Francotyp-Postalia Holding AG

Financial Statements 2008

Analysts Conference 28 April 2009

YOUR MAIL IS OUR BUSINESS

Francotyp-Postalia (FP) at a Glance

Overview

- FP-Group **covers the entire value chain** in the outbound mail market
- One of the **world's leading manufacturers of franking machine:** Globally, 9.6% market share
- Worldwide base of approx. **250,000 customers**
- Strong aftermarket business leads to **67.9% recurring revenues and strong cash flow generation** in Mailroom
- With approx. **160 million sorted letters** and **9 sorting centres** one of the biggest companies in Germany for mail consolidation services
- Digital business with approx. 200 customers and approx. **19 million letters**
- Worldwide >1,100 employees

Key Figures

€ million	2007	2008
Revenues	**145.1**	**142.4**
EBITDA before restructuring	**25.2**	**22.2**
in % of revenues	17.4	15.6
EBITDA in % of revenues	**25.2**	**18.2**
	17.4	12.8
Net loss	**-2.8**	**-15.7**
Operating Cash Flow	**19.4**	**18.7**
Installed Base	**265,501**	**267,828**

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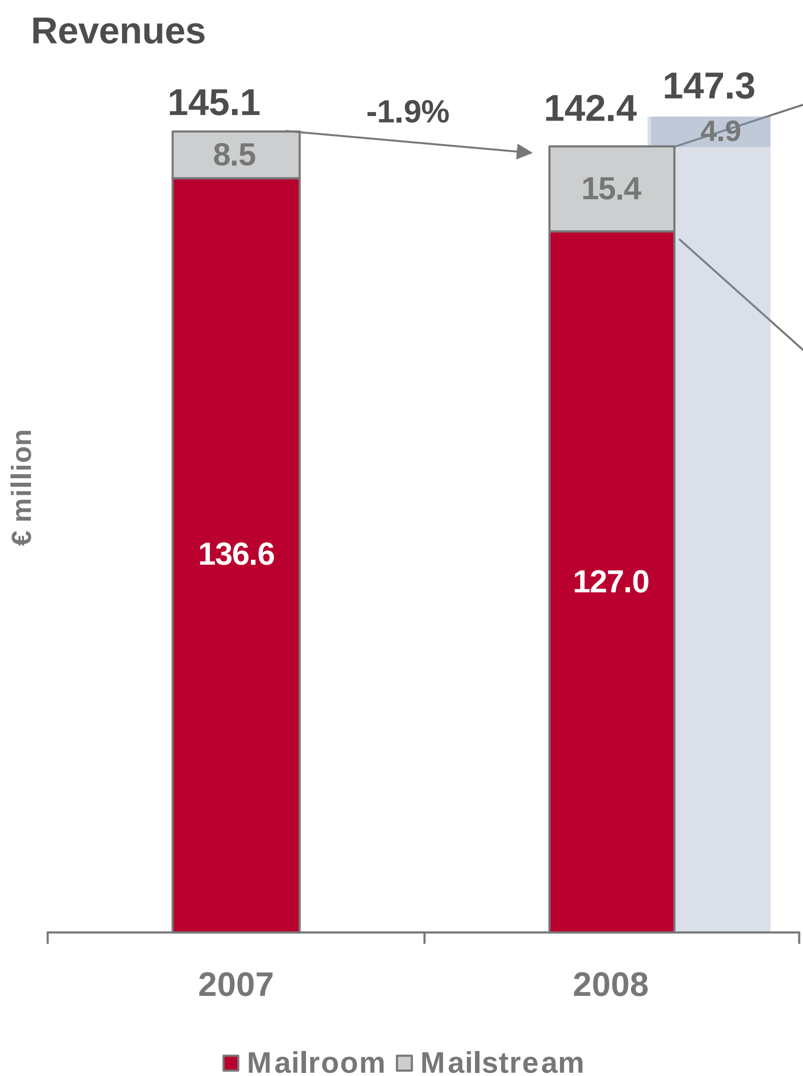
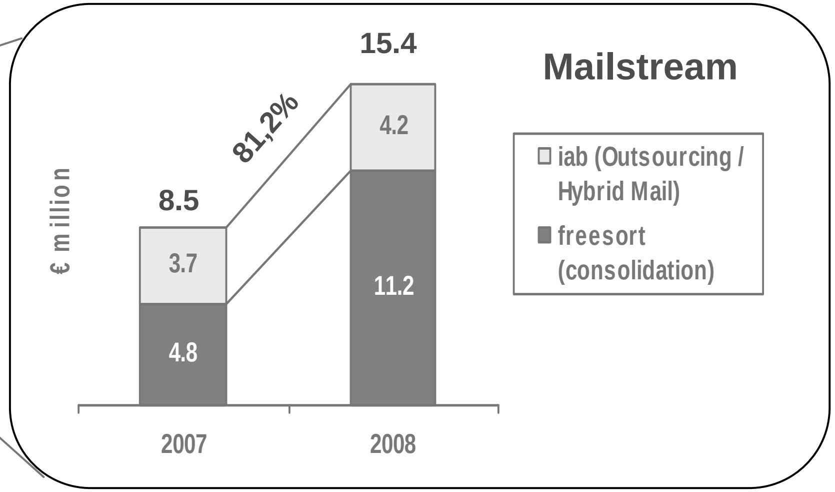
Mailstream with Strong Growth – Mailroom Burdened with Currency



