (external sales)** | **141.8** | **140.3** | **-1.0%** | **48.0** | **46.3** | Revenue growth in financial services, decline in retail product sales |
| Internal sales | 150.9 | 151.1 | +0.1% | 47.6 | 49.2 | |
| **Total revenue [1)]** | **292.7** | **291.4** | **-0.4%** | **95.6** | **95.4** | |
| **Earnings before interest and tax (EBIT)** | **9.7** | **9.5** | **-** | **3.9** | **2.8** | Stable earnings situation |
| EBIT margin [2)] | 3.3% | 3.3% | - | 4.1% | 2.9% | |
| EBITDA margin [2)] | 4.6% | 4.8% | - | 5.5% | 4.5% | |

[1)] External sales plus internal sales per division [2)] EBIT and EBITDA margin relative to total revenue

# Cash generation and use in Q1-3 2008

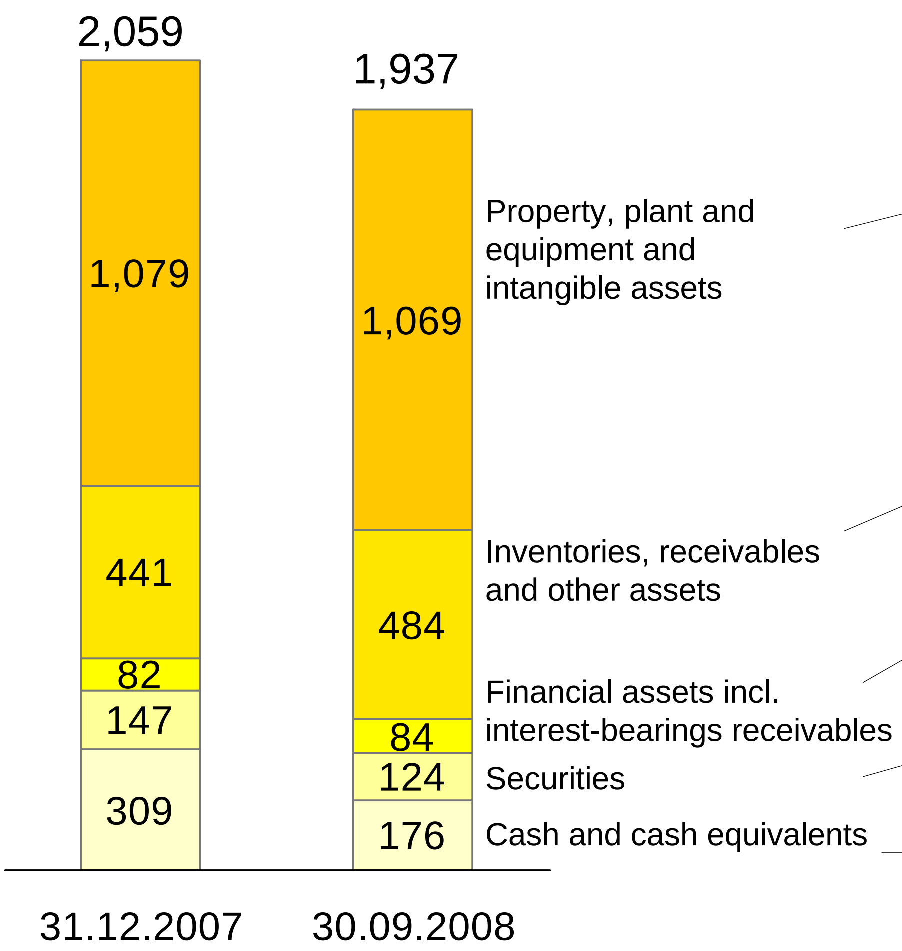
Free cash flow as basis for attractive dividend policy




[1] Acquisition of the remaining shares in trans-o-flex reported as "Change in financial liabilities"

