

REPORT OF THE SUPERVISORY BOARD OF AUSTRIAN POST FOR THE 2015 FINANCIAL YEAR

The 2015 financial year was a challenging year for Austrian Post. Business developed positively in spite of the difficult conditions. The main trends prevailing in the postal and logistics sector continued to impact Austrian Post over the past year. Direct mail volumes increased slightly whereas conventional letter mail volumes declined once again in 2015. Private parcel volumes showed an upward trend thanks to the growing importance of online shopping, but competition perceptibly intensified. The B2B segment is characterised by a restrained economic situation against the backdrop of ongoing competitive intensity and price pressure.

Austrian Post successfully mastered these challenges during the past financial year, and is well positioned to sustainably safeguard its competitiveness and earnings strength.

The Supervisory Board fulfilled its obligations and performed the tasks incumbent upon it as stipulated by legal regulations, the Articles of Association of Austrian Post and the internal rules of procedure for the Supervisory Board. We regularly advised the Management Board in its efforts to manage the company, and monitored its activities. The Management Board provided the Supervisory Board with comprehensive written and verbal reports about the business development and financial position of the Group and its subsidiaries, medium-term planning, investment and acquisition projects. On the basis of the Management Board's reports, we discussed in detail the business development and strategic decisions of importance to the company. The Supervisory Board discussed discrepancies between the planned and actual performance on a case by case basis and intensively dealt with them. Moreover, as the Chairwoman of the Supervisory Board, I was in regular contact with the Management Board and the Chairman of the Management Board in particular, and informed myself about the current business situation.

Changes in the Supervisory Board

The Supervisory Board mandates of Rudolf Kemler and Günter Leonhartsberger expired at the end of the Annual General Meeting held on April 15, 2015. Edeltraud Stiftinger and Herta Stockbauer were elected to the Supervisory Board for the first time on the basis of the recommendations made by the Supervisory Board and its Nomination Committee. Their terms of office end at the Annual General Meeting which will discharge the Management and Supervisory Boards for the 2019 financial year. The following shareholder representatives were re-elected to the Supervisory Board: Erich Hampel, Edith Hlawati, Peter E. Kruse, Chris E. Muntwyler, Markus Pichler and Elisabeth Stadler. There were no changes in the employee representatives serving on the Supervisory Board.

In the constituent meeting of the Supervisory Board held on April 15, 2015, Edith Hlawati was elected to serve as the Chairwoman of the Supervisory Board of Austrian Post, and Edeltraud Stiftinger as its Deputy Chairwoman. Edeltraud Stiftinger (Chairwoman) and Herta Stockbauer (Deputy Chairwoman) along with Elisabeth Stadler and Markus Pichler were elected to serve on the Audit Committee. Herta Stockbauer was also nominated as the financial expert for the Audit Committee pursuant to Section 92 Para. 4a Austrian Stock Corporation Act. Edith Hlawati and Edeltraud Stiftinger were elected as the members of the Remuneration Committee. The Nomination Committee consists of Edith Hlawati, Edeltraud Stiftinger and Helmut Köstinger. At the constituent meeting, the Supervisory Board members once again declared their independence in accordance with the stipulations contained in the Austrian Corporate Governance Code. On behalf of the Supervisory Board, I would like to thank the former Chairman Rudolf Kemler as well as Günter Leonhartsberger for their longstanding work characterised by expertise and responsibility for the benefit of Austrian Post.

Key topics and mode of operation of the Supervisory Board and its committees

The revenue and earnings development of the company was presented at all four Supervisory Board meetings, which also focused on the quarterly results of Group subsidiaries and important strategic projects.

The Supervisory Board meeting held on March 11, 2015, primarily dealt with the annual financial statements and consolidated financial statements of Austrian Post for 2014 along with preparations for the Annual General Meeting 2015. In light of the fact that the term of office of Peter Umundum expired on March 31, 2016, the process was initiated to fill the position of Member of the Management Board and Director of the Parcel & Logistics Division. Peter Umundum was confirmed in this position at the Supervisory Board session held on May 6, 2015, and reappointed until March 31, 2019 with an extension option for an additional two-year period. The strategic focal points in the meetings were the evaluation of strategic options for trans-o-flex, the further development of the ongoing partnerships with A1 Telekom Austria and BAWAG P.S.K., the entry of DHL on the Austrian parcel market and the corresponding response of Austrian Post. The business development of the Turkish parcel services provider Aras Kargo and preparations for a potential exercising of the call option in 2016 were also the subjects of discussion at the May 6, 2015 meeting of the Supervisory Board. In addition, we also dealt with negotiations between Austrian Post and the Federal Ministry of Finance to reach a settlement on the issue of post-employment benefit contributions, deductibles on care benefits and accounting of pension benefits. The