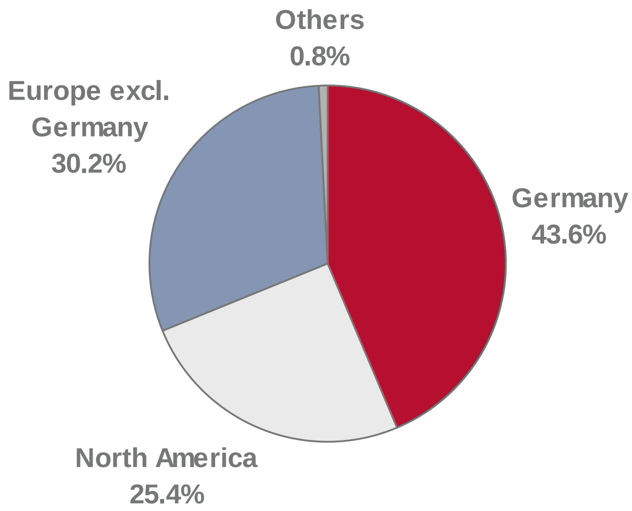


- **Revenues** of **€147.3m (+1.5%)** at **constant exchange rates**
- **Mailstream increases revenues** by **€6.9m**
- **Mailroom burdened** with:
  - **currency effect** (€-4.9m)
  - **NetSet**™ **effect** in The Netherlands in 2007 (€-2.2m) and loss of high volume inserter business (€-1.5m)
  - **U.S. rate change** lower than expected (€-0.5m)
- **Mailroom business** in **key markets stable** in 2008

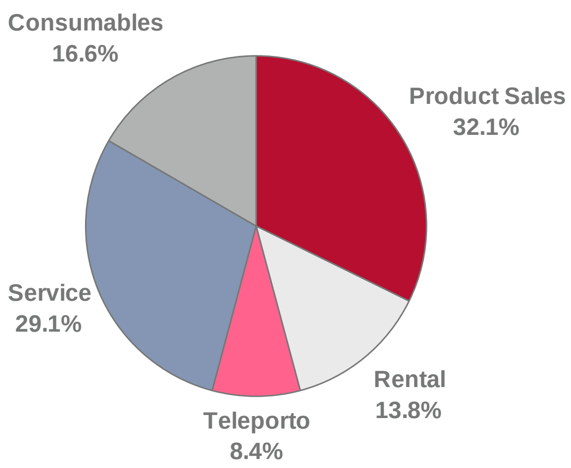
Diversified and Predictable Recurring Revenues in 2008

Revenue breakdown for 2008 (including Mailstream)

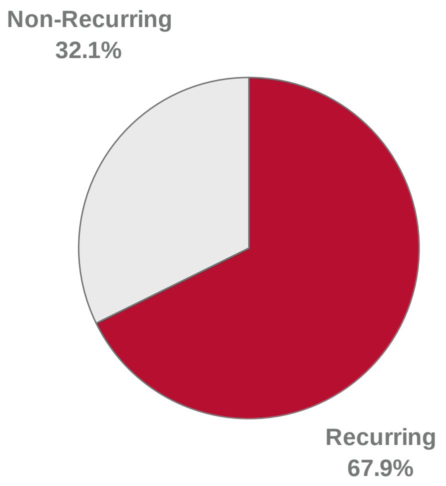
By region



By product



Recurring / Non-recurring



Global business with strong potential to grow market share internationally

Percentage of service increasing due to growing Mailstream

Large and continuous stream of recurring revenues as a result of extensive and stable installed base

