

# Francotyp-Postalia Holding AG

Unaudited Financial Statements Q1 2010



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# AGENDA

Summary Q1/2010

Financial Statements Q1/2010

Outlook

Appendix



# Summary First Quarter 2010



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# Free Cash Flow and EBITDA Remain Strong

## Key Figures

€million	Q1 2009	Q1 2010
Revenues	34.2	33.6
EBITDA before restructuring in % of revenues	5.8 17.0	7.1 21.1
EBITDA in % of revenues	5.3 15.5	7.1 21.1
Net Loss	-2.0	-0.7
Free Cash Flow	2.1	5.0
Installed Base	267,726	258,828

- Revenues decline by 1.8%
- Decreasing **installed base** due to difficult economical environment and statistical adjustments
- Increase of EBITDA by 34%
- Further improvement of net income
- Strong free cash flow of €5.0m

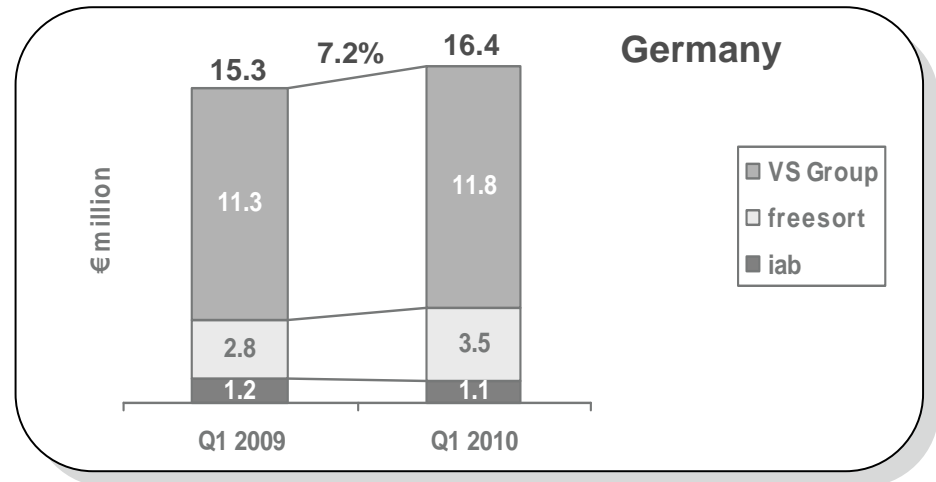
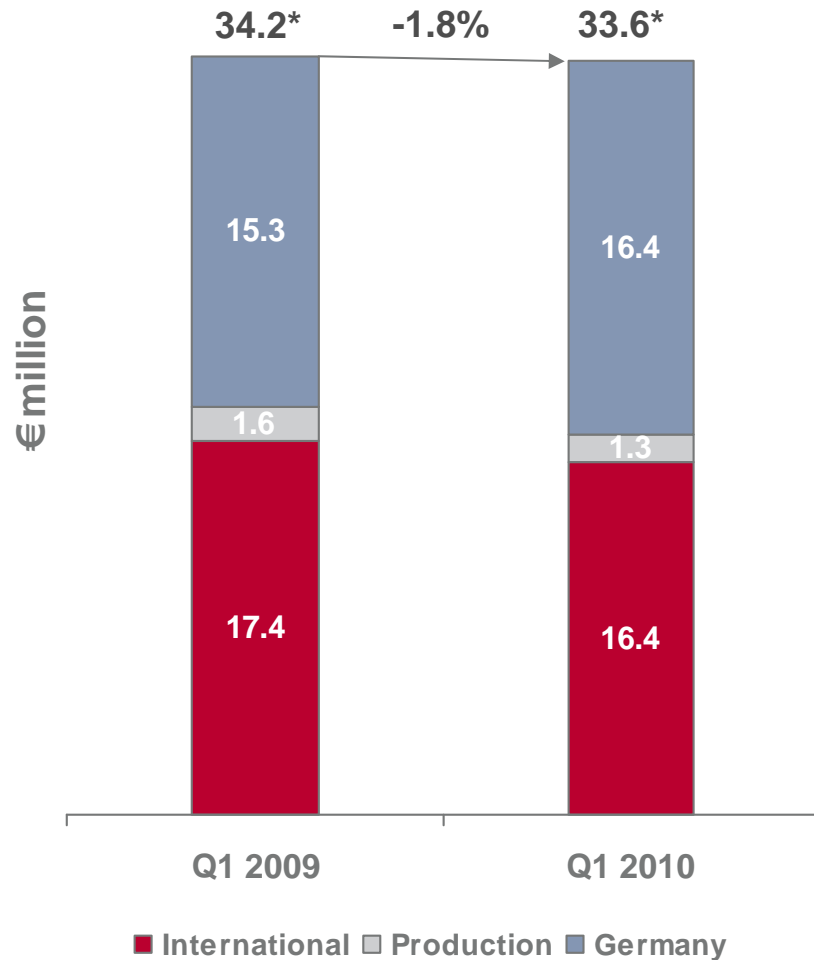
# Financial Statements First Quarter 2010



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# Revenues Nearly on Previous Year's Level