resolution on accepting the settlement offer of the Federal Ministry of Finance was passed at the Supervisory Board meeting held on November 11, 2015, which also dealt with extending formal approval of Austrian Post's budget for the 2016 financial year, and a report on medium-term planning for the period 2017-19. In addition, the process to fill the position of Member of the Management Board and Director of the Mail & Branch Network Division was initiated and concluded in March 2016. At the meetings in March and May, we also intensively dealt with the efficiency and mode of operation of the Supervisory Board. The results were discussed in detail with the help of an external consultant. It was confirmed that the Supervisory Board is independent, and consists of highly competent members. The cooperation within the Supervisory Board was considered to be open and constructive. Potential for optimisation was identified in intensifying the work carried out by the Supervisory Board committees. Against this backdrop, we implemented a more pronounced separation of the Supervisory Board plenum and the Audit Committee, for example by ensuring different chairpeople for both bodies. In addition, a Parcel & Logistics Committee was set up to underline the strategic importance of pending decisions in the parcel segment. The logistics experts Peter E. Kruse and Chris E. Muntwyler were elected to serve on this committee along with the employee representative Helmut Köstinger. Moreover, we launched a training programme for the Supervisory Board on the basis of the recommendations for action derived from the self-evaluation process. Its objective is to help shed light on various specialised topics with the help of external and internal experts. Training sessions in August and November 2015 enabled the Supervisory Board to gain new insights into international letter mail markets and e-commerce. The third training, focusing on Turkey, took place in December 2015 within the context of a two-day trip to Istanbul by the Supervisory Board, which visited the Turkish parcel services provider Aras Kargo, in which Austrian Post acquired a stake, and intensively exchanged views with the local management and different experts on a variety of strategic issues as well as the economic and political situation.

In three meetings, the Audit Committee of the Supervisory Board duly carried out the responsibilities assigned to it. It monitored accounting processes, the audit and the effectiveness of the internal control system, the risk management system and the internal audit system. The auditors and the Audit Committee could also exchange information without the presence of the Management Board. The quarterly results were thoroughly analysed by the Audit Committee. The Supervisory Board was continually provided with information about the results of the Audit Committee meetings. In accordance with Section 270 Para. 1a of the Austrian Commercial Code, KPMG Austria GmbH credibly demonstrated its impartiality towards the Audit Committee.

In the 2015 financial year, the Nomination Committee focused on its proposal to fill the position of the Management Board and Director of the Parcel & Logistics Division and preparing the resolution of the Supervisory Board on the appointment. It also prepared the job announcement for the position of Member of the Management Board and Director of the Mail & Branch Network Division in accordance with the stipulations contained in the Public

Appointment Act. The Remuneration Committee dealt with the employment contract of Peter Umundum and the variable remuneration paid to the entire Management Board.

The Parcel & Logistics Committee convened three times, dealing with complex strategic issues relating to the Parcel & Logistics Division. The committee regularly reported about the results and relevant recommendations to the Supervisory Board.

Consolidated and annual financial statements for 2015

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft was appointed by the Annual General Meeting held on April 15, 2015, to serve as the auditor of the company's annual financial statements and consolidated annual financial statements for the 2015 financial year.

The annual financial statements and consolidated annual financial statements of Austrian Post as at December 31, 2015, were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and were granted an unqualified auditor's opinion. The Management Report and Group Management Report are consistent with the company and consolidated annual financial statements. All documentation relating to the annual financial statements, the profit appropriation proposal as submitted by the Management Board, the Corporate Governance Report and the auditor's report were thoroughly discussed in the Audit Committee together with the auditors and subsequently presented to the Supervisory Board.

The Supervisory Board examined all the documents in accordance with Section 96 of the Austrian Stock Corporation Act, and did not discover any inconsistencies or objections. As a result, it formally approved the results of the audit. The Supervisory Board formally approved the annual financial statements for the 2015 financial year, which are hereby adopted in accordance with Section 96 Para. 4 of the Austrian Stock Corporation Act, and declares its acceptance of the IFRS consolidated financial statements, the Management Report, the Group Management Report and the Corporate Governance Report pursuant to Section 245a of the Austrian Commercial Code.

The Supervisory Board concurs with the Management Board's proposal to distribute a basic dividend of EUR 131,727,664.10 from the net profit amounting to EUR 132,967,882.19 and to carry forward the balance of EUR 1,240,238.09 to the new account.

Finally, on behalf of the entire Supervisory Board, I would like to express my gratitude and appreciation to all the members of the Management Board as well as all employees for their successful work during the past financial year. In particular, special thanks are also owed to the customers and shareholders of Austrian Post for their trust and confidence in the company.

March 9, 2016

Edith Hlawati m.p.
Chairwoman of the Supervisory Board