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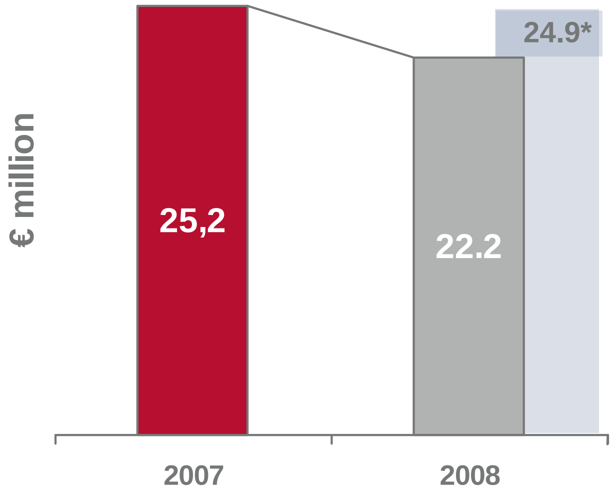
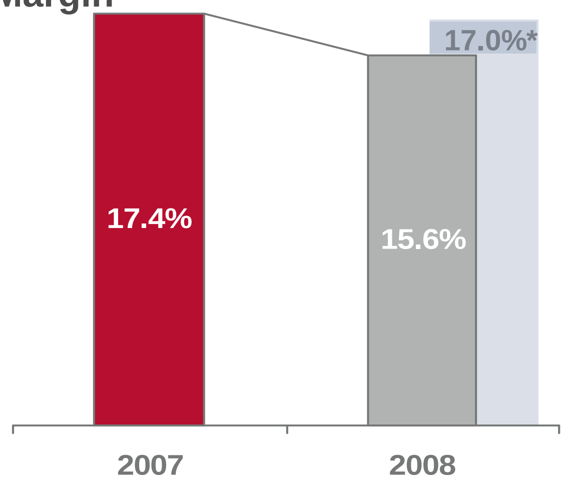
Currency and One-off Effects strained EBITDA in 2008



EBITDA Margin



- **EBITDA of €24.9m** at constant exchange rate and before restructuring costs
- **Currency effect** of **€2.7m**
- **Restructuring costs** show an impact of **€4m**:
  - €1.4m personnel expenses incl. severance payments
  - €1.9m SCO
  - €0.7m other consultancy
- **Mailstream:**
  Positive EBITDA of €1.2m (2007: €-0.9m)

* Change at constant exchange rate and before restructuring costs

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Net loss due to Restructuring Cost and Extraordinary Depreciations

€ million	2007	2008
Revenue	**145.1**	**142.4**
Change in inventories	-1.0	0.6
Own work capitalised	12,1	8.2
Total output	**156.2**	**151.2**
Material expenses	46.0	43.3
in % of revenue	31.7	30.4
Gross profit	**110.2**	**107.9**
Personnel expenses	54.3	55.3
in % of revenue	37.4	38.8
Operating expenses ./. income	30.8	34.5
EBITDA before restructuring	**25.2**	**22.2**
in % of revenue	17.4	15.6
EBITDA	**25.2**	**18.2**
in % of revenue	17.4	12.8
Depreciation	9.9	14.6
EBITA	**15.3**	**3.5**
Amortisation	18.2	15.7
EBIT	**-2.9**	**-12.2**
Interest result	-2.6	-3.1
Financial result	1.0	-0.4
Tax result	1.7	0.0
Net profit/loss*	**-2.8**	**-15.7**
EPS (€)**	**0.18**	**-0.96**
EPS (€) adjusted by amortisation	**0.71**	**-0.17**

- **Own work capitalised** down due to reduced swap rate of rental machines in 2008 compared to higher rate in 2007 in Canada (Decertification) and The Netherlands (Net Set); lower capitalised R&D cost.
- **Material expenses** mainly declines due to lower own work capitalised.
- **Personnel expenses**
  - higher due to a net effect of €0.7m for severance payments
  - growing **Mailstream** business leads to increased expenses of €1.2m
  - savings in **Mailroom** business of €-0.9m
- **Operating Expenses** increased by €4.1m mainly due to €2.6m restructuring costs and €1.3m higher costs in expanding Mailstream business
- **Extraordinary depreciation** due to iab GmbH (€2.5m), alignment of SCO (€1.4m) and R&D (€1.2m)
- Negative **financial result** due to an **exchange rate driven reassessment** of intercompany receivables for CAN, US, UK

* before minorities ** after minorities

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MOVE – Restructuring Programme

- **Research and Development**: completed
  - Definition of new structure and processes
  - Reduction of expenses mainly external personnel expenses and consultancy services

- **Administration**: completed
  - Reduction headcounts worldwide in administration, IT and sales

- **Supply Chain Optimisation**: in progress
  - centralised stocking
  - Synchronised production
  - Headcount reduction
  - Evalutation of current SCO-project leads to realignment.