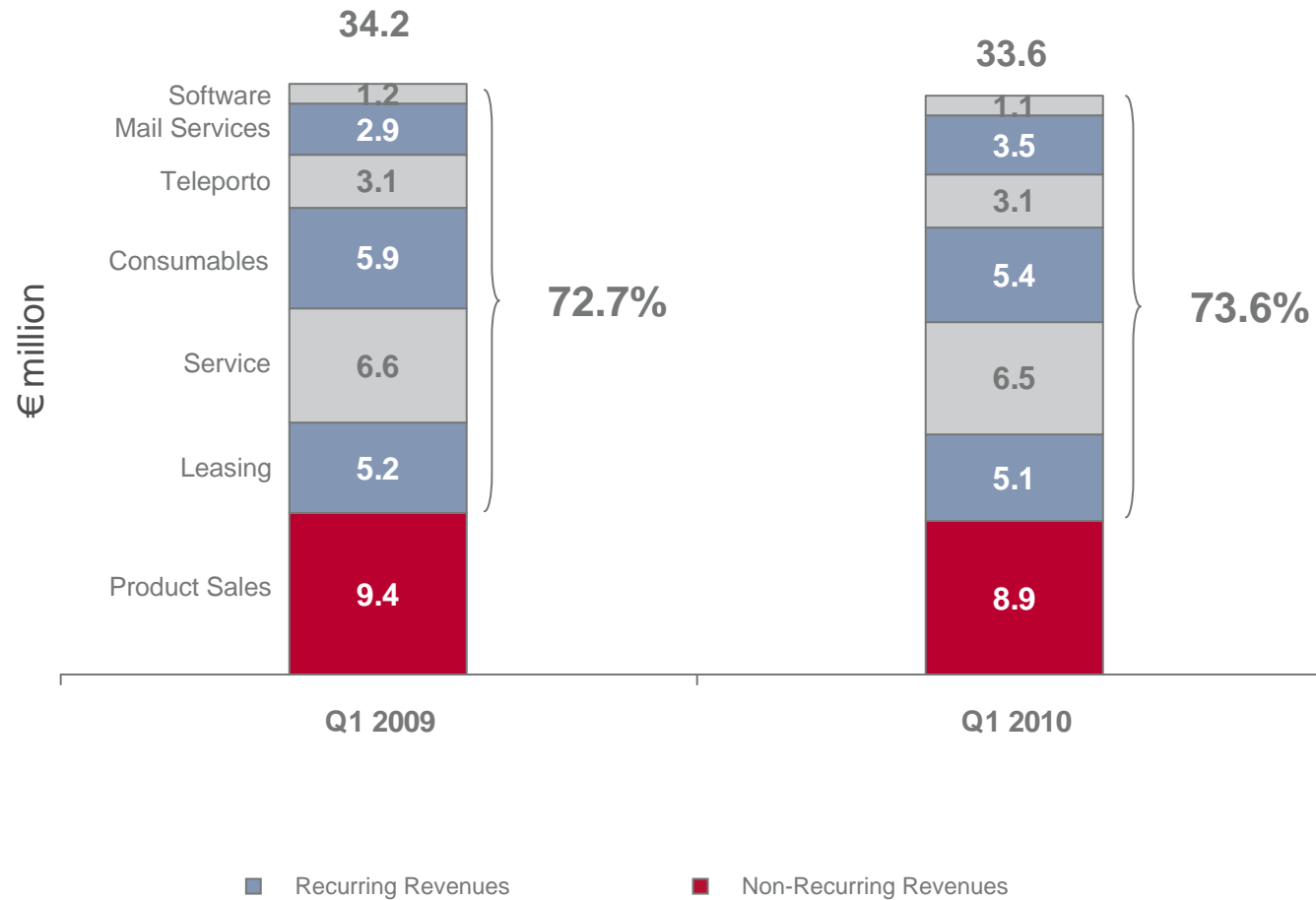
## Revenues



- **Positive development** of VS Group and freesort
- International revenues affected mainly by **currency effects** of €-0.3m
- **Difficult economic environment** in U.S. impacted Q1/2010 revenues by €-0.5m

\* Segments according to IFRS 8. Differences to total revenues are not shown here.

# FP Benefits from its High Proportion of Recurring Revenues



# Strong Market Position of FP Group in Mature Markets

## Global Market Franking Machines

- Installed base: 2.6m

## FP Market Share Franking Machines

- 9.9% global market share
- 259k Installed base
- Installed base >80 countries worldwide

FP Market Share	2006	Changes %	Q1 2010
Germany	44.8%	-2.7	43.6%
US	4.1%	+14.6	4.7%
UK	7.0%	+24.3	8.7%
Scandinavia	15.5%	-8.1	14.3%
Global	9.2%	+7.6	9.9%