# Solid balance sheet structure: assets

Assets shaped by a conservative investment policy with lowest possible risk




of which EUR 715.8m property, plant and equipment,
of which EUR 221.2m in goodwill,
of which EUR 97.2m intangible assets

Up-to-date valuation in line with IFRS

Financial assets: 5% stake in BAWAG PSK

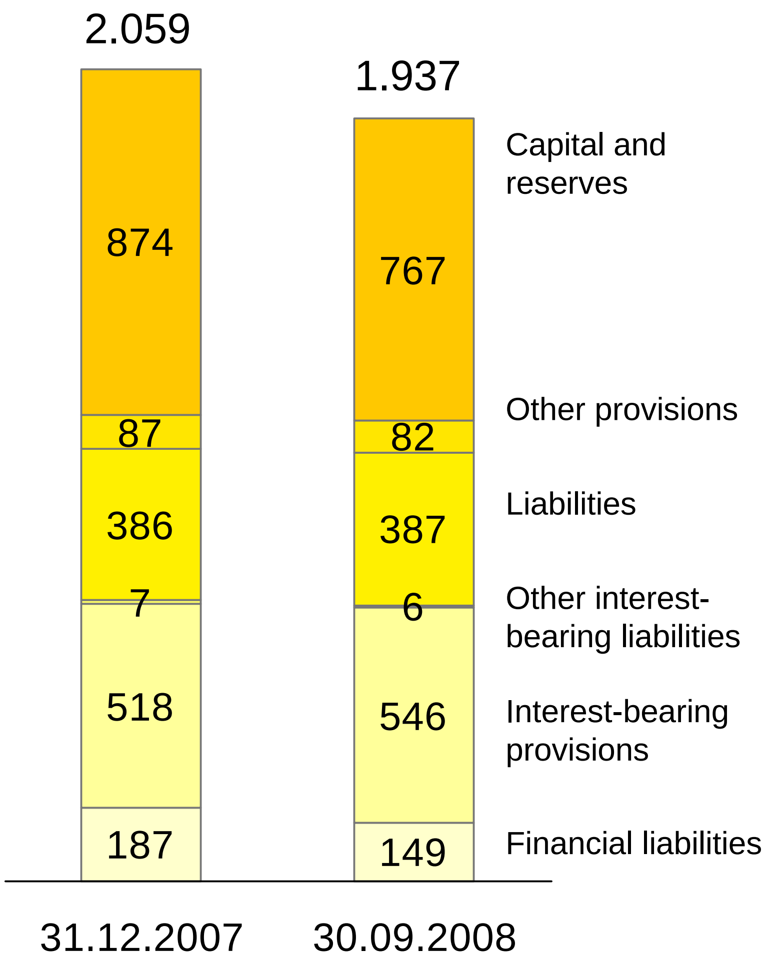
Exclusively bonds: 100% with at least single A-type

Short-term investment in the money market

→ Total of EUR 300m in cash and cash equivalents and bonds

# Solid balance sheet structure: equity and liabilities

Equity and liabilities: high equity ratio, high level of provisions, no requirement for external borrowing