Ongoing Restructuring programme is a requirement for mid-term gains

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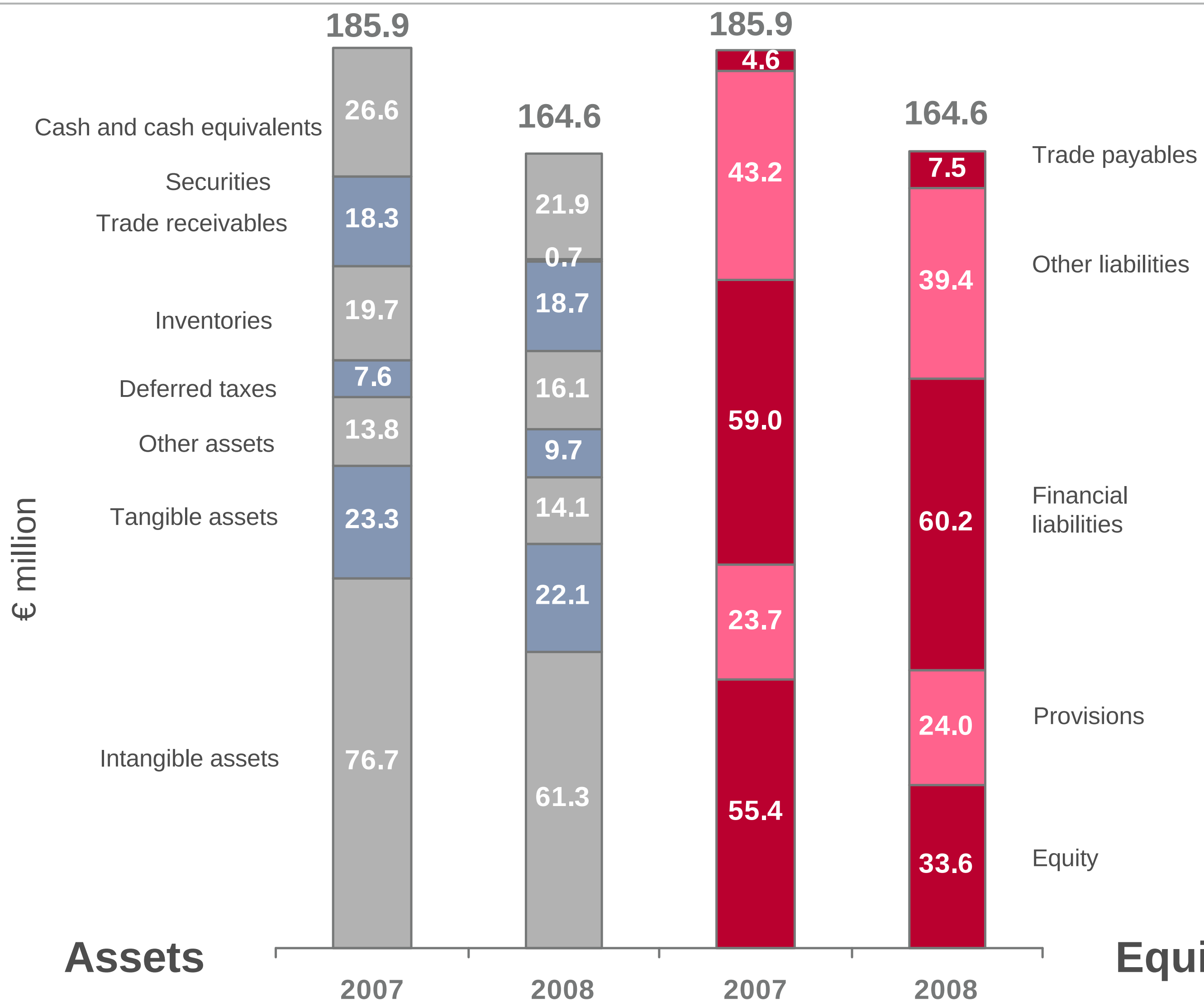
Consolidated Balance Sheet Abbreviate as Planned



- **Inventories reduced** by €3.6m
- **Networking Capital** of €27.3m (€33.4m in 2007)
- Intangible assets further **amortised as planned**
- Negotiations about mid-term funding completed since Dec 08 and **secured mid-term liquidity**
- Loan redemption will continue to **decrease net debt position** as planned
- **Net debt of €53.2m** (€51,7m in 2007)
- **Equity ratio of 20.4%** (29,8% in 2007)

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Ongoing Strong Operating Cash Flow

€ million	2007	2008
Cash flow from operating activities	**19.4**	**18.7**
Cash flow from investing activities	**-17.4**	**-15.8**
thereof:		
R&D	-5.8	-3.7
Tangible assets	-3.7	-3.6
Intangible assets	-1.6	-3.8
Leased inventories	-6.3	-4.9
Free cash flow	**2.1**	**2.9**
Cash flow from corporate acquisitions	**-17.0**	**0**
Cash flow from financing activities*	**-18.7**	**-3.3**
Cash and cash equivalents	**7.3**	**7.0****

* incl. currency effect of €-0.2m (prior year €-1.6m)   ** including €0.7m securities