# Further Improvement of Profitability

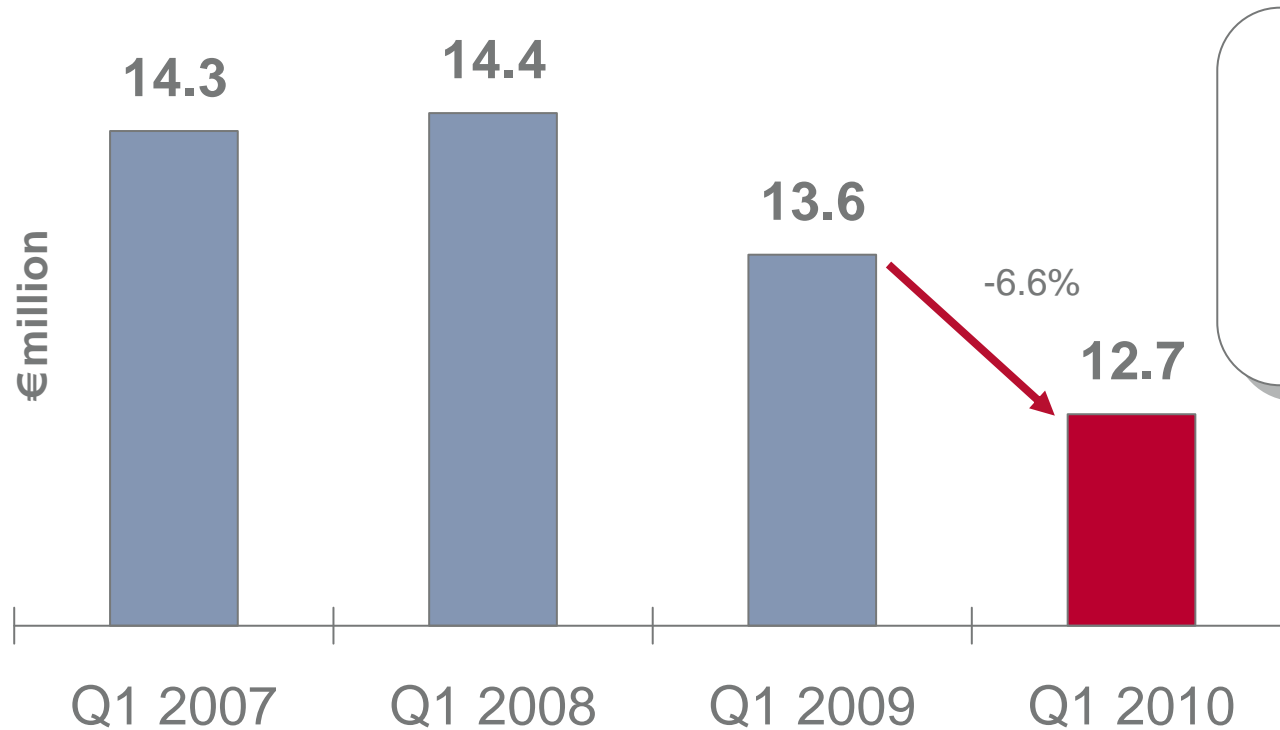
€ million	Q1 2009	Q1 2010	Changes %
<b>Revenues</b>	<b>34.2</b>	<b>33.6</b>	<b>-1.8</b>
Change in inventories	-0.1	1.0	n/a
Own work capitalised	1.1	1.9	72.7
<b>Total output</b>	<b>35.2</b>	<b>36.4</b>	<b>3.4</b>
Material expenses	8.8	9.2	4.5
in % of revenue	25.7	27.4	
<b>Gross profit</b>	<b>26.4</b>	<b>27.2</b>	<b>3.3</b>
Personnel expenses	13.6	12.7	-6.6
in % of revenue	39.7	37.7	
Operating expenses /. income	7.6	7.5	-1.3
<b>EBITDA before restructuring</b>	<b>5.8</b>	<b>7.1</b>	<b>22.4</b>
in % of revenue	17.0	21.1	
<b>EBITDA</b>	<b>5.3</b>	<b>7.1</b>	<b>34.0</b>
in % of revenue	15.5	21.1	
Depreciation	3.0	2.5	-16.7
<b>EBITA</b>	<b>2.3</b>	<b>4.6</b>	<b>100.0</b>
Amortisation	3.1	3.1	0
<b>EBIT</b>	<b>-0.8</b>	<b>1.5</b>	<b>n/a</b>
Interest result	-1.0	-1.0	0
Financial result	-0.5	-0.5	0
Tax result	0.3	-0.6	n/a
<b>Net profit/loss*</b>	<b>-2.0</b>	<b>-0.7</b>	<b>65.0</b>
<b>EPS (€)**</b>	<b>-0.13</b>	<b>-0.04</b>	

