



YOUR MAIL IS OUR BUSINESS

**Management report
for the financial year
from
1 January to 31 December 2008**

Business operations

Francotyp-Postalia Holding AG is the parent company of the FP Group (hereinafter referred to as the FP Group, FP, Francotyp-Postalia or the Company). Subsidiary to it are the German companies Francotyp-Postalia GmbH, Birkenwerder, and freesort GmbH, Düsseldorf, (freesort), both of which are wholly owned by Francotyp-Postalia Holding AG, as well as iab – internet access GmbH, Berlin, (iab), in which Francotyp-Postalia Holding AG has a 51% share. Francotyp-Postalia GmbH also holds direct or indirect shares in further principal subsidiaries as listed in the table below. Francotyp-Postalia Holding AG has indirect equity investments in these companies.

<u>Name of Company</u>	<u>Company Headquarters</u>	<u>% Shareholding</u>
Francotyp-Postalia Vertrieb & Service GmbH	Birkenwerder, Germany	100
Francotyp-Postalia International GmbH	Birkenwerder, Germany	100
Ruys Handelsvereniging B. V.	The Hague, Netherlands	100
Francotyp-Postalia Ltd.	Dartford, Great Britain	100
Francotyp-Postalia Ltd.	Addison, USA	100

A control and profit transfer agreement (Beherrschungs- und Gewinnabführungsvertrag) exists between FP Holding and Francotyp-Postalia GmbH (FP GmbH). FP GmbH also has both direct and indirect shareholdings in operationally active companies of the FP Group, as well as performing a management role and undertaking significant development and manufacturing activities for the FP Group. FP Holding itself provides FP GmbH with services in the fields of strategic management, specifically the development of business lines, financing and capital procurement. Since 1 January 2007 FP Holding has employed its own personnel. As of 31 December 2008 FP Holding employed two executive directors (2007: three) and seven other personnel (2007: six).

Market and business trends

The market

Through its subsidiaries and second-tier subsidiaries, FP Holding participates indirectly in the FP Group's market involvement and business activities. As postal markets are increasingly liberalised, the Company is moving ever further from being a producer of franking machines to becoming a mail management provider for outbound mail. The core of the Company's business remains franking and inserting machines. But with new services such as collection, sorting and consolidation of outbound mail, as well as electronic hybrid mail solutions, the Company is expanding its product portfolio and now covers the entire value chain in the outbound mail market. This means that FP Group can offer custom mail management solutions to corporate customers of all sizes. The Company divides its business into two segments: Mailroom and Mailstream.

In the traditional Mailroom segment the FP Group concentrates on the development, manufacture and sale of franking and inserting machines for small and medium mail volumes. The Company also offers related after-sales services and products.

The FP Group is present in the main markets worldwide with its franking machines including Germany, the USA and Great Britain. With an installed base of some 268,000 franking machines the Company has a global market share of 9.6%. The Company operates via branch offices in eight countries and dealer networks in 44 countries. FP is particularly strongly represented in Germany and Austria, where its market shares are 44% and 48% respectively.

The increasing liberalisation of postal markets presents a wide range of growth opportunities for the Mailstream segment. Initially the FP Group is concentrating on the German market which has been fully liberalised since the beginning of 2008 and where the Group benefits from having developed its expertise in mail management at an early stage. Following its flotation the Company acquired freesort GmbH and a majority stake in iab – internet access GmbH in late 2006 for this purpose.

With its nine branch offices throughout Germany freesort is one of the leading consolidators of outbound mail in the German market with reference clients such as Deutsche Rentenversicherung and the Federal Gazette ("Bundesanzeiger") which both have high mail volumes. The Company collects letters from its clients, sorts them according to postcode and then delivers them in batches to a letter centre of Deutsche Post or an alternative postal distributor. By making use of this service companies can increase the efficiency of their outbound mail and save postage at the same time. This is because since liberalisation Deutsche Post has to give discounts of up to 26% for pre-sorted and franked postal deliveries. freesort passes on part of the discount to its customers thereby creating a win-win situation.

iab is a solutions provider which enables the entire outbound mail function to be outsourced using Internet-based software for digital mail processing. iab offers a range of new products to cover all needs from the smallest customers to the largest. This means that every letter gets put in the post with a single mouse click and is subject to the highest security standards. iab is responsible for printing the letters as well as for inserting, franking and delivering them to the distributor. This enables both business and private customers to make major savings in costs and time. Because letters are digitally despatched directly from the workplace, paper, envelope and printer costs are significantly reduced or even eliminated, along with labour costs and the cost of transporting mail to the postal service.