- **R&D**: First results from **restructuring programme**
- **Intangible assets:** Mainly **customer lists** of Direkt Express Brief AG and **Software** in connection with SCO
- **Leased inventories**: Absence of decertification effect in CAN and NL

- **Dividend payments €-2.2m**
- **Share buy-back €-1.3m**
- **Repay bank loan €-3.6m**
- **Take-up a bank loan €4.0m**

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Business Year 2008 at a Glance

- 2008 was a **challenging year** for the FP-Group
  - Global recession affected operative business
  - Strong Euro had a **negative currency impact** of €4.9m on revenue and €2.7m on EBITDA
  - **One-off depreciations** – mainly iab and realignement SCO - burdened earnings

- **Restructuring programme** to lay the seeds for **profitability**

- FP-Group was still **in line with expectations**
  - 64.0% predictable **recurring revenues**
  - **Stable development** in **key markets** Germany and UK
  - **81% growth rate** in Mailstream business

Strategy and Outlook

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Mailroom: FP Gained Market Share in US and UK

GER

Market

- **233k** Installed Base

≈ 8.4% of Global Market

FP

- **102k** Installed Base
- **#1** Market Position

≈ 43.8% Market Share

Global Market Franking Machines

- Installed base: 2.8m

FP Market Share Franking Machines

- 9.6% global market share
- 267k Installed base
- Installed base > 80 countries worldwide
- Leading position in key markets
- FP is set to gain market shares in UK and US markets

USA

Market

- **1,570k** Installed Base

≈ 56.4% of Global Market

FP

- **69k** Installed Base
- **#3** Market Position

≈ 4.4% Market Share

UK

Market

- **251k** Installed Base

≈ 9.0% of Global Market

FP

- **22k** Installed Base
- **#3** Market Position

≈ 8.7% Market Share

NL

Market

- **53k** Installed Base

≈ 1.9% of Global Market

FP

- **15k** Installed Base
- **#2** Market Position

≈ 27.7% Market Share

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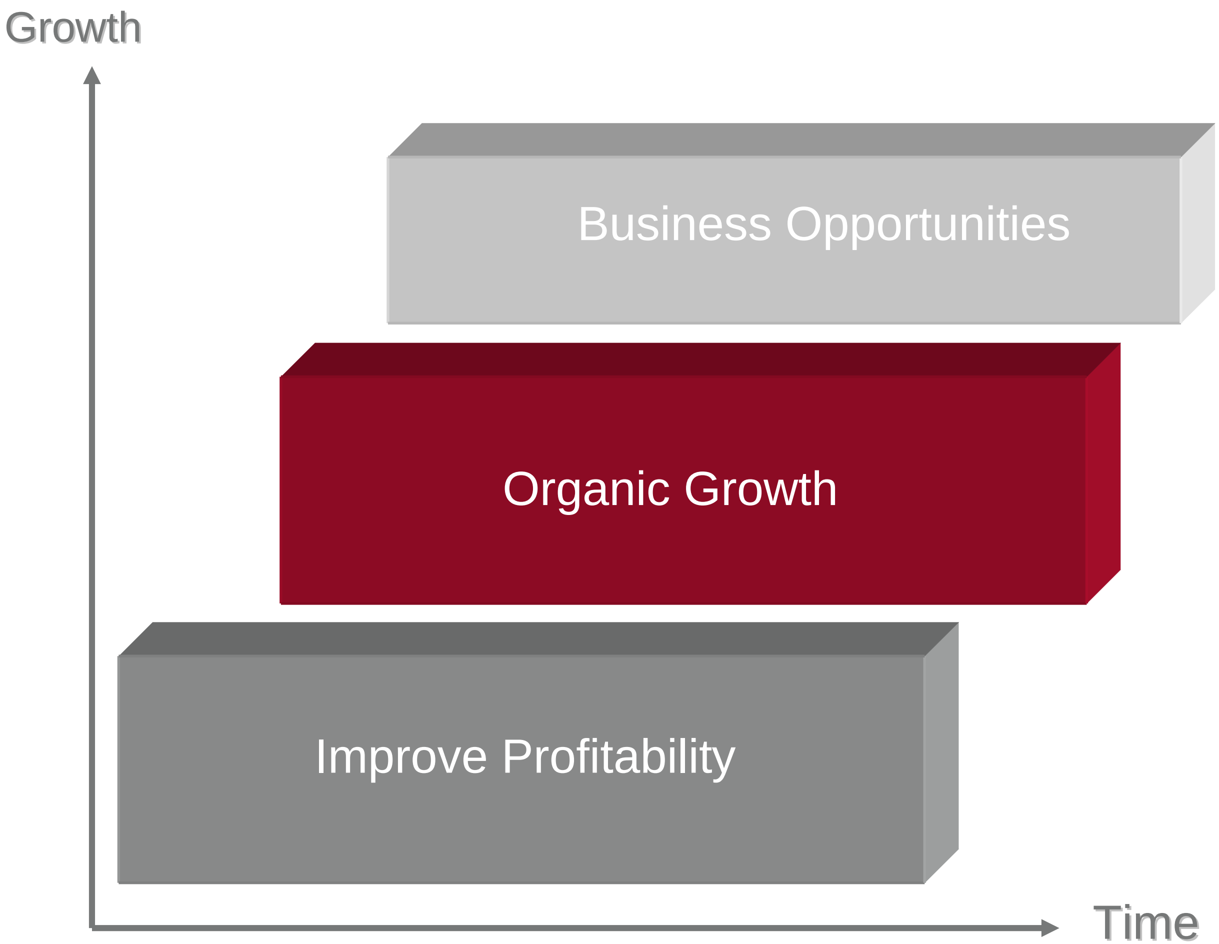
Mailroom: Strategic Thrust to Improve Core Business