\* before minorities

\*\* after minorities

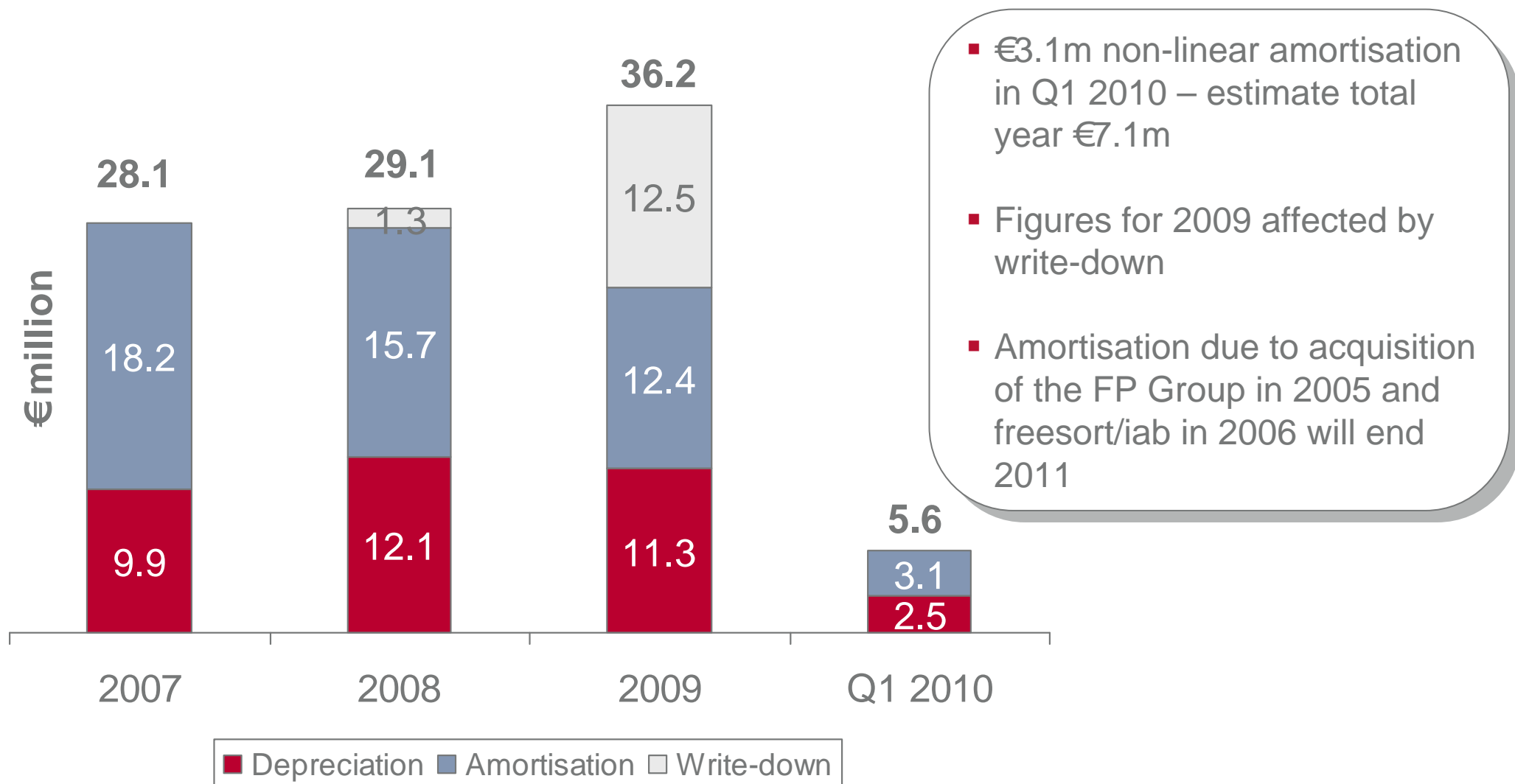
- **Change in inventories** due to stronger order backlog
- Corresponding increase in **material expenses**
- Further reduction of **personnel expenses**
- Ongoing **positive development of EBITDA and EBITDA margin**
- **Lower depreciation led to positive EBIT of €1.5m**