Course of business

Last year global economic growth slowed to 3.4% compared with 5.2% in 2007 due to the worldwide financial crisis and the biting recession. Over the course of the year important markets for the FP Group were hit by recession. Growth in the USA slowed to 1.1%. This is the weakest growth since 2001. In

Germany GDP expansion also fell to 1.3% in 2008, from 2.5% in 2007. Both the USA and Germany reported negative growth in the final quarter.

This slump is also due to considerably weaker export trade. Although German exports still rose by some 2.8% over the full year 2008 according to the Federal Statistical Office (Destatis), in November 2008 German exporters suffered the sharpest fall in trade since reunification at -12.2% compared to the same month the previous year.

An additional burden for the export industry, and thus also for the FP Group, was the relative strength of the euro against other important trading currencies, above all the US dollar and the pound sterling. In April 2008 one euro was worth USD 1.60. From August 2008 the US dollar was able to regain some ground and buyers were sometimes able to get one euro for just USD 1.25. However, the worldwide financial crisis spread to the real economy and prevented the depreciation of the euro from benefiting exports.

The pound sterling sank continuously against the euro in 2008. Whereas one euro was worth 0.74 pounds sterling at the beginning of the year, by the end it had risen to 0.96. For buyers in Britain this exchange rate effect made exports from Germany around a third more expensive.

The weak economy and the financial crisis depressed willingness to invest last year and therefore also the demand for franking and inserting machines. Companies postponed investment in new hardware. This trend mainly affected the market for larger machines. For smaller machines on the other hand – known as the A segment – two effects stabilised the market.

1. Companies are replacing larger franking machines with smaller ones.
2. Companies are switching from franking by hand to franking by machine.

While the first effect can mainly be observed in established markets in industrialised countries, it is precisely developing markets that are showing great interest in entry-level models. Traditionally, the FP Group has always specialised in the A and the B segment for machines with small to medium letter volumes. Regular decertification and introduction of new standards by national postal organisations also generates additional demand in all three sub-markets. Last year, however, Phase IV of the national decertification programme in the USA did not deliver the anticipated boost in demand.

In contrast, the growing importance of the Internet for business processes has only had a slight impact on demand for franking machines – the number of letters delivered worldwide has been stable for years at around 400 billion according to the Universal Postal Union. The bulk of the world's postal traffic is accounted for by the economies of Europe and North America. In Europe alone the market for letter services has a volume of some EUR 60 billion according to estimates by the European postal association Postunion e.V.

The increasing liberalisation of postal markets opens up attractive growth opportunities for service providers in this field around the world. In Germany the postal monopoly was abolished on 1 January 2008. This was based on an EU directive providing for the liberalisation of all postal markets by 2011 in order to complete the internal market for postal services. This liberalisation enables companies to use alternative offers such as consolidation and outsourcing for their outgoing mail – attractive new markets are developing as a result. In the USA the outsourcing market for outbound mail now amounts to more than EUR 2.5 billion annually and in major European states markets are emerging with volumes of at least EUR 100 million per year. The market for consolidating outbound mail is also expected to attain a volume of EUR 100 million per year in Germany alone, of which only a third had been developed by the end of 2007.

The foreign exchange losses incurred by FP GmbH meant that the profit and loss transfer agreement weighed against the result registered by FP Holding in its individual accounts. The Management Board of FP Holding AG has deemed the turnover and result registered by the FP Group to be unsatisfactory, especially in the Mailroom segment, and as a result has decided to take further restructuring action designed to bring about a sustained increase in the FP Group's earning power. Where no profit transfer agreements were in place, the individual result for FP Holding was only indirectly affected by the results of its subsidiaries and second-tier subsidiaries.

