Francotyp-Postalia Holding AG

Unaudited Financial Statements HY 2010

YOUR MAIL IS OUR BUSINESS

AGENDA

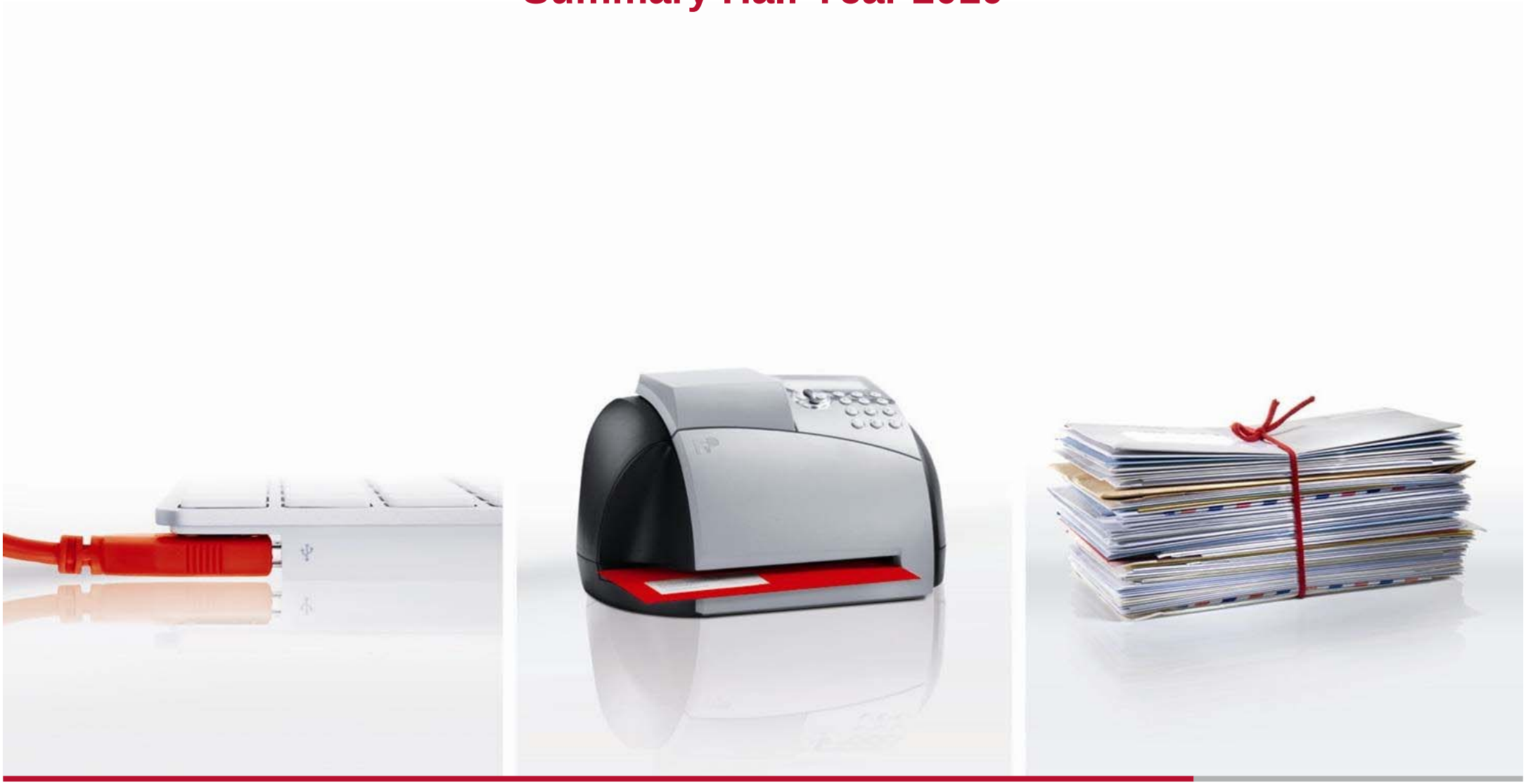
Summary HY 2010

Financial Statements HY 2010

Outlook

Appendix

Summary Half Year 2010



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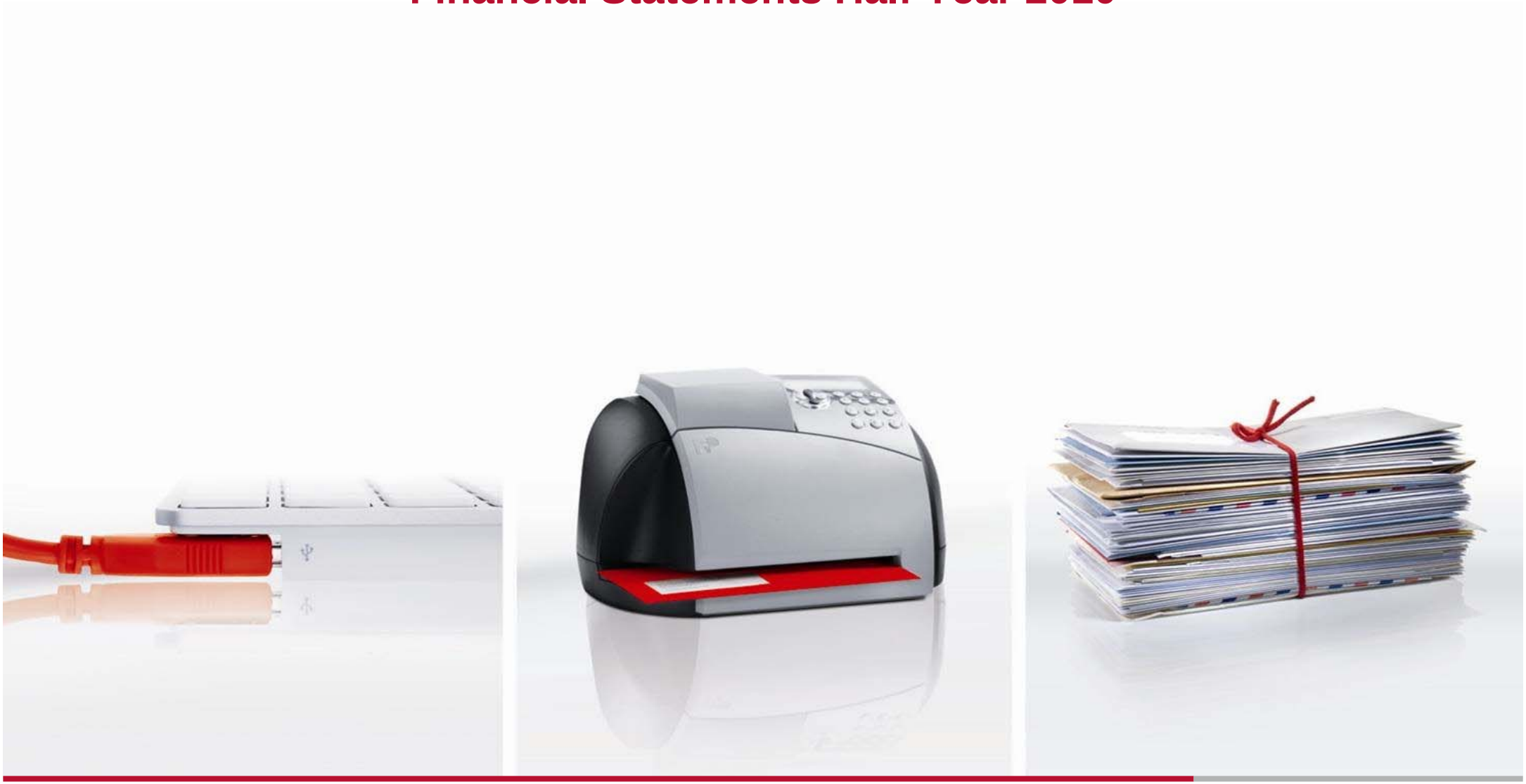
Free Cash Flow and EBITDA Remain Strong