# Lower Personnel Expenses Pave the Way for Higher Profitability

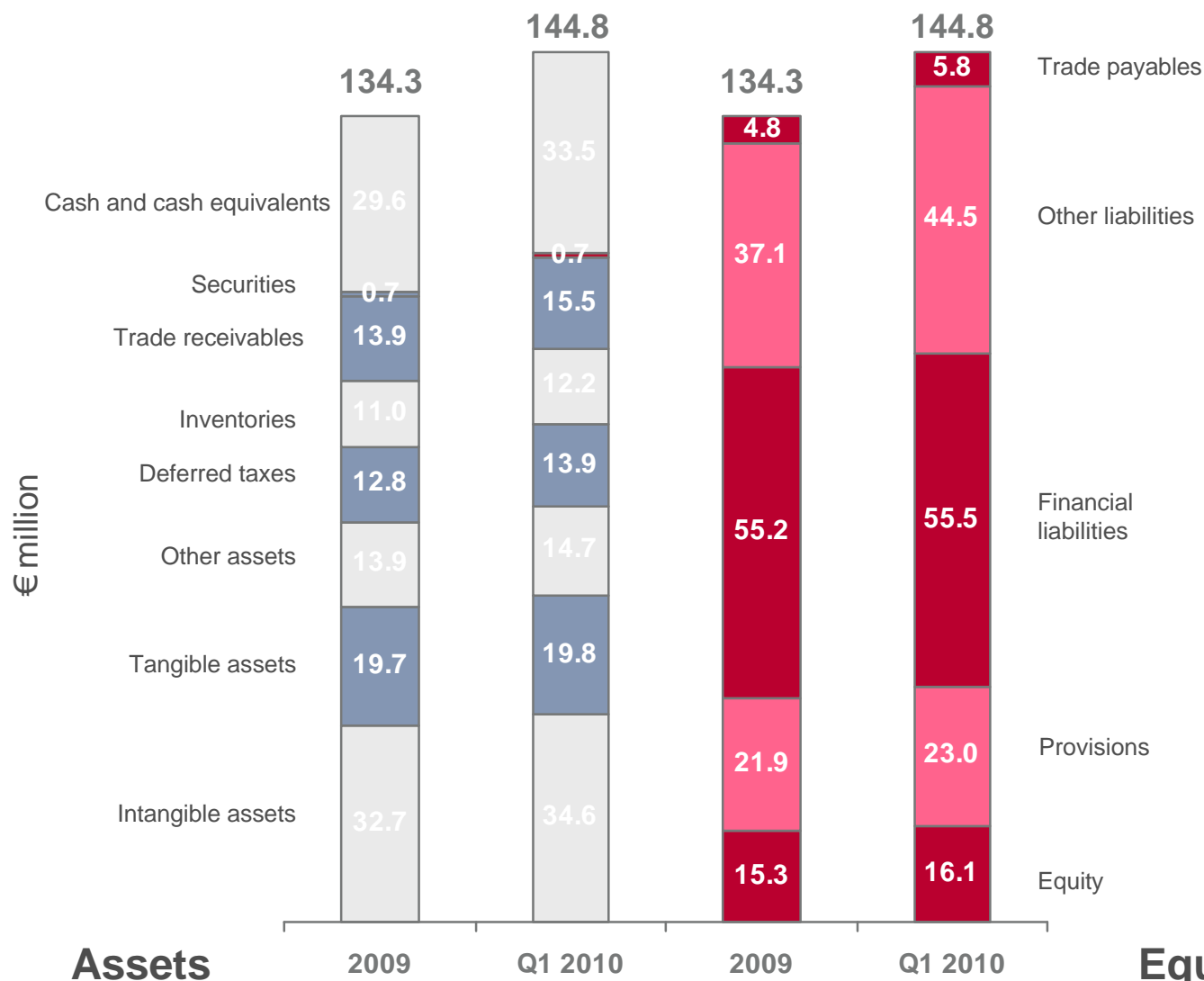


- “Standortsicherungsvertrag” (continuation of site agreement) -€0.7m
- Less employees worldwide