Net assets, financial position, and results of operations

The disappointing trading results registered by the FP Group had significant repercussions for FP Holding's net assets, financial position and results of operations, with FP Holding's accumulated profit falling by EUR 18,904,000 or 25% to EUR 55,089,000. Since the bulk of the FP Group's financing is secured via FP GmbH, receivables from affiliated companies fell EUR 18,519,000, much of which was down to the loss transfer from FP GmbH totalling EUR 12,149,000. Due to the high net loss plus the dividend distribution, shareholders' equity fell by EUR 20,967,000 to EUR 52,510,000.

In 2008 the book value of the financial assets fell by EUR 123,000. This was accounted for by overall write-downs of EUR 823,000 in the value of the shareholdings in iab and iabv, which were largely but not entirely offset by a EUR 700,000 increase in the loan to freesort. The financial assets represent ca. 88% (2007: 66%) of the balance sheet total or 93% (2007: 66%) of the shareholders' equity.

In November 2007 FP decided to embark on a share buy-back programme, as a result of which 370,444 shares costing a total of EUR 1,829,000 were purchased by the end of 2008. This represents 2.52% of the equity capital. Since the treasury shares were only worth EUR 315,000 on the balance sheet date, they were written down to that value. The EUR 315,000 book value of the treasury shares was posted on the Assets side under current assets, while on the Equity and Liabilities side the profit carried forward was reduced through the formation of a treasury shares provision in accordance with Section 272 paragraph 4 German Commercial Code (Handelsgesetzbuch, HGB).

On the balance sheet date the equity ratio was 95%, as against 99% in 2007. Accordingly, short-term liabilities are fully covered by assets realisable in the short-term.

Other provisions were increased by EUR 801,000 to EUR 1,011,000, chiefly due to the formation of a provision for anticipated losses of EUR 536,000. Accounts payable rose by EUR 760,000 to EUR 776,000, of which EUR 686,000 was due to a consultancy project in connection with the Supply Chain Optimization process.

The result from ordinary operating activities deteriorated by EUR 25,596,000 to a deficit of EUR 17,798,000 (2007: profit of EUR 7,798,000). The main reason for this result was the transfer of the loss registered by FP GmbH of EUR 12,149,000, as against which FP GmbH transferred a profit of EUR 6,899,000 in 2007. Apart from the currency effects, the FP GmbH result was impaired by the reduced profit distribution from the foreign subsidiaries (EUR 2,128,000; 2007: EUR 13,257,000), which had a knock-on effect on the FP Holding result. The negative extraordinary result of EUR 1,020,000 (2007: EUR 83,000) was due to compensation payments to two former Management Board members. Added to the result from ordinary operating activities this led to a total net loss for the year of EUR 18,818,000 (2007: net profit of EUR 7,715,000). Taking into account the profit of EUR 9,625,000 carried forward from 2007 less the dividend payment of EUR 2,150,000 and the allocation of EUR 1,277,000 to the provision for treasury shares, but in addition to the withdrawal from the provision for treasury shares due to their depreciation by EUR 1,515,000, the net loss for the year translated into an accumulated loss of EUR 11,105,000.

Revenues for the financial year were once again shaped by the expansion of operating activities. Sales revenues from consultancy services for the subsidiaries rose by EUR 93,000 to EUR 649,000, while personnel costs rose by EUR 438,000 to EUR 1,514,000, due to the transfer of further employees from FP GmbH. The result was impaired by restructuring costs, of which EUR 3,264,000 was attributable to the Supply Chain Optimization process alone.

Depreciation on treasury shares as well as on those in iab and iabv amounted to EUR 2,337,000.

The 2008 interest result including loans held as financial assets was EUR 2,303,000 (2007: EUR 2,375,000).

All in all, FP Holding's net assets and financial position are in good order. Accordingly, short-term liabilities are fully covered by assets realisable in the short-term. The bulk of the FP Group's financing takes place via FP GmbH. FP's revenues were impaired by various extraordinary effects, as a result of which a net loss for the year of EUR 18,818,000 was registered, after a net profit of EUR 7,715,000 in 2007.