Key Figures

€ million	HY 2009	HY 2010	change %
Revenue	**66.8**	**66.0**	-1.2
EBITDA **before restructuring**	**10.2**	**12.8**	25.5
in % of revenues	15.3	19.4	
EBITDA	**9.5**	**12.8**	34.7
in % of revenues	14.2	19.4	
Net Loss	**-4.8**	**-0.8**	83.3
Free Cash Flow	**3.3**	**4.9**	48.5
Installed Base (thousand)	**265**	**257**	-3.0

- **Revenue** nearly on previous year's level
- Decreasing **installed base** mainly due to statistical adjustments
- **Increase** of **EBITDA** by 34.7%
- **Further improvement** of net income
- **Strong free cash flow** of €4.9m

Financial Statements Half Year 2010



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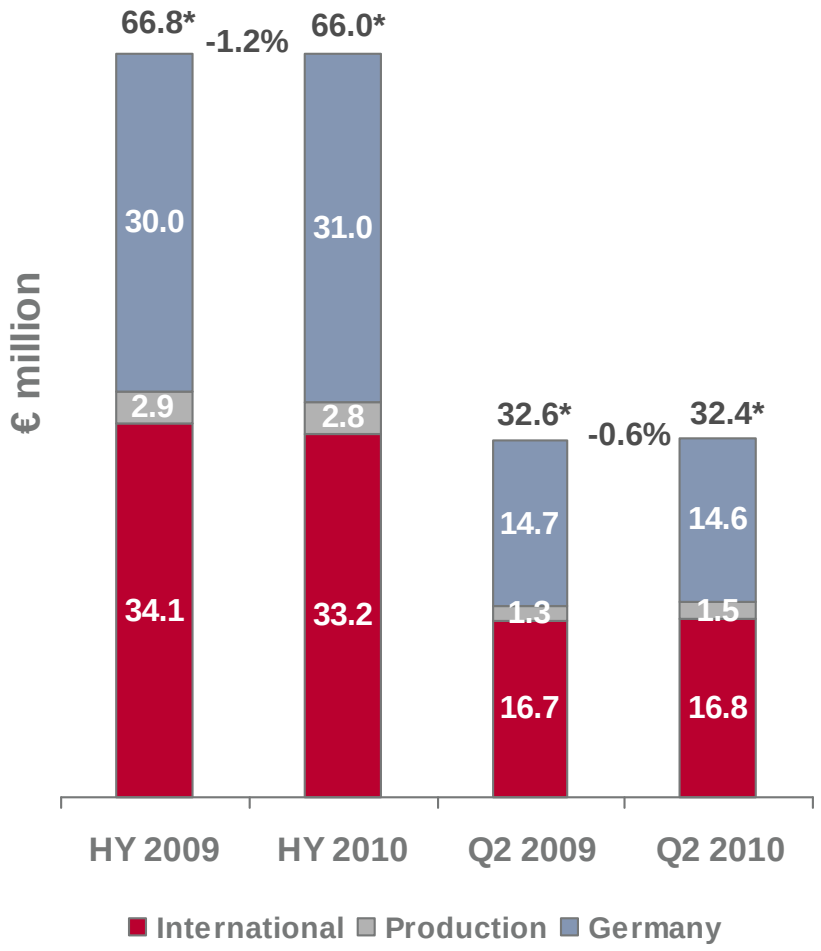
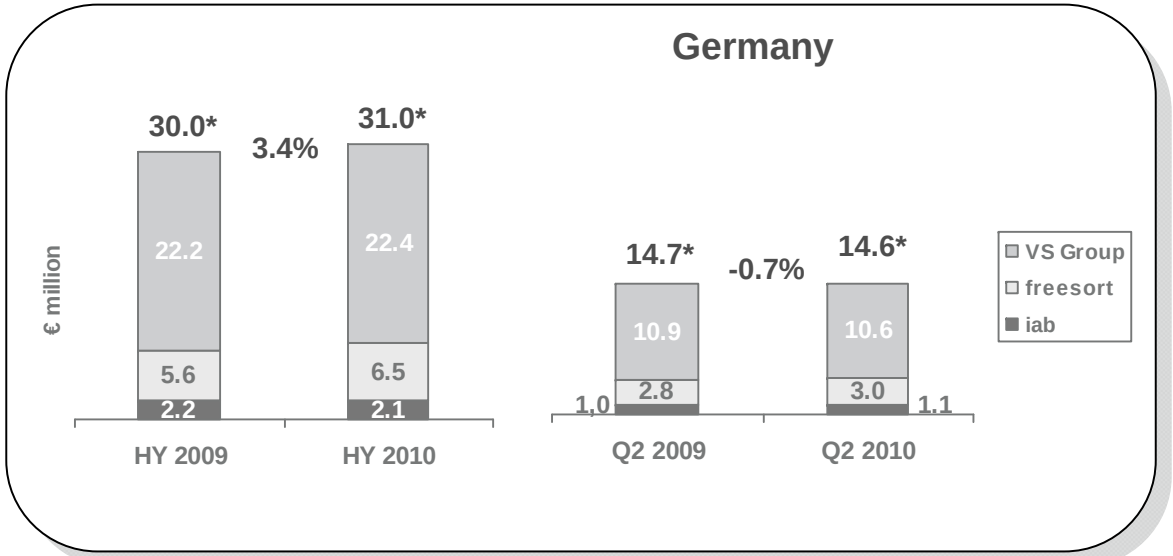
Stabilisation of Revenues in 2010