## Lower Amortisation and Depreciation in 2010

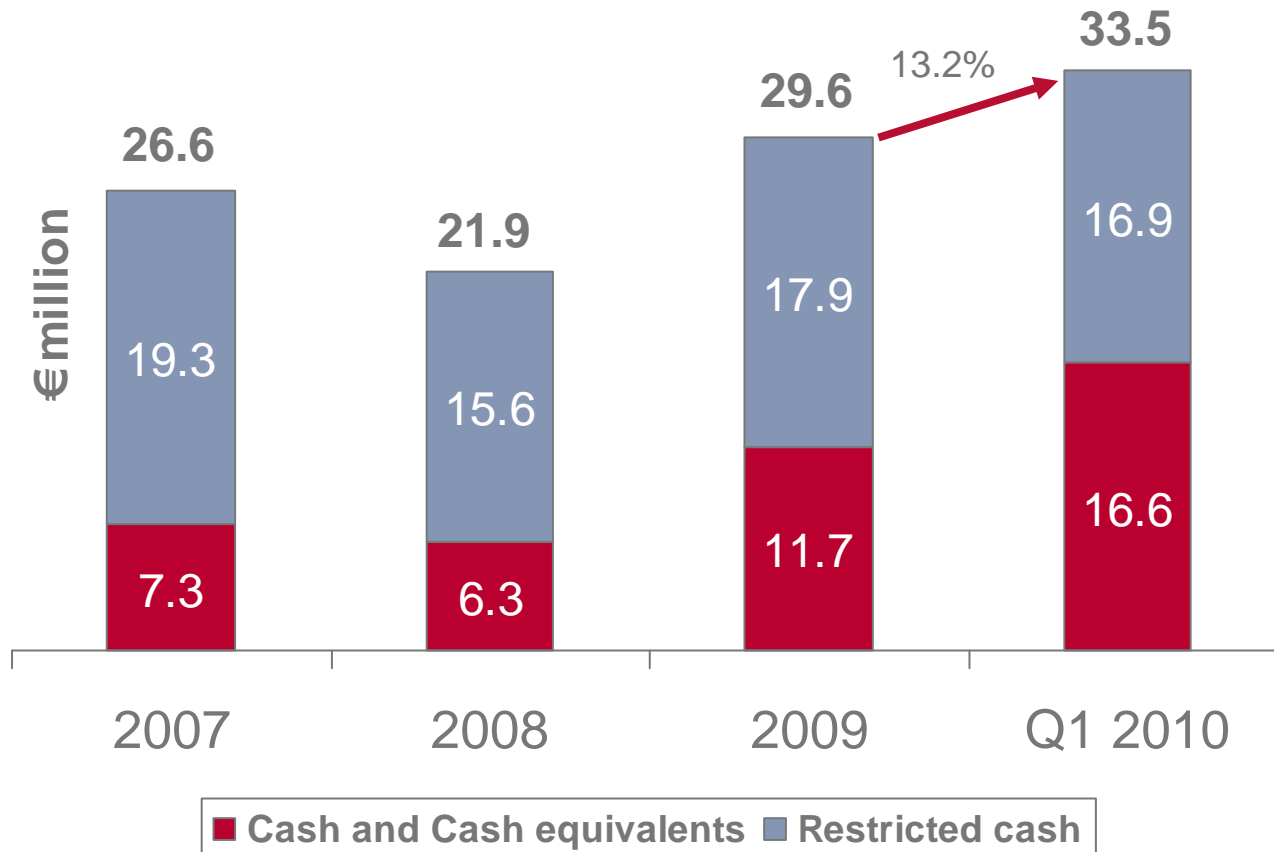


# Consolidated Balance Sheet

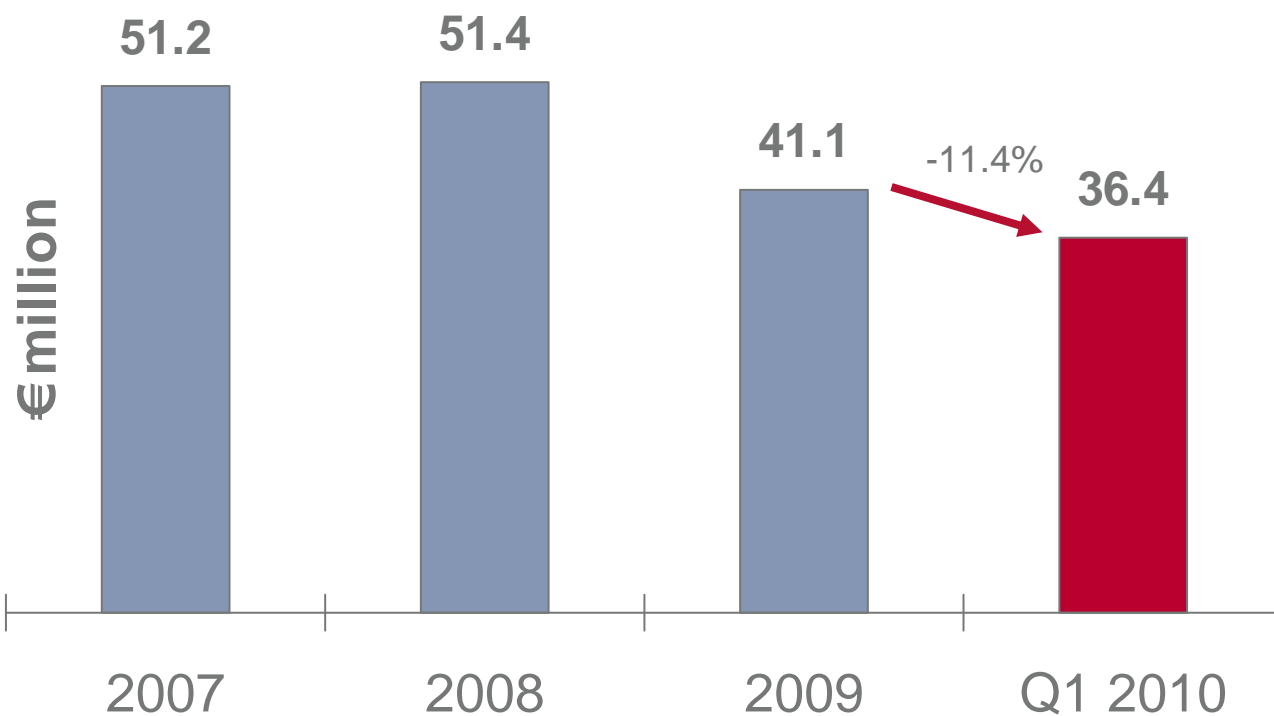


- Further **significantly improvement of cash and cash equivalents**
- Rise of **other liabilities** due to purchase of Swedish business and deferred income
- **Net debt of €36.0m** (€41.1m in 2009)
- **Working Capital of €21.9m** (€20.1m in 2009)
- Slight improvement of equity
- **Equity ratio of 11.1%** (11.4% in 2009)

# Significantly Improved Cash and Cash Equivalents



# Net Debt Continue to Decrease



## Net Debt Q1 2010:

Financial liabilities €55.5m

Cash and cash equivalents €19.1m

(= €33.5m cash and cash equivalents  
-€16.9m restricted cash  
+€0.7m securities  
+ €1.8m own shares)