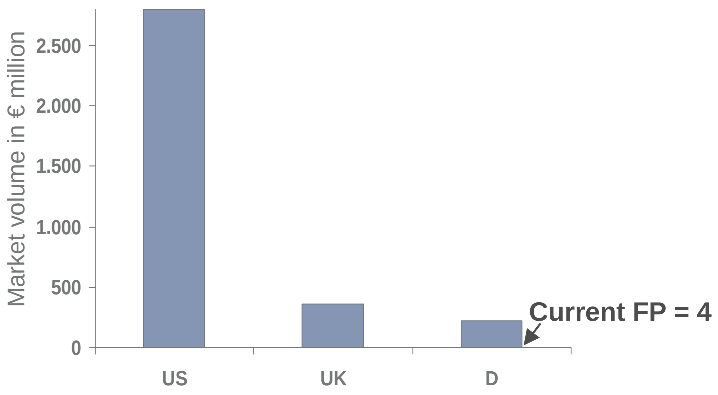
- Decertifications
- Tenders

- Expansion Asia-Pacific and other emerging markets
- Growth in traditional markets with lower market shares

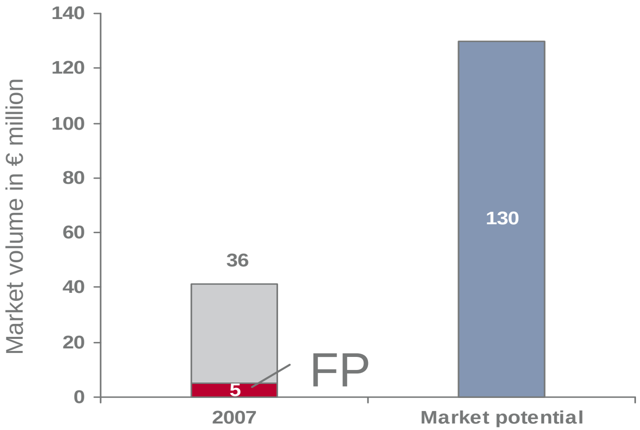
- Restructuring programme will be continued

Mailstream: Still High Growth Potential

Digital Market 2008



Consolidation Market Germany



- **New Sales structure in Germany** unifies Mailstream and Mailroom sales activities

Digital business:

- approx. **200 customers and 19 million letters** in Germany
- **International roll out** of **digitalisation** business will start in **UK**

Consolidation business:

- **Stronger competition**
- **Nationwide network of sorting centres**
- Consolidated letter volume of **160 million letters** in 2008 (2007: 80 million letters)