Revenues

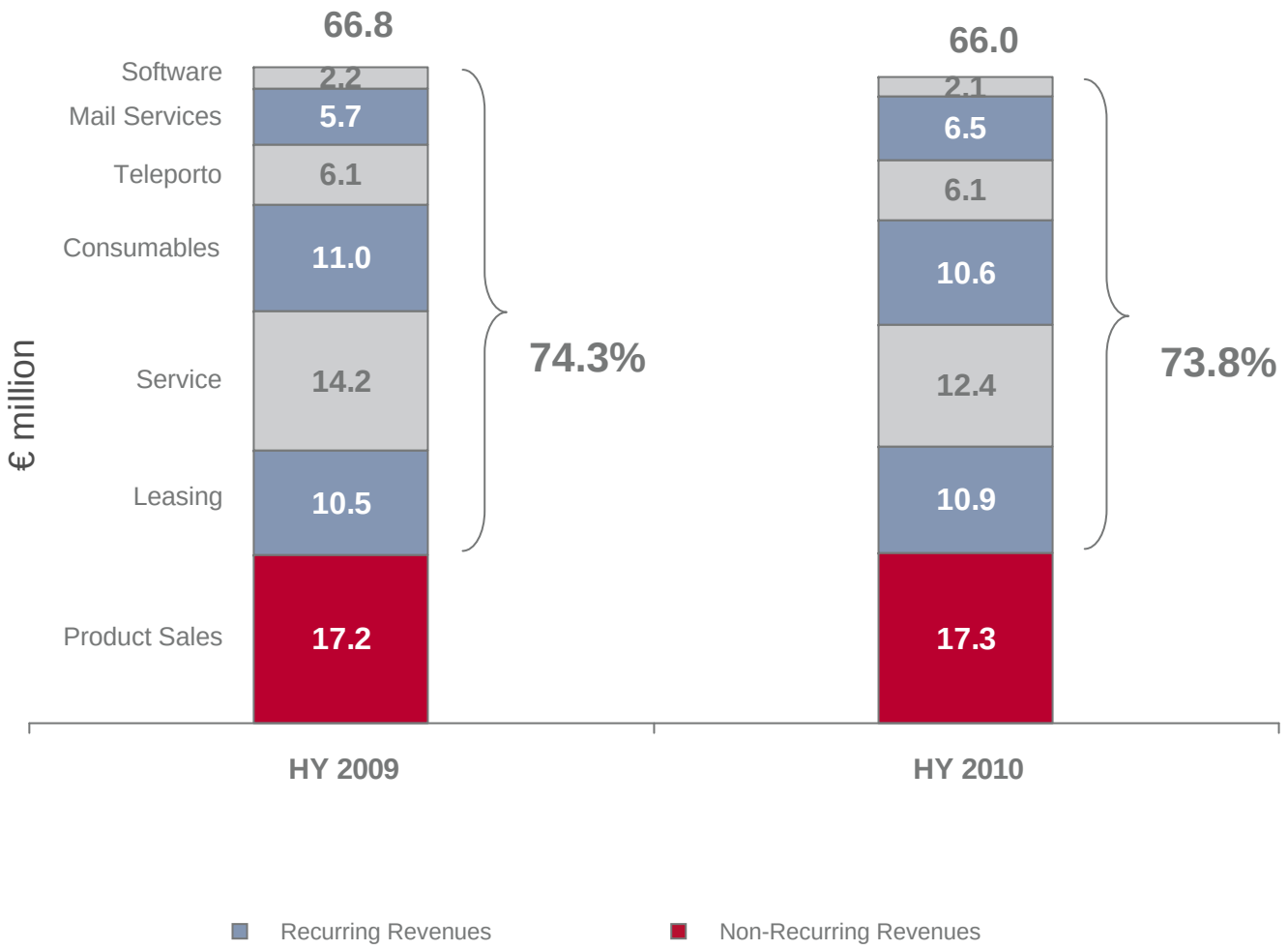


* Segments according to IFRS 8. Differences to total revenues are not shown here.



- **VS Group** with **slight increase** of **revenues** on half-year's level but weaker performance in Q2 due to less **consumables** and **service**
- **freesort** shows **revenue growth** of approx. **16%**; **iab** on **previous year's level**
- **International revenues** affected mainly by **missing rate change in US** (-€1.5m)

Change in Revenue-Split reflects Economic Situation



- Positive development of Mail Services
- Teleporto remains stable
- Revenue in **consumables** declines **mainly** due to weak **economic situation** in **Germany**
- **Missing rate change in US** shows **negative impact** on **service**
- **Positive currency effect** in leasing and product sales

FP Gains Market Shares in US and UK

Global Market Franking Machines

- **Installed base: 2.6m**

FP Market Share

- **9.9% global market share**
- **257k Installed base**
- **Installed base >80 countries worldwide**

FP Market Share	2006	Changes %	HY 2010
Germany	44.8%	-3.1	43.4%
US	4.1%	+17.1	4.8%
UK	7.0%	+27.1	8.9%
Scandinavia	15.5%	-8.4	14.2%
Global	9.2%	+7.6	9.9%

Further Improvement of EBITDA in 2010

€ million	HY 2009	HY 2010	change %	Q2 2009	Q2 2010	change %
Revenue	**66.8**	**66.0**	**-1.2**	**32.6**	**32.4**	**-0.6**
Change in inventories	-0.8	0.6	n/a	-0.7	-0.4	42.9
Own work capitalised	2.7	3.0	11.1	1.7	1.1	-35.3
Total output	**68.8**	**69.6**	**1.1**	**33.6**	**33.1**	**-1.5**
Material expenses	17.6	17.0	-3.4	8.7	7.8	-10.3
in % of revenue	26.3	25.8		26.7	24.1	
Gross profit	**51.2**	**52.6**	**2.7**	**24.9**	**25.3**	**1.6**
Personnel expenses	26.9	25.5	-5.2	13.3	12.8	-3.8
in % of revenue	40.3	38.6		40.8	39.5	
Operating expenses ./. income	14.8	14.3	-3.4	7.2	6.8	-5.6
EBITDA before restructuring	**10.2**	**12.8**	25.5	**4.5**	**5.7**	26.7
in % of revenue	15.3	19.4		13.8	17.6	
EBITDA	**9.5**	**12.8**	34.7	**4.3**	**5.7**	32.6
in % of revenue	14.2	19.4		13.2	17.6	
Depreciation	5.7	5.3	-7.0	2.8	2.8	10.7
EBITA	**3.8**	**7.5**	**97.4**	**1.4**	**2.9**	**107.1**
Amortisation	6.2	4.7	-24.2	3.1	1.5	-51.6
EBIT	**-2.4**	**2.8**	**n/a**	**-1.6**	**1.3**	**n/a**
in % of revenue	-3.6	4.2		-4.9	7.4	
Interest result	-1.9	-1.7	10.5	-0.9	-0.7	22.2
Financial result	0.0	-1.4	n/a	0.5	-0.9	n/a
Tax result	-0.6	-0.4	33.3	-0.9	0.2	n/a
Net loss*	**-4.8**	**-0.8**	**83.3**	**-2.8**	**-0.1**	**96.4**
EPS (€)**	**-0.32**	**-0.03**	**90.6**	**-0.19**	**0.00**	**n/a**