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Total €36.4m

# Strong Free Cash Flow

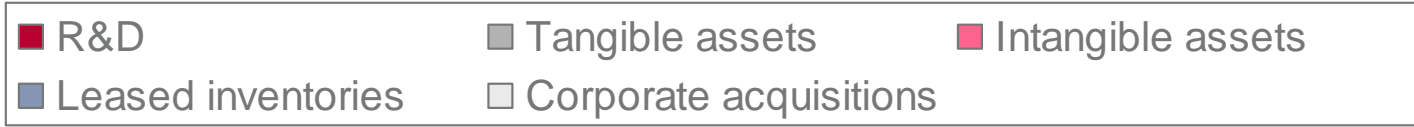
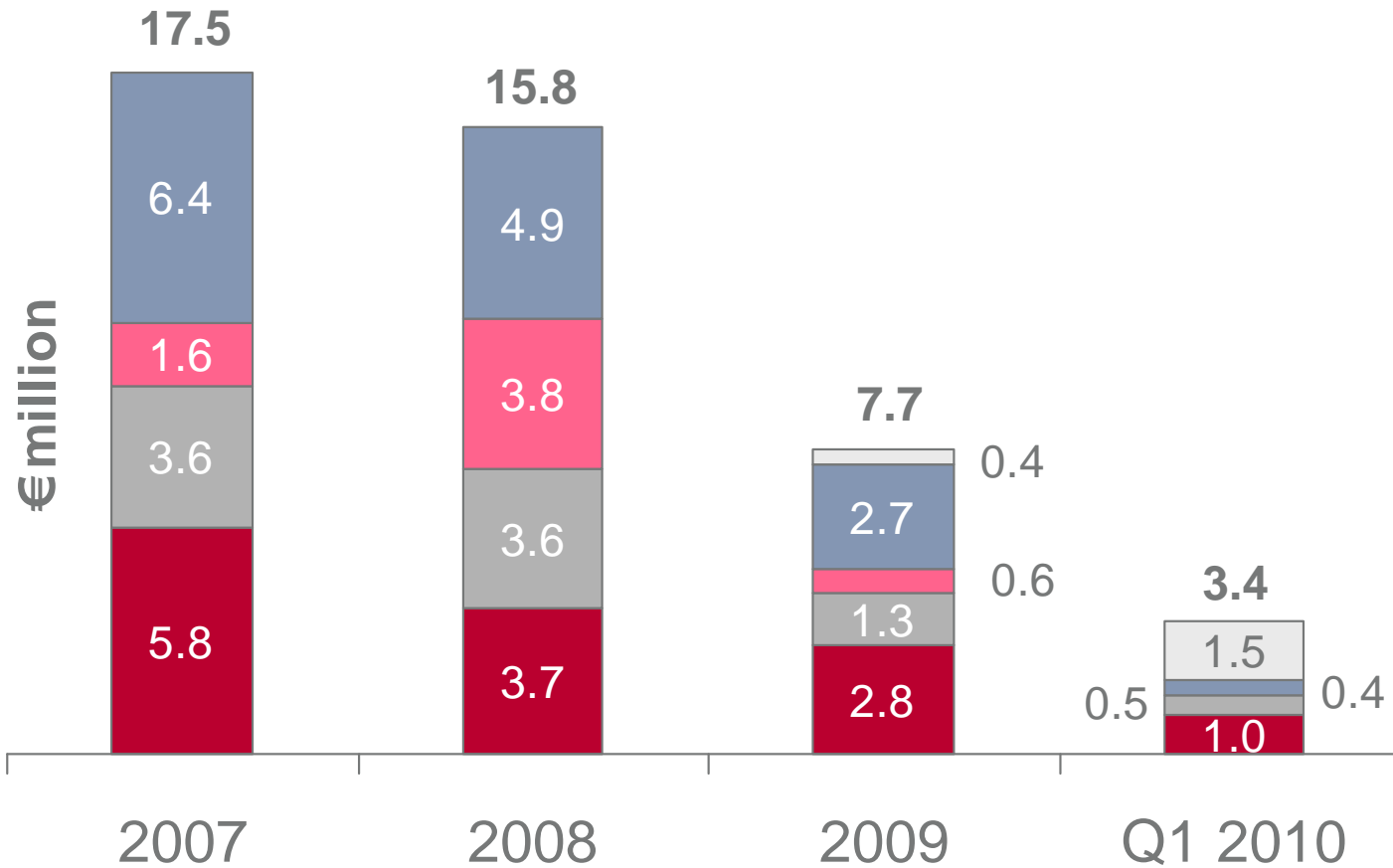
€ million	Q1 2009	Q1 2010
<b>Cash flow from operating activities</b>	<b>4.5</b>	<b>8.4</b>
<b>Cash flow from investing activities</b>	<b>-2.4</b>	<b>-3.4</b>
thereof:		
R&D	-0.5	-1.0
Tangible assets	-0.7	-0.5
Intangible assets	-0.1	-0.0
Leased inventories	-0.9	-0.4
Corporate acquisitions	-0.2	-1.5
<b>Free cash flow</b>	<b>2.1</b>	<b>5.0</b>
<b>Cash flow from financing activities</b>	<b>-0.2</b>	<b>-0.3</b>
<b>Cash and cash equivalents</b>	<b>8.9**</b>	<b>17.3**</b>

## Change in comparison to Q1 2009:

- EBITDA + €2.3m
- Change in Working Capital + €0.7m
- Change in provisions + €0.7m

\*\* including €0.7m securities (Q12009: €0.7m). Excluding restricted cash €16.9m (Q1/2009: €16.3m)