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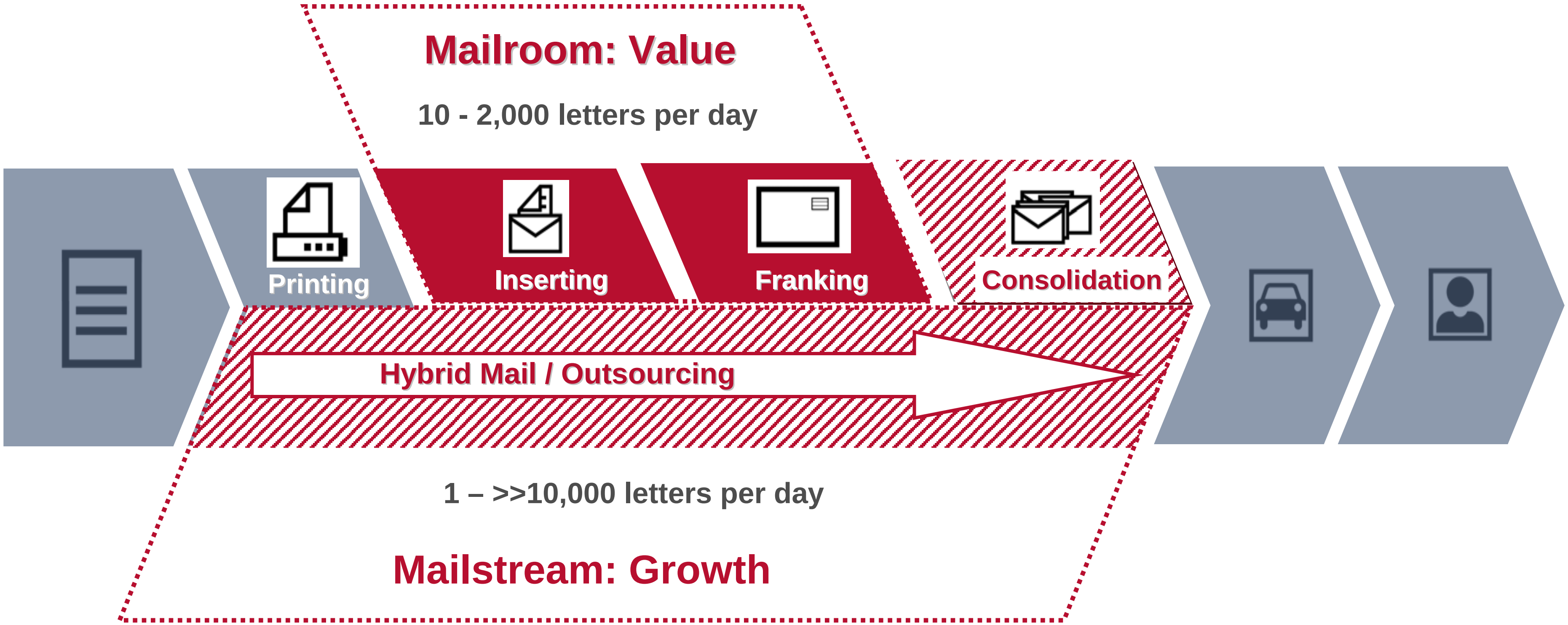
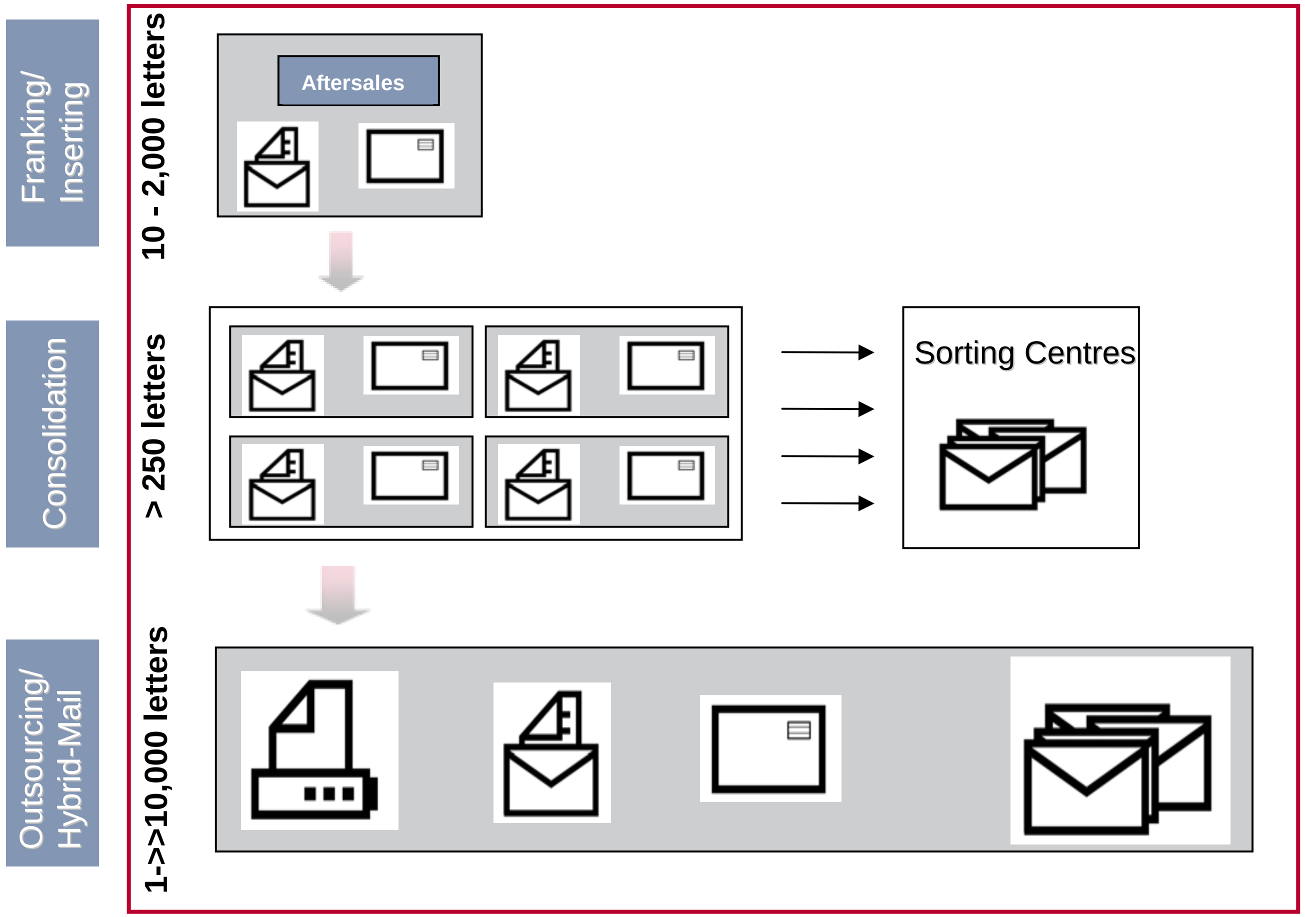
FP – Your Mail Management Company