* before minorities ** after minorities

- **Change in inventories** due to stronger order backlog in Q1 2010; slows down in Q2 2010
- Corresponding decrease in **material expenses**
- Further reduction of **personnel expenses**
- Ongoing **positive development** of **EBITDA** and **EBITDA margin**
- Lower depreciation led to **positive EBIT** of **€2.8m**
- **Net loss** of **only €-0.8m** after €-4.8m in 2009

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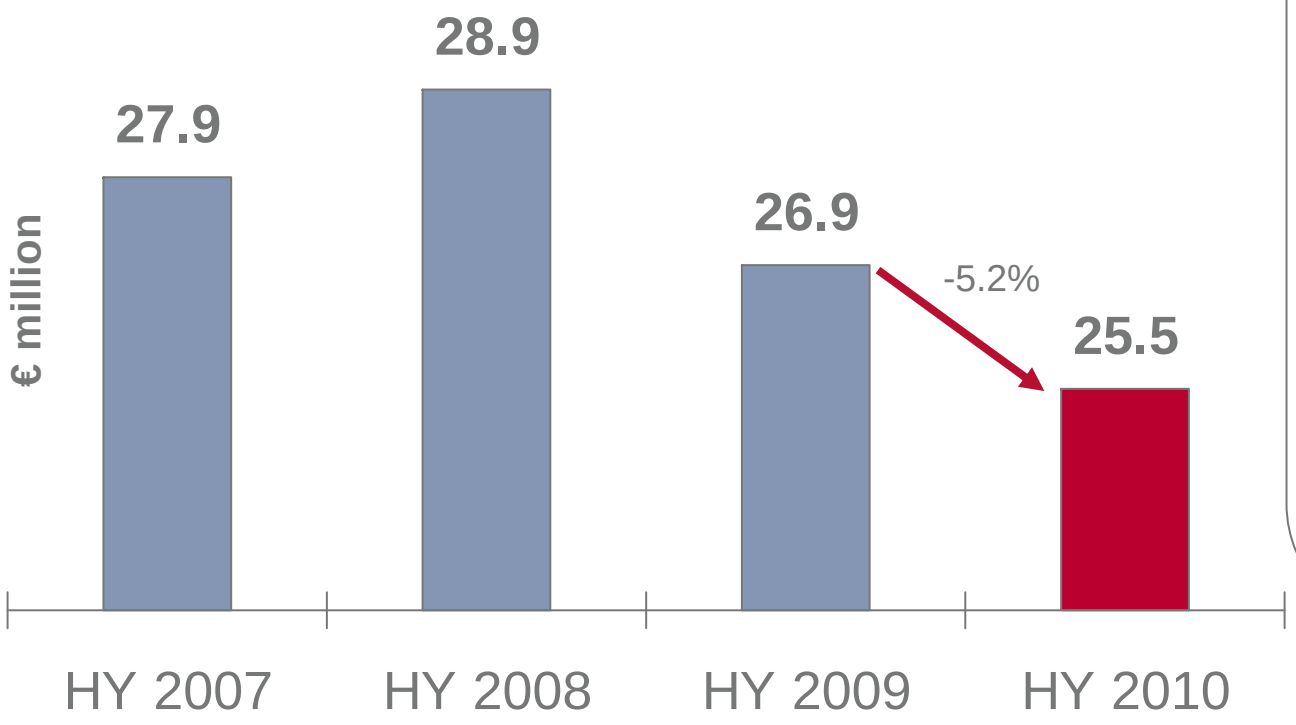
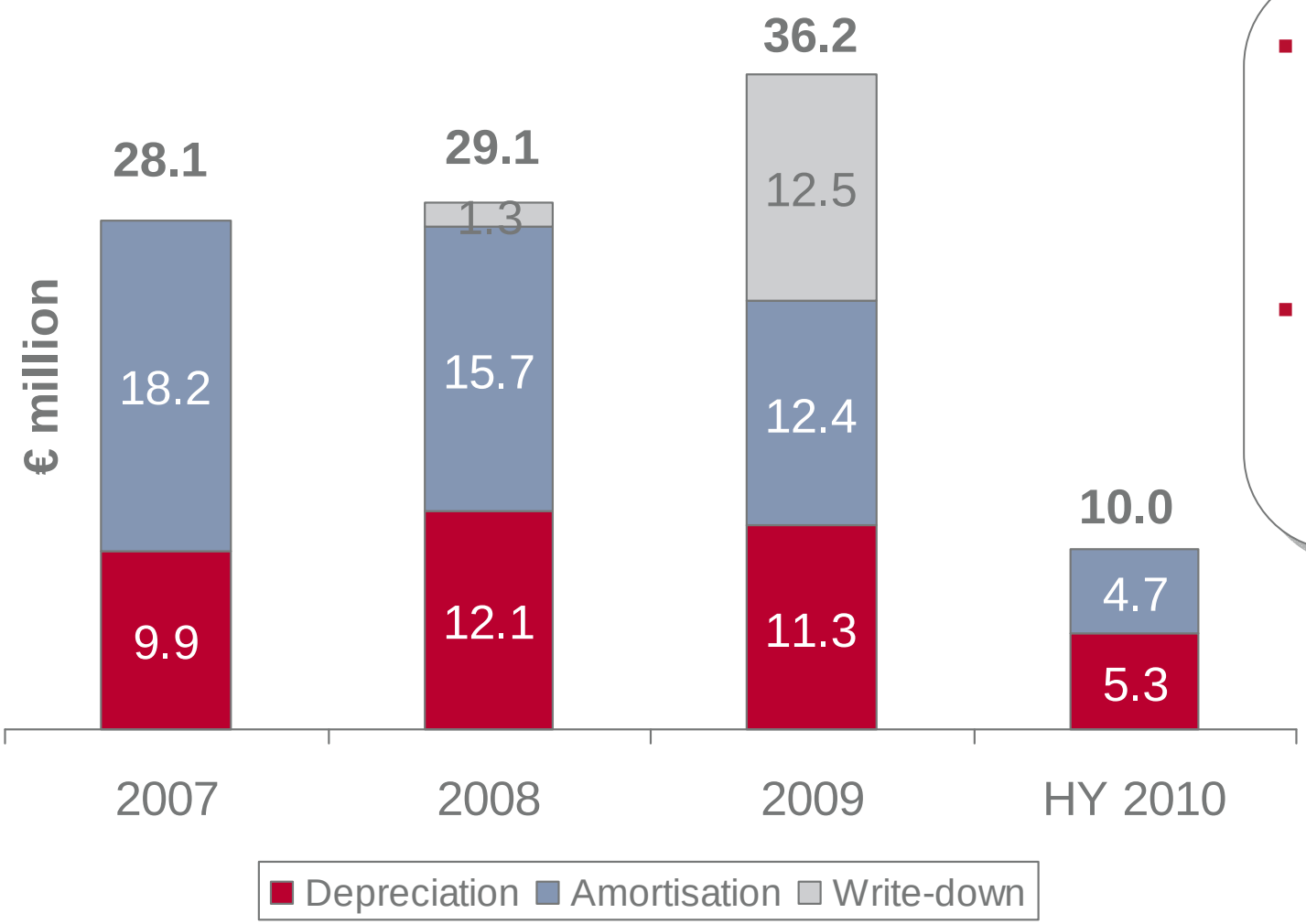
Site Continuation Agreement Pays Off