Changes in shareholders' equity

Subscribed capital

FP has equity capital of EUR 14,700,000, divided into 14,700,000 no-par value bearer shares with a pro rata entitlement to share in FP's profits. Each share thus represents EUR 1.00 of FP's equity capital, as well as conferring one vote at FP's General Meeting of Shareholders. No preference shares have been issued, and there are no restrictions concerning voting rights or the transfer of voting rights. The Management Board of Francotyp-Postalia Holding AG is unaware of any restrictions which could arise from agreements between shareholders. No employees have any share in the capital.

Authorised capital

On 16 October 2006 the General Meeting of Shareholders passed a resolution authorising the Management Board, with the consent of the Supervisory Board, to raise FP's equity capital by 15 October 2011, on one or more occasions, by a total of up to EUR 6,000,000 through the issue of up to 6,000,000 new ordinary no-par value bearer shares against payment in cash or in kind (authorised capital). The new shares are generally to be offered for subscription to shareholders. The Management Board has nevertheless been authorised to exempt fractional amounts from the shareholders' subscription rights and also to rule out shareholders' subscription rights subject to the approval of the Supervisory Board.

Contingent capital

On 16 October 2006 the General Meeting of Shareholders passed a resolution authorising a contingent increase in FP's equity capital by up to EUR 6,000,000 through the issue of new no-par value bearer shares each representing EUR 1.00 of the equity capital (contingent capital).

Share buy-back programme

After the authorisation granted by the General Meeting of Shareholders of FP on 16 October 2006, the Management Board of Francotyp-Postalia Holding AG decided on 20 November 2007 to embark on a programme to buy back FP shares.

The aim of the General Meeting of Shareholders authorisation granted on 16 October 2006 was to allow the acquisition of up to 500,000 FP shares on the stock markets. This would have represented up to 3.40 per cent of the Company's equity capital. The price to be paid per share by FP under the buy-back programme (excluding ancillary acquisition costs) was not to exceed or fall short of the price by more than 10% on the XETRA trading system of Frankfurt Stock Exchange as determined, on any given trading day, by the opening auction. The share buy-back programme was pursued until 15 April 2008 (inclusive). By the balance sheet date 370,444 shares had been purchased at a total cost of EUR 1,829,000. On 31 December 2008 the treasury shares represented 2.52% of the equity capital and were worth EUR 315,000.

FP commissioned an investment bank to execute the buy-back in compliance with the provisions of Article 5 of Commission Regulation (EC) No. 2273/2003 of 22 December 2003 (EC REG).

On 18 June 2008 the General Meeting of Shareholders passed a further resolution authorising the purchase of treasury shares. Under the new resolution FP is entitled by 17 December 2009 to acquire

treasury shares totalling up to 10 per cent of the equity capital in existence at the time when the resolution was passed.

Conversion rights und options

The Management Board was authorised by resolution of the Annual General Meeting on 16 October 2006, subject to approval by the Supervisory Board, up to 15 October 2011 inclusive, to issue option and/or convertible bonds (hereinafter also known collectively as bonds), on one or more occasions, in total or for separate amounts, up to a nominal total of EUR 200,000,000 with a maturity of up to thirty years, and to grant option rights to the holders of option bonds and conversion rights to the holders of convertible bonds for bearer shares in the Company representing a proportion of share capital of up to a total of EUR 6,000,000 subject to the detailed terms of the bonds.

To date no shares have been issued through use of the authorised or contingent capital, nor have any conversion rights or options yet been issued.

Dividend distributions

At the General Meeting of Shareholders on 18 June 2008 the shareholders of Francotyp-Postalia Holding AG resolved for the first time to distribute a dividend, of EUR 0.15 per share. This represented a total dividend of EUR 2,150,000. The dividend was distributed immediately after the passing of the resolution. The remainder of the previous year's accumulated profit of EUR 7,475,000 was carried forward.