Mail Management by FP - A Unique Competitive Advantage



Cost Savings Example Germany:

costs/letter	€1.38
Outsourcing costs/letter	€0.25
savings/letter	**€1.13**
Letter/day	7,000
Letter/year	1,76m

Savings Outsourcing: €2,000,000 per year

\+

€200,000 postage savings

Broad Customer Base Offers Attractive Cross-selling Potentials

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Outlook for 2009

- **Deep global recession** will continue to impact FP markets in 2009
- Significant **reluctancy to invest**
- **Uncertainty** about length and depth of the recession **does not allow quantitative forecast**

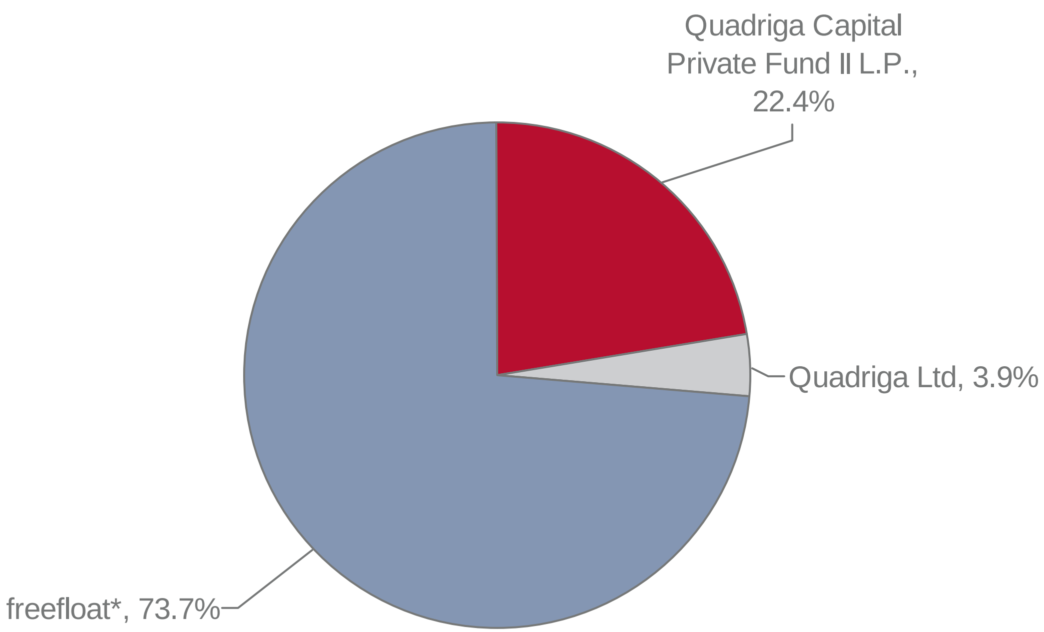
- High percentage of **recurring revenues**
- **Mail Management Solutions** will help customers to fulfill cost-saving programs – midterm opportunity
- Restructuring with **positive effect on earnings**

Thank you for your attention!

We will now answer your questions.

Appendix

Shareholder



Freefloat

Amiral Gestion	11.30%
Baillie Gifford & Co	5.39%
Financiére de l'Echiquier	5.11%
Richelieu Finance Gestion Privée	4.85%
Eric Spoerndli	3.28%

*Treasury Stock 2.52%

Financial Calendar

Results 2008	April 2009
Results Q1 2009	28 May 2009
Annual General Meeting	23 June 2009
Halfyear Results 2009	27 August 2009
Results Q3 2009	November 2009
Results 2009	April 2009

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Disclaimer

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