# Clear Investment Focus on R&D



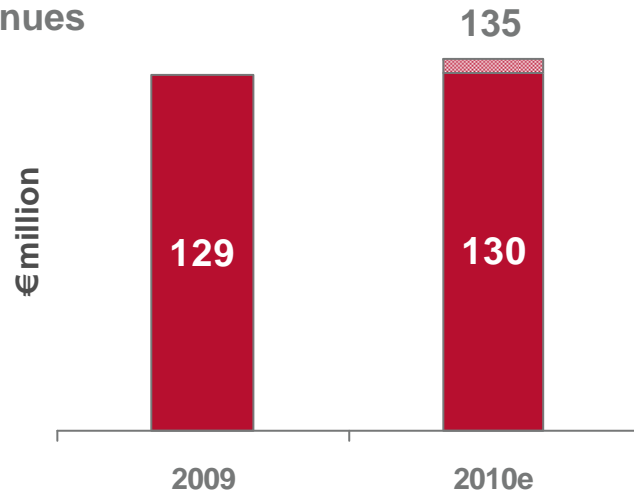
# Outlook



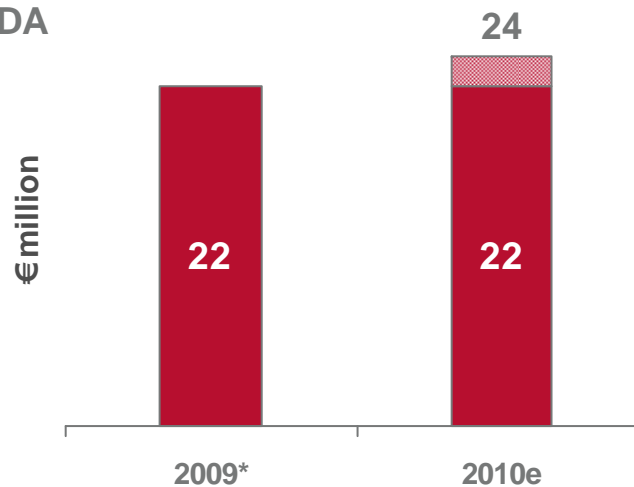
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# FP Assumes Positive Trend in the Group's Revenue and EBITDA

## Revenues



## EBITDA



- Franking and inserting segment will grow organically
- Good opportunities for growth in the software and service segments, depending on economic and legal conditions.
- Increased dovetailing of franking and inserting segments with software solutions and services segments

\* before restructuring

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**Thank you for your attention.**

**We will now be happy to answer your questions.**

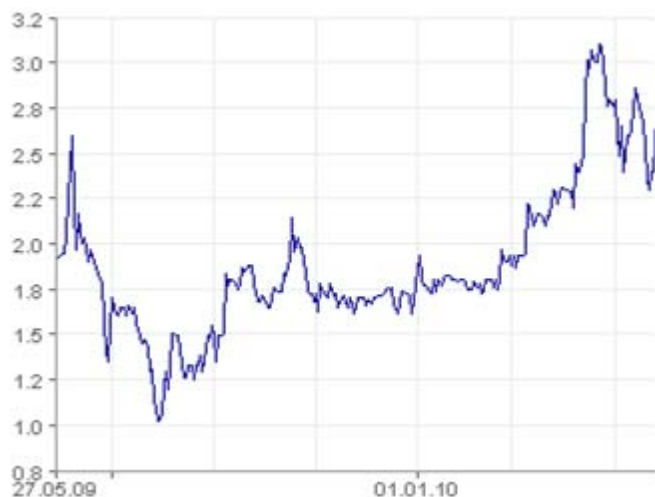


# Appendix



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# FP Stock Information



ISIN: DE000FHP9000  
Segment: Prime Standard/ All Industrial  
IPO: 30 November 2006  
Reuters: FPHG.DE  
Free Float: 71.18%  
Shares: 14.7 million  
Market Cap 40.0 million (27 May 2010)

## Main Investors:

Quadriga Capital Private Equity Fund II L.P.	22.4%
Quadriga Capital Ltd.	3.9%

## Free Float

Amiral Gestion	11.30%
Financière de l'Echiquier	5.11%
Eric Spoerndli	5.02%
Stockwell Fund	4.98%
KBL Richelieu Gestion	4.85%
Baillie Gifford & Co	3.78%
Orsay Asset Management SNC	3.06%
Treasury Stock	2.5%



# Financial Calendar

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Half Yearly Results	26 August 2010
Annual General Meeting	1 July 2010
Results Q3 2009	18 November 2010



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# Disclaimer

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This report contains forward-looking statements on the business development of the Francotyp-Postalia Group. These statements are based on assumptions relating to the development of the economic and legal environment in individual countries and economic regions, which we have made on the basis of the information available to us and which we consider to be realistic at the time of going to press. The estimates given entail a degree of risk, and the actual developments may differ from those forecast. Consequently, any unexpected fall in demand or economic stagnation in our key sales markets, such as Western Europe (and especially Germany) or in the USA, UK, or Canada, and Singapore will have a corresponding impact on the development of our business. The same applies in the event of a significant shift in current exchange rates relative to the US dollar, sterling, Canadian dollars and Singapore dollars. In addition, expected business development may vary if the assessments of value-enhancing factors and risks presented in the 2009 Annual Report develop in a way other than we are currently expecting.