The Company's governing bodies and shareholder structure

Remuneration of Management Board and Supervisory Board members

Management Board remuneration is set at a reasonable level by the Supervisory Board on the basis of performance assessments of the persons concerned, while also taking into account any payments by Group companies. Criteria for determining the suitability of the remuneration include the duties of the Management Board member in question, his personal performance, the performance of the Management Board as a whole, as well as the macroeconomic situation and the Company's performance and future prospects, giving due consideration to the Company's peer group. The employment contracts concluded with board members stipulate a fixed annual salary plus a performance-related bonus. No bonuses were paid to board members for the 2008 financial year. The direct remuneration paid to Management Board members totalled EUR 651,000, of which EUR 586,000 comprised the fixed annual salaries and EUR 65,000 represented payment in kind. The payments in kind chiefly consist of the value of company car use as determined in compliance with the provisions of tax law, as well as rent allowances and individual insurance contributions.

As compensation for the premature termination of their contracts of employment, the two former Management Board members Hans Christian Hiemenz and Manfred Schwarze each received a payment of EUR 510,000.

A provision of EUR 279,000 was set aside to cover pension commitments towards the two former Management Board members. Subject to fulfilment of the entitlement requirements, these guarantee payment of an old-age pension, disability pension or surviving dependant's pension. The amount of the benefits is determined by the qualifying period of employment and the qualifying income.

Alongside the variable remuneration paid by the Company, Dr Heinz-Dieter Sluma, who had been a board member since 1 January 2008, was, with the Supervisory Board's consent, offered the prospect of additional variable remuneration by a third party.

No share-based remuneration agreements were in place, and in 2009 there continues to be no share option scheme.

Each member of the Supervisory Board receives fixed lump sum remuneration of EUR 10,000 per financial year, payable in the final month of the year. The Supervisory Board Chairman receives 2.5 times this amount and the Deputy Chairman double. A provision of EUR 72,000 has been set aside for outstanding Supervisory Board remuneration including expenses.

On 18 June 2008 the General Meeting of Shareholders agreed to a change in the Articles of Association concerning Supervisory Board remuneration whereby, from the 2009 financial year onwards, each Supervisory Board member would receive, as well as cash expenses plus VAT for his/her Supervisory Board duties, lump sum remuneration of EUR 30,000, payable in the final month of the financial year. Under this arrangement the 2009 lump-sum remuneration due to the Chairman will be 150% and to the Deputy Chairman 125% of the remuneration for ordinary Supervisory Board members.

The reader is referred to the notes to the financial statements for further details of the remuneration structure.

Rules governing amendments to the Articles of Association

The General Meeting of Shareholders passes resolutions by simple majority of the votes cast or, where the law prescribes an equity majority as well as a majority of votes cast, by simple majority of the equity capital represented when passing the resolution, unless the law or Articles of Association prescribe a greater majority. Abstentions are counted as uncast votes.

In accordance with Article 15 paragraph 2 of the Articles of Association the Supervisory Board may also make amendments to the Articles of Association which only affect the wording or formulation thereof .

Appointment of Management Board and Supervisory Board members

In accordance with Section 6 paragraph 2 of the Articles of Association of Francotyp-Postalia Holding AG the Supervisory Board is responsible for determining the number of Management Board members, appointing them and revoking their appointment. In accordance with Section 6 paragraph 3 of the Articles of Association the Supervisory Board can appoint a Supervisory Board committee to sign, amend and terminate employment contracts with Management Board members.

Achieving sustained increases in Company value is the common goal of the collaboration between the Management Board and the Supervisory Board. The two boards meet at regular intervals to discuss the strategic direction of the Company as jointly coordinated by the Management Board and the Supervisory Board. The Management Board also provides the Supervisory Board with regular information on all issues relating to planning, business trends, risk, risk management and compliance. The Supervisory Board has determined the Management Board's disclosure and reporting duties accordingly. The Supervisory Board has drawn up Management Board Rules of Procedure which establish a right of veto in favour of the Supervisory Board over decisions or measures which could materially affect the Company's net assets, financial position or results of operations, and also over transactions of major importance.

The Articles of Association stipulate that the Management Board should have one or more members. The Supervisory Board is responsible for determining the number of Management Board members, as well as for appointing and dismissing members.

In accordance with the Articles of Association, the Supervisory Board of Francotyp-Postalia Holding AG comprises three members elected by the General Meeting of Shareholders. All three members have the knowledge and experience necessary to perform their mandate. Due to the corporate size of the Company and the fact that the Articles of Association prescribe that the Supervisory Board must have three members and no more, as a rule no other committees are formed. While the Supervisory Board continues to be limited to three persons, the Board as a whole assumes the duties of an Audit Committee.