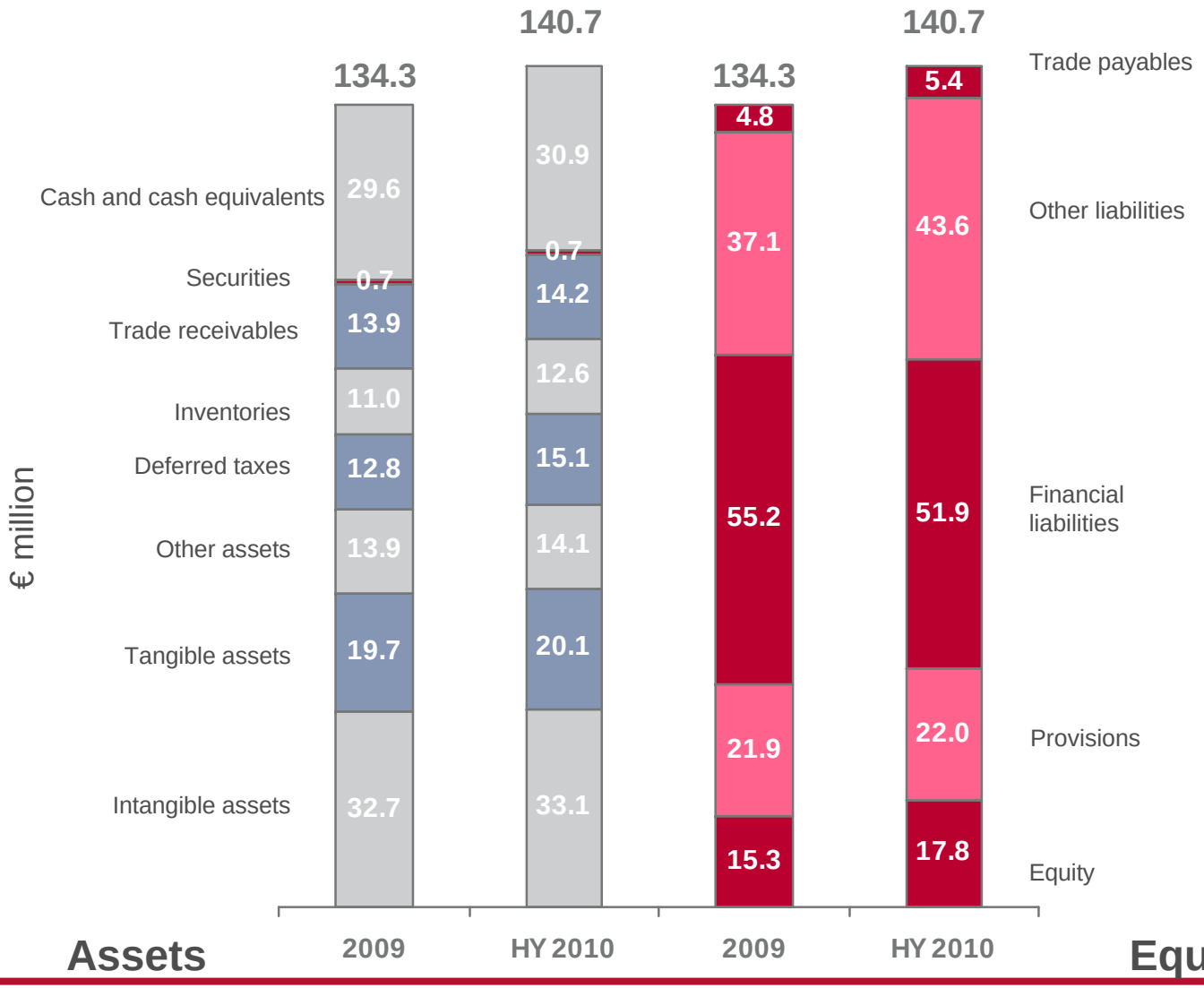
- Reduction of personnel expenses by 5.2%
- Although number of employees increases by 2.2% - basically in Belgium and Sweden
- “Standortsicherungsvertrag” (site continuation agreement) shows impact of -€1.2m

Reduced Amortisation and Depreciation in 2010



- Amortisation due to acquisition of the FP Group in 2005 and freesort/iab in 2006 will end 2011
- €2.8m amortisation in Q2 2010 – estimate figure for **fiscal year 2010 totaled to €7.1m**