Equity ratio of 40%

Other staff-related provisions

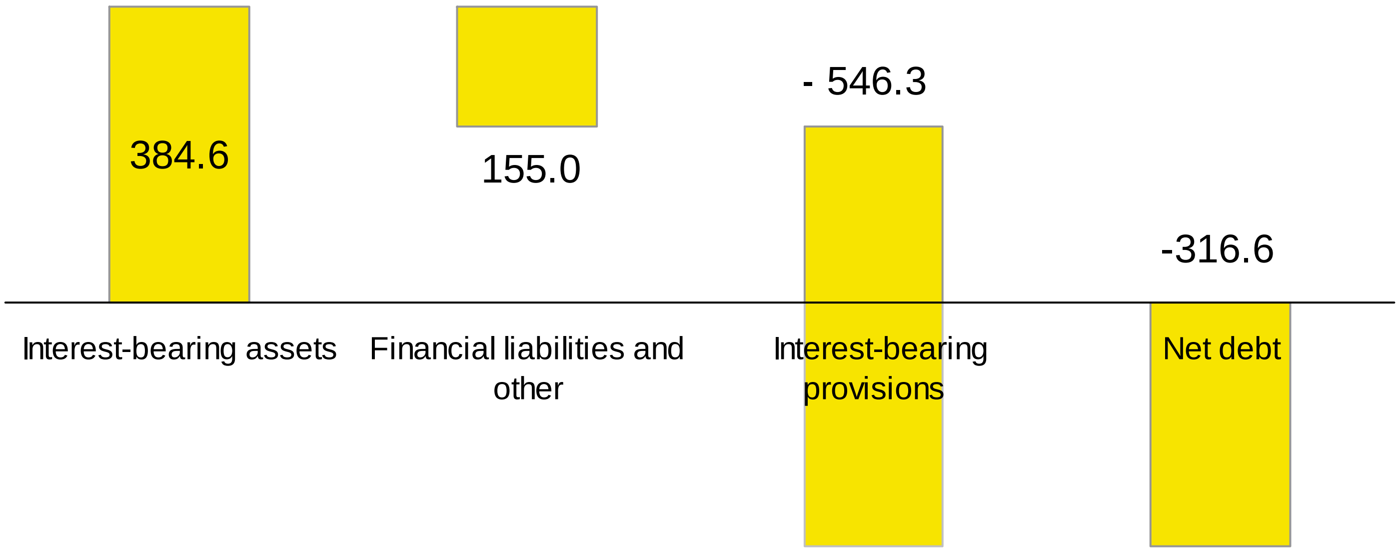
Liabilities from trade payables and services rendered

Of which employee under-utilisation: EUR 360m
Of which jubilee benefits: EUR 91m
Of which termination benefits: EUR 70m
Of which pension obligations: EUR 6m

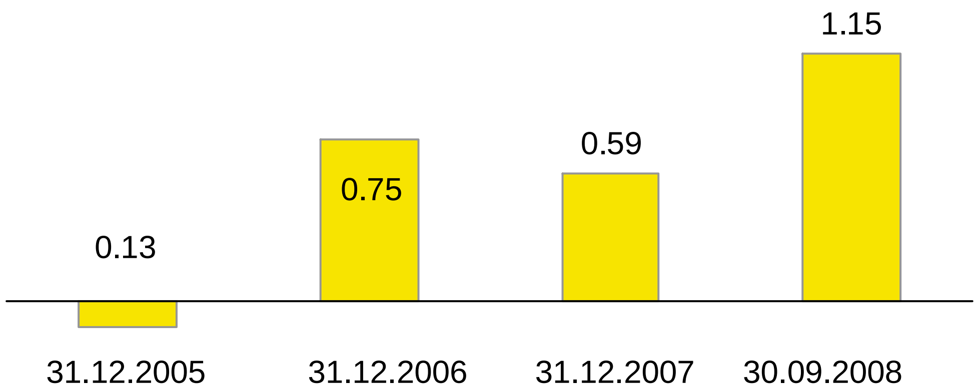
70% through acquisition of trans-o-flex, stable credit conditions