As stipulated in the Articles of Association of Francotyp-Postalia Holding AG, the Chairman and Deputy Chairman of the Supervisory Board are elected from amongst its members. Accordingly the Company is unable to apply the recommendation of subsection 5.4.3 of the Corporate Governance Code concerning the disclosure to shareholders of candidate nominations for election as Supervisory Board Chairman.

Francotyp-Postalia Holding AG has taken out D&O insurance with no excess for members of both the Supervisory Board and the Management Board.

There was no need for any disclosures pursuant to Section 289 paragraph 4 subparagraphs 2, 4, 5, 8 and 9 HGB.

Environmental and employee matters

As FP Holding builds up its operational activities, as well as the Management Board members, senior FP Group managers and specialists from the Personnel, Law, Finance and Investor Relations departments are being assigned to FP Holding in increasing numbers.

Protecting the environment and preserving resources are of growing importance both nationally and internationally. The FP Group sees this as part of the responsibility it systematically assumes towards its staff, customers, partners and neighbours. Responsible usage of resources and materials is at the forefront of our endeavours. Strict environmental criteria are applied to all processes and procedures to ensure that the Company can comply with all environmental regulations at all times.

Direct and indirect equity investments

(pursuant to Article 289 paragraph 4 No. 3 HGB, where such investments exceed 10%)

Shareholders	Shareholding on 31 December 2008	
	Number of Shares	%
Quadriga Capital Private Equity Fund II L.P.	3,292,333	22.40
Quadriga Capital Limited	573,253	3.90
Amiral Gestion, Paris, France	1,660,679	11.30

Risk and opportunities management system

All entrepreneurial activity involves opportunities and risks. Effective risk management is therefore a major success factor for FP Holding. The FP Group's risk policy is aimed at securing the Company's existence and systematically and continually improving its competitiveness. The risk strategy is based on an assessment of risks and the opportunities that go with them. The Management Board has set up an integrated risk management system for this purpose which is embedded in the Group's existing organisational structures.

The management of risks and opportunities are closely linked at the FP Group. Opportunities are potential positive divergences from planned results. The Company primarily derives its opportunities management from its strategic goals. In this way it arrives at an appropriate balance between risks and rewards.

Operating management in the business segments and the subsidiaries is responsible for the early and regular identification, evaluation and organisation of opportunities. To this end FP works intensively on the preparation of detailed market and competition analyses and forecast scenarios, as well as identifying relevant cost drivers and critical success factors, while also taking into account political factors affecting the Company. On this basis we seek to identify potential sector-specific opportunities.

The FP Group continually and systematically identifies both external and internal risks for all business segments and subsidiaries. The Management Board and senior management analyse and evaluate potential areas of risk including the probability that risks will materialise and the amount of potential losses. For the purposes of managing risks within the Company and defining areas of responsibility the risks are also allocated to the following categories:

Areas of risk

1. Market-related risks

Underlying situation
Legislation and politics
External events

2. Corporate strategy risks

Strategy/operational management
Market/competition

3. Economic performance risks

Operational management/technology/environmental protection
Personnel
Legal/contracts/insurance
Purchasing
IT

4. Financial risks

Accounting
Controlling

The Group has drawn up a risk map based on the results of the classification and allocation of risks to segments. For Francotyp-Postalia Holding AG and its subsidiaries market risks, strategic risks, performance and financial risks have been identified.

Registration and allocation of risks takes place in line with the business areas and responsibilities defined in the Group's organisational structure. This means that the responsibilities, information and reporting systems in place are integrated into the risk management system. The risk management system is therefore developed from the Group's basic processes and responsibilities and makes use of established reporting lines. A risk manager has been appointed to coordinate the entire risk management system (adjustments, refinement of risk areas, preparing meetings and minutes, reporting etc.)

In the case of risks potentially endangering the Group's continuing existence, an ad-hoc duty has been established for the person(s) responsible to report to the Management Board once set threshold values have been exceeded. A formal process has been established for the regular evaluation of all risks.