Consolidated Balance Sheet

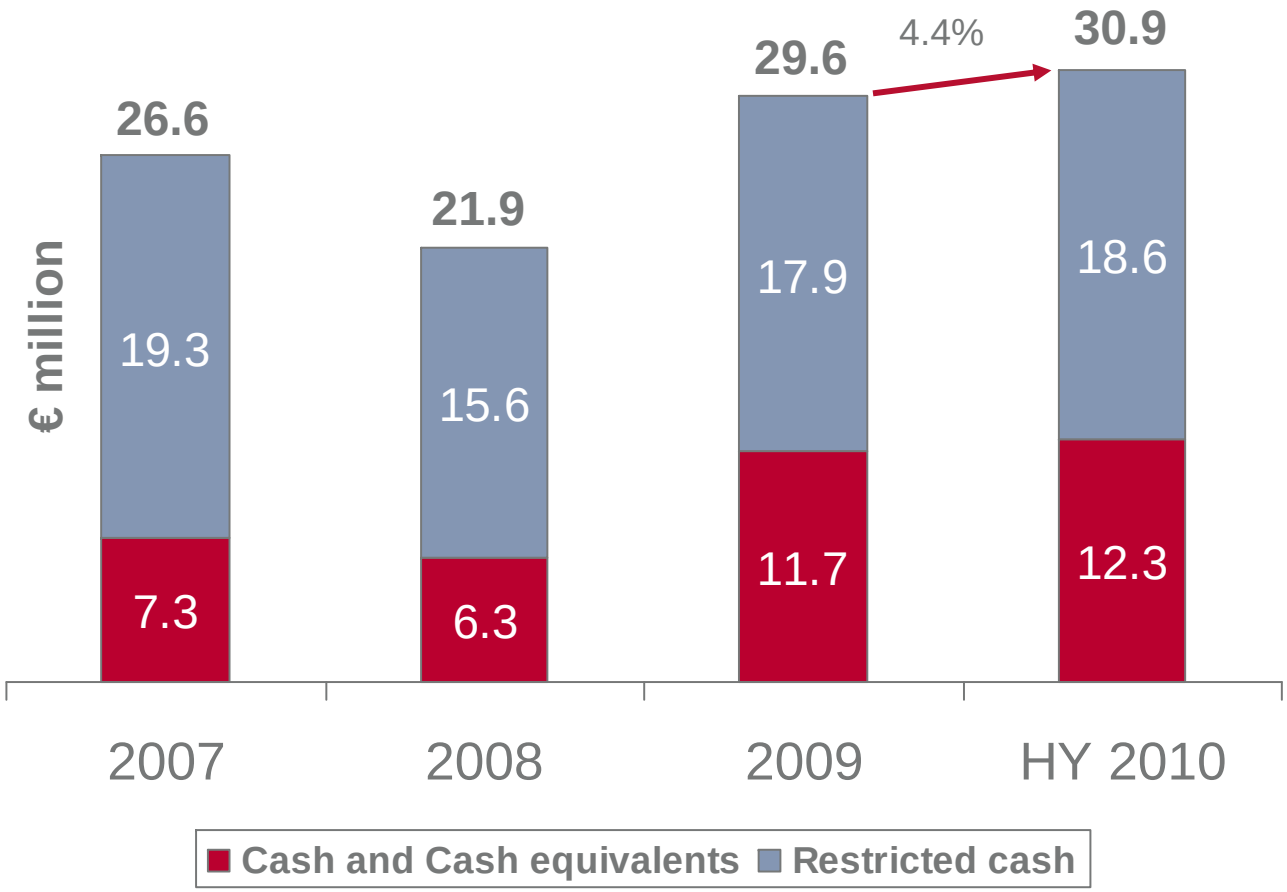


Assets

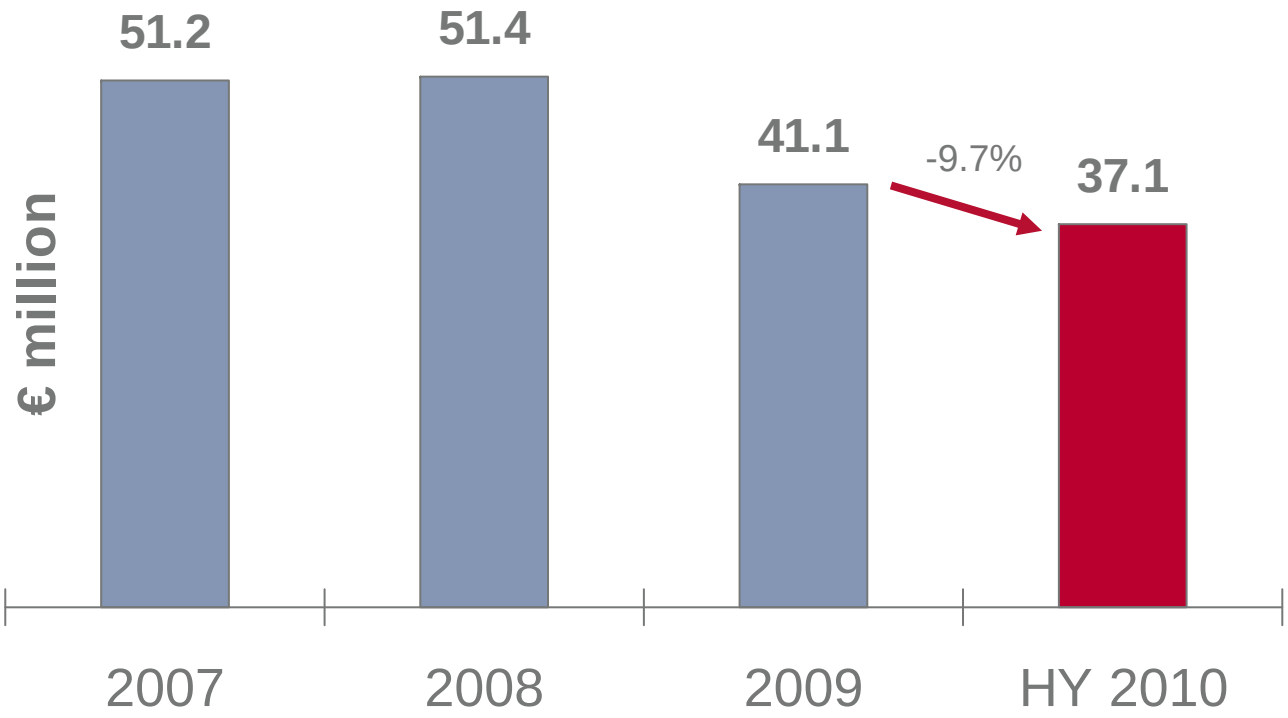
Equity and Liabilities

- **Improvement** of **cash and cash equivalents** despite acquisition of franking machine business in Sweden (€3.5m) and unscheduled repayment of the loan
- Rise of **other liabilities** due to advanced billing of service contracts (€3.3m) and deffered income (€0.8m)
- **Net debt of €37.1m** (€41.1m in 2009)
- **Working Capital** of €21.4m (€20.1m in 2009)
- Slight further improvement of equity
- **Equity ratio** of **12.7%** (11.4% in 2009)

Continued Positive Development of Cash and Cash Equivalents



Further Decrease of Net Debt



Net Debt HY 2010:

Financial liabilities	€51.9m
Cash and cash equivalents	€14.8m

(= €30.9m cash and cash equivalents
-€18.6m restricted cash
+€0.7m securities
+ €1.8m own shares)