# Financial profile

## Calculation of net debt EURm




## Net debt/EBITDA

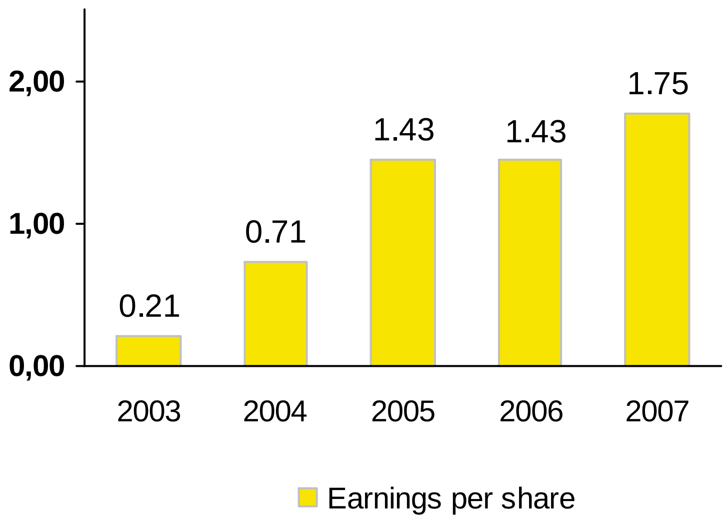



- Net debt at a low level
- Repayment is not a major financial burden, neither in the short- nor long-term
- Net debt to EBITDA of 1.15x as at September 30, 2008

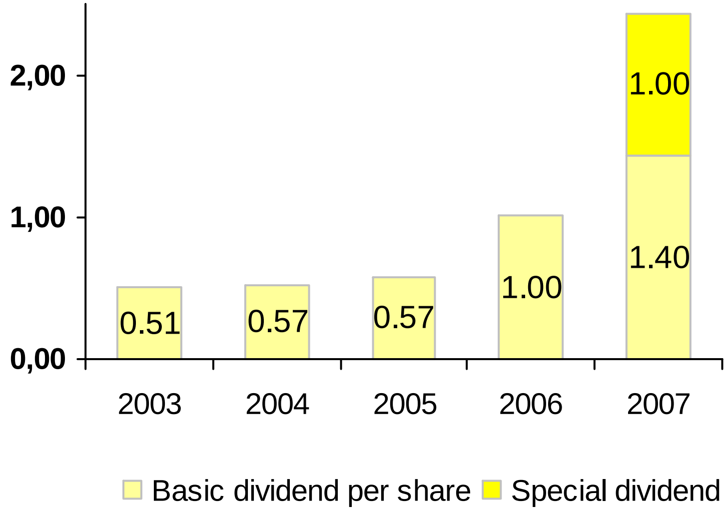
# Attractive dividend policy

## Strong and stable results (EPS) allow for high dividend payments (DPS)

### Earnings per share (EUR)




### Dividend payments (EUR)




Analysis based on 70m shares

# Dividends, share buy-back

**Measures to improve the capital structure**

**Basic dividend**

- Basic dividend will continue to rise (> EUR 1.40 per share)
- Dividend payout ratio of at least 75% of net profits for the period

**Special dividend**

- Payment of a special dividend dependent on capital requirements

**Share buy-back**

- Share buy-back programme from August 19, 2008 to December 31, 2008
- Repurchased treasury shares by October 31, 2008: 1.5m shares
- Weighted average price: EUR 23.60
- EUR 35.9m in total used for share buy-back as at October 31, 2008

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# Operating measures

**Efficiency enhancement and measures to secure shareholder value:**

- Continuation of all operational measures to secure future stability
- Primary objective is increase of efficiency and flexibility
- Structural adjustments in all divisions

**Investments and acquisitions:**

- CAPEX of EUR 100m to 110m annually expected for 2008 and 2009
- Reduced acquisition volume in 2008 and 2009 expected – no big acquisition targets available;
  primary goal is platform integration of the new subsidiaries

# Outlook

- Difficult economic and market environment affects forecast visibility
- Letter mail and parcels volumes for 2008 largely stable; competitive environment in national and international business of Parcels & Logistics
- Increasing Group revenue in 2008 (plus 5% including new subsidiaries)
- Earnings before interest and tax (EBIT) in 2008 at 2007 level,
  EBIT rise expected in 2009
- Basic dividend in 2009 above the previous year‘s payment of EUR 1.40 per share

# Contact

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|---|---|
| March 12, 2009 | 2008 Annual Report |
| May 6, 2009 | Annual General Meeting, Vienna |
| May 19, 2009 | Interim results Q1 2009 |
| Aug. 13, 2009 | Interim results H1 2009 |
| Nov. 13, 2009 | Interim results Q1-3 2009 |