In compliance with prevailing statutory requirements this risk management system forms the basis for the provision of information to the Management Board and the Board's subsequent decision-making process, as well as the related notification of FP's Supervisory Board and shareholders of the Company's current business progress and risk situation.

Francotyp-Postalia is exposed to certain fundamental risks, risks which could also affect its explicitly mentioned competitive strengths if these cannot be maintained. These risks could be significantly

detrimental to Francotyp-Postalia's business activities and its net assets, financial position, and operational results.

Risks and opportunities of future developments

Market and competition

The main risks for the FP Group stem from general economic influences and exchange rate risks. The FP Group generates roughly one third of its total turnover in the USA, Canada and Great Britain.

The international financial crisis is depressing macroeconomic development, particularly in the USA and other industrialised countries. If the economic and fiscal steps taken do not contribute to improving the situation, the risk of a longer recession increases. The consequences would be declining investment, rising unemployment and lower consumption. As the FP Group is exposed to a certain extent to its customers' cyclical investment behaviour, it would be affected by an economic downturn. The Company's history over more than 85 years has always demonstrated that economic cycles can be mastered, however. Moreover, in 2008 some 60% of FP Group revenue consisted of recurring income, which is much less affected by economic swings than new business.

The German postal market was already fully liberalised as of 1 January 2008. The German Federal Network Agency for Electricity, Gas, Telecommunications, Post and Railways (Federal Network Agency) has now issued several hundred licences to various providers of postal services. It cannot be ruled out that in the course of liberalisation in Germany new providers will extend their services to areas reserved exclusively to Deutsche Post AG (DPAG) until the end of 2007, gain market share from DPAG and deliver their mail without postage stamps which could reduce the overall need for franking machines. One potential factor in the development of a liberalised postal market in Germany is the current legislative debate on adopting VAT for postal services. The government white paper is currently due to be debated in parliament in March.

This development can also take place in other European and international postal markets where Francotyp-Postalia operates. These risks could be significantly detrimental to Francotyp-Postalia's business activities and its net assets, financial position, and operational results.

The deployment of new technologies in the outbound mail market and an increase in private letter distributors can also lead to a fall in demand for franking machines. As with a shift in the market towards smaller franking machines this can lead to changes in market shares and alter pricing structures. This risk is matched by an opportunity, as the FP Group participates in liberalisation via its subsidiaries freesort and iab. By merging its traditional franking and inserting business with mailstream solutions such as consolidation, outsourcing and hybrid mail, the FP Group is creating the conditions allowing it to benefit from this liberalisation in future.

In this context current developments at private postal service providers need to be watched closely. The introduction of a minimum wage for postal workers has had a powerful effect on the liberalisation process and has reduced competitive pressure in letter delivery. For Francotyp-Postalia this development offers the chance that historic letter volumes with an equivalent need for franking will continue.

In the area of centralised communications, an important business for iab GmbH, the Group is also witnessing increasing numbers of competitors. The FP Group counters this risk by increasingly dovetailing the Mailroom and Mailstream businesses and thereby bundling the potential of the Francotyp-Postalia Group.

Strategic company risks

The FP Group aims for profitable and sustainable growth. This criterion is therefore the fundamental yardstick for capital expenditure and the acquisition of companies or equity investments in them. Strategic company risks can arise when expectations, relating to investments or acquisitions for instance, are not met. The Company limits these risks by early analyses of risks and opportunities, if necessary with the support of external advisors.

Financial management

In the course of its business activities the FP Group is exposed to certain financial risks including exchange rate fluctuations, interest rate changes and defaults. The Group's primary risk management system addresses the unpredictability of the financial markets and is designed to minimise negative consequences for the Group's operational results. To achieve this goal the Group makes use of certain financial instruments. These are generally used to hedge existing or planned underlying transactions.

The Group has established internal regulations governing the scope for action, spheres of responsibility, financial reporting and control mechanisms for financial instruments. These include the functional separation of the recording and controlling of financial instruments. The FP Group's currency, interest rate and liquidity risks are controlled centrally. Accordingly the Company regards the financial risks as manageable.

Francotyp-Postalia addresses the liquidity risk via a liquidity forecast for the entire Group over a fixed planning horizon plus existing unused lines of credit.