Total	€37.1m

Cash Flow Statement

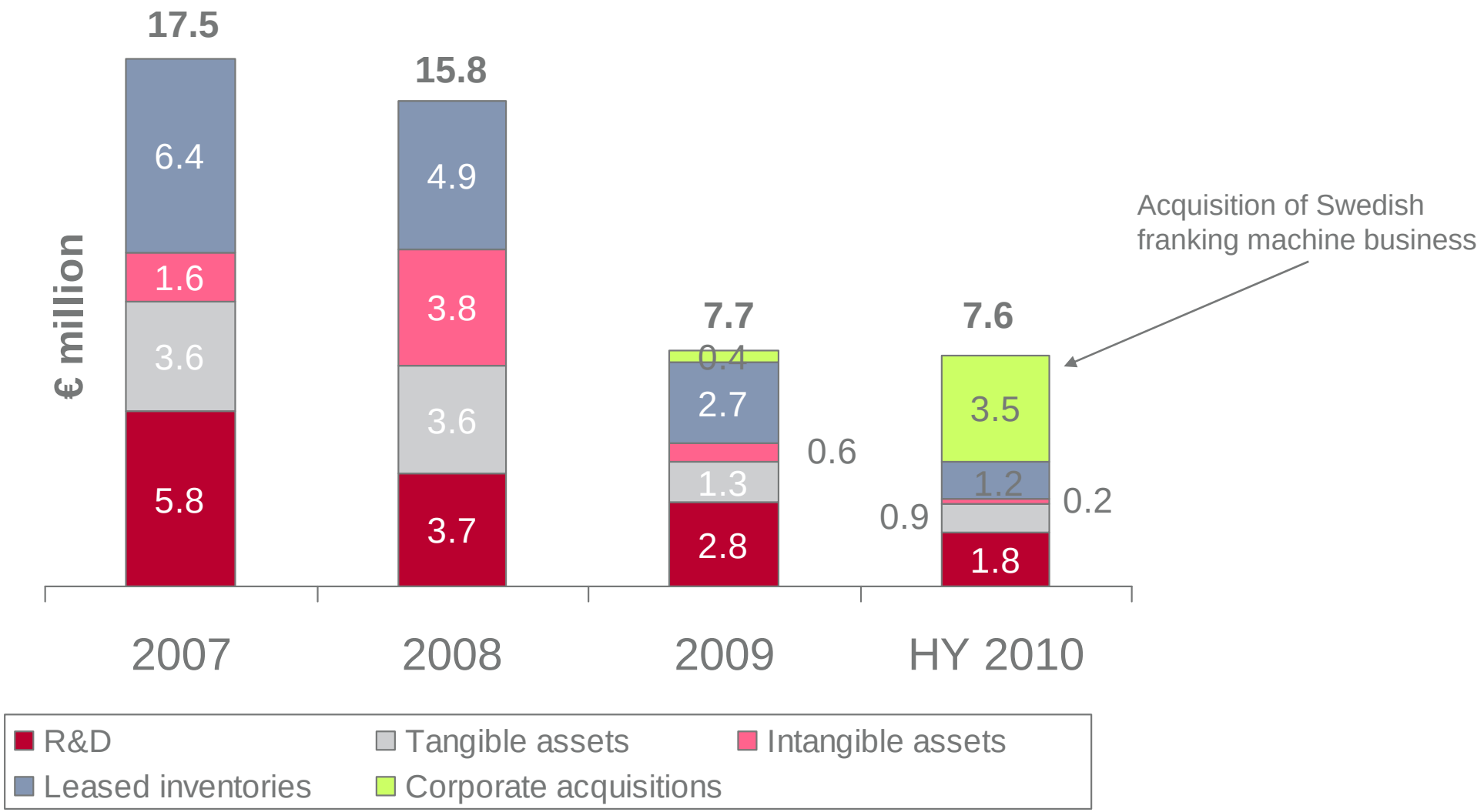
€ million	HY 2009	HY 2010
Cash flow from operating activities	**7.3**	**12.5**
Cash flow from investing activities	**-4.0**	**-7.6**
thereof:		
R&D	-1.1	-1.8
Tangible assets	-0.8	-0.9
Intangible assets	-0.2	-0.2
Leased inventories	-1.4	-1.2
Corporate acquisitions	-0.4	-3.5
Free cash flow	**3.3**	**4.9**
Cash flow from financing activities	**-0.5**	**-4.7**
Cash and cash equivalents	**9.9****	**12.9****

Acquisition Swedish franking machine business of Ricoh

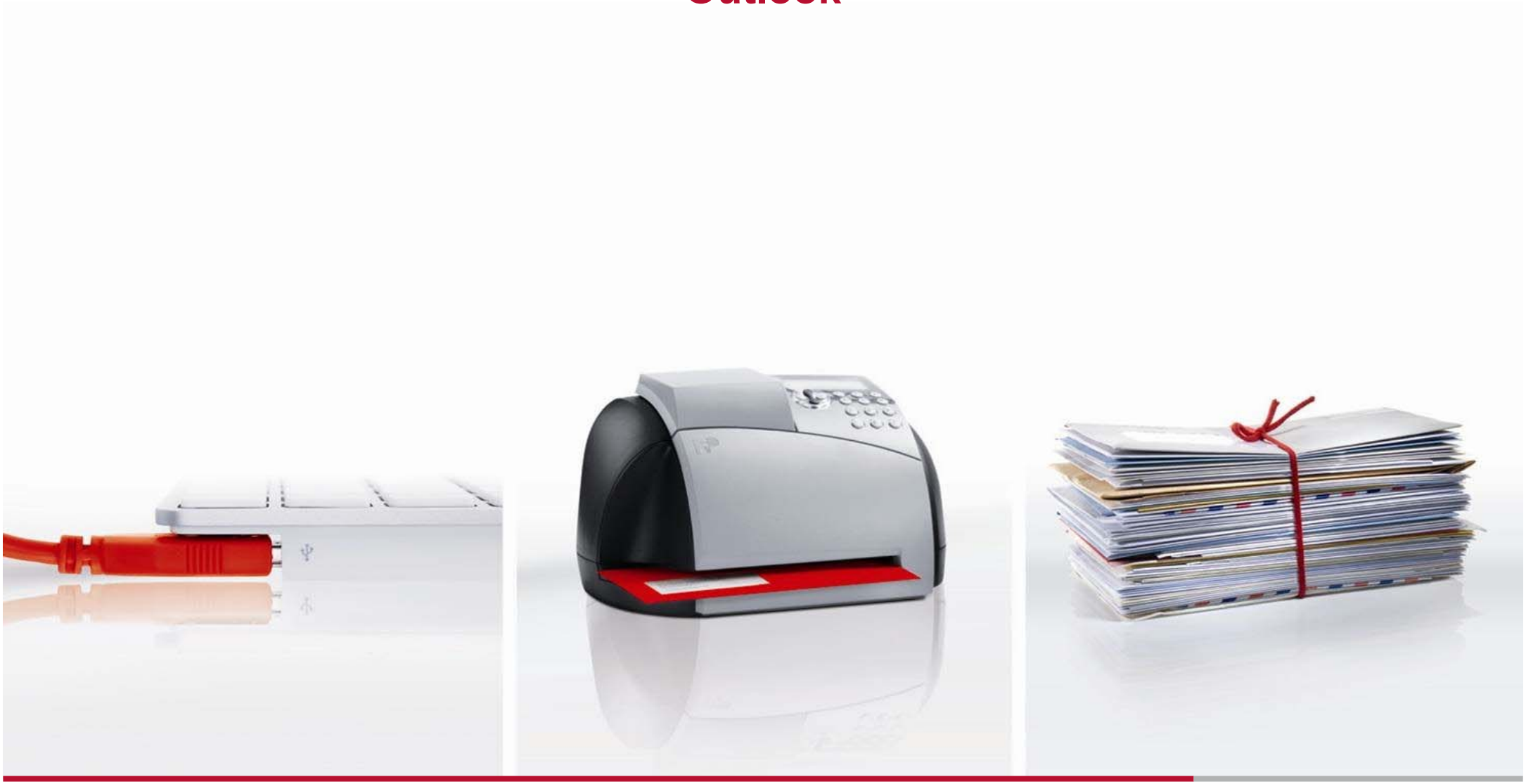
Unscheduled repayment of bank loan €4.1m
Repayment of finance lease €0.5m

** including €0.7m securities (HY2009: €0.7m). Excluding restricted cash €18.6m (HY2009: €17.7m)

Clear Investment Focus on R&D



Outlook



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FP Confirms Outlook for 2010

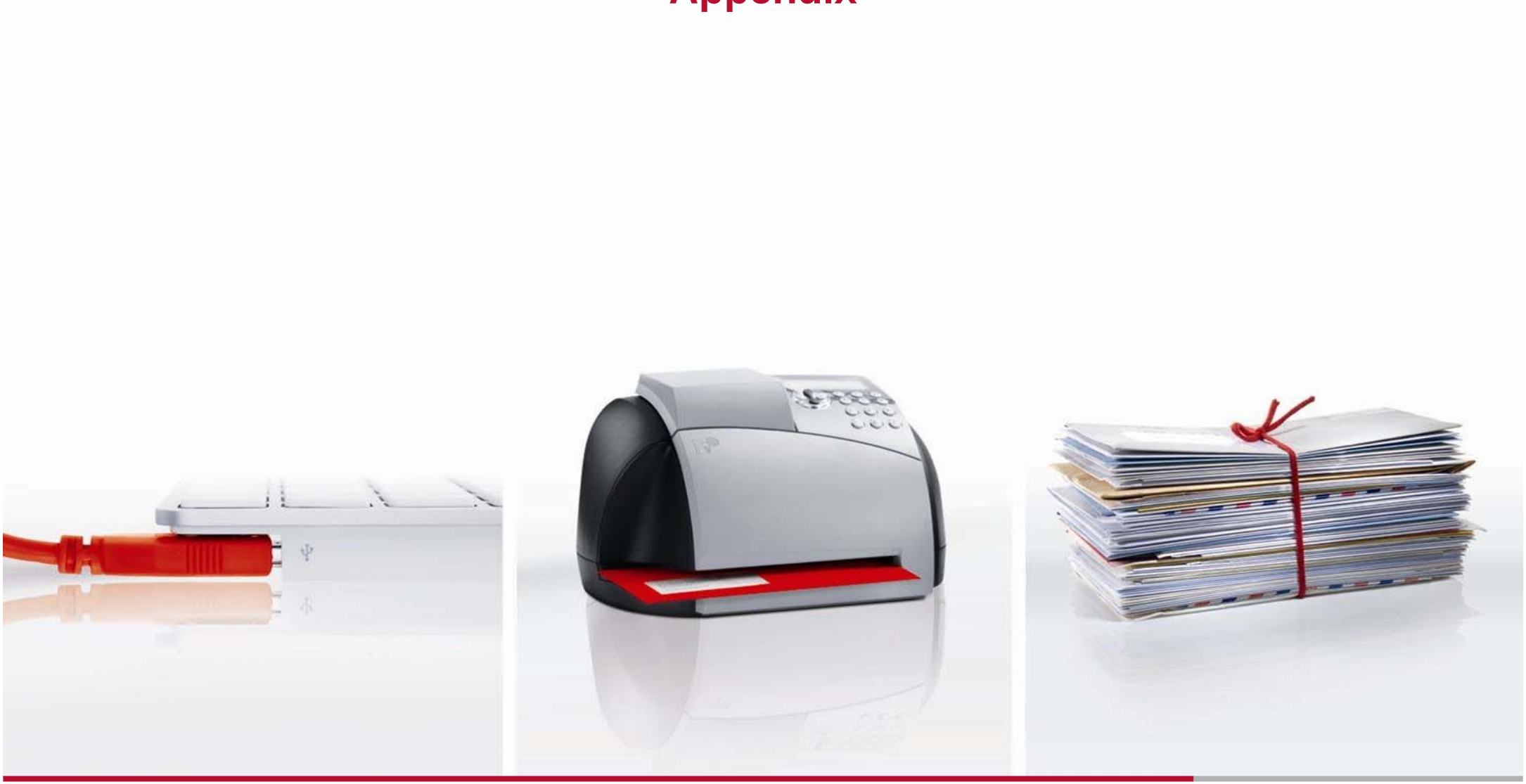
* ´before restructurig

- 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

Thank you for your attention.

We will now be happy to answer your questions.

Appendix



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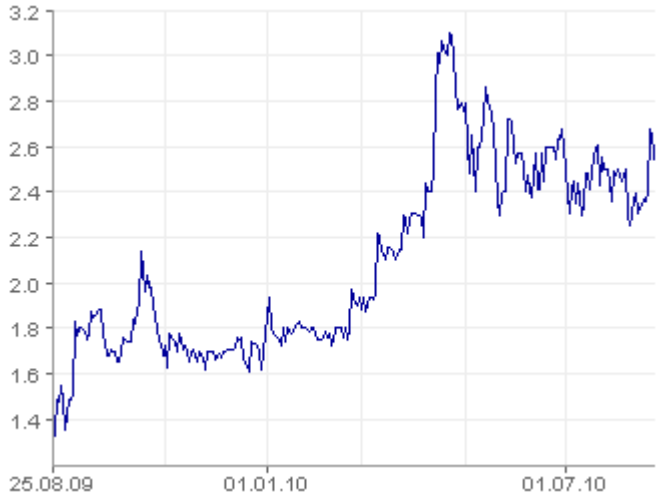
FP Stock Information



ISIN:	DE000FHP9000
Segment:	Prime Standard/ All Industrial
IPO:	30 November 2006
Reuters:	FPHG.DE
Free Float:	71.18%
Shares:	14.7 million
Market Cap	36.6 million (28 Aug 2010)

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

Free Float	
Amiral Gestion	11.30%
Financiére de l'Echiquier	5.11%
Eric Spoerndli	5.02%
Stockwell Fund	4.98%
KBL Richelieu Gestion	4.85%
Orsay Asset Management SNC	3.06%
Treasury Stock	2.5%

Financial Calendar

Annual General Meeting	1 July 2010
Results Q3 2009	18 November 2010
Equity Forum Frankfurt	20 November 2010

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Disclaimer

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.