In accordance with the lending agreement with the banks the FP Group has to maintain certain financial ratios based on EBITDA and net indebtedness. At the end of 2008 this financial ratio was adjusted to the current circumstances of FP Group after negotiations with the banks involved. Further negotiations with the banks involved would be necessary if the financial ratio is not maintained in future. In view of the current crisis in financial markets this would involve uncertain risks.

Summary of the FP Group's risk situation

An appraisal of the likely extent of any loss or damage and the probability of occurrence does not currently reveal any risks which could lead to major and sustained damage to FP Holding or the FP Group's net assets, financial position or results of operations. In organisational terms the Company has met the necessary conditions to be informed in advance of potential risk situations.

Strategy/outlook

Overall economy

At the beginning of 2009 the global economy is experiencing a difficult phase. After the slump in growth in 2008 it is not presently possible to say whether and how fast economic conditions in industrialised and emerging countries will recover.

For Germany on the other hand, experts are forecasting a decline of 2.5% in gross domestic product in 2009. The forecasts for the Eurozone are not much brighter. Economic researchers are expecting economic output to shrink by 2.1%. A decline in economic production of 2.3% is predicted for the USA. This means that at the start of the year all of the FP Group's key markets are in recession and will probably only stabilise in the second half of 2009.

Sector performance

The future development of the outbound mail market is determined by the economic environment and the regulatory framework. Worldwide the trend is towards a reorganisation of state monopolies and increasing liberalisation of postal markets. In the EU this liberalisation process is due to be completed by 2011. The German market has been liberalised since the beginning of 2008 but here, too, there are still obstacles to be overcome. For example, Deutsche Post still has the privilege of being exempt from VAT.

The weak economy affects the outbound mail market in two respects. On the one hand the low willingness to invest will apply to franking and inserting machines as well. On the other, price pressure on companies increases their willingness to migrate outbound mail to cost-saving outsourcing solutions and collaborate with professional service providers in this field.

Strategy for the FP Group

Against this backdrop the strategic realignment of the FP Group towards becoming a solutions provider for mail management is of particular significance. This is because the Company increasingly offers its Mailstream services specifically to Mailroom customers and is therefore driving the integration of the two segments to form a service provider for tailored outbound mail solutions. In the medium term and in liberalised markets demand for these mail management solutions for outbound mail will increase.

Within this strategy the Company has four lines of attack:

1. Expanding the Mailroom business in traditional markets where market share to date has been low
2. Early entry into new, fast-growing markets such as emerging economies
3. Extending the consolidation business in Germany
4. Exploiting growth opportunities by switching to new franking methods and new types of outbound mail (hybrid mail solutions and outsourcing)

To exploit additional growth potential Francotyp-Postalia Group will develop its Asian business. At the end of 2008 the FP Group acquired the remaining 45% of shares in the joint venture FP/GPS Assembly PTE Ltd, Singapore, which is now a wholly owned subsidiary of the FP Group. The company was renamed as Francotyp-Postalia Asia Pte. Ltd. Its sales activities for the Asian/Pacific area have been combined in it. Francotyp-Postalia Asia Pte. Ltd. already employs 18 personnel and seven further employees will be strengthening the team over the course of the year.

For 2009 the FP Group is not planning any changes to the financing structure. Significant changes to the legal structure are also not planned.

Project MOVE

Given the challenges on the way to becoming a mail management provider, the FP Group started the restructuring project MOVE in autumn 2007 with three focal points. Optimising the supply chain, research and development and administration. By tightening the supply chain delivery times are to be cut by 60% and process costs in production and dispatch are to go down by 20% at the same time. Concentrating logistics at the main site in Birkenwerder enables inventories to be reduced by around 25%. In research and development customers are now more involved in new projects and individual components are now also more standardised. The Company tightened up processes in its administration thereby cutting staff costs. At the same time sales in Germany were reorganised so that complex mail management solutions will in future be marketed as a one-stop shop.

With MOVE the FP Group is creating clear and simple structures in its traditional Mailroom business. By doing so the Company can reduce its costs on a sustainable basis. In the course of the 2009 financial year the FP Group expects to reduce costs by around three million euros.

Overall statement on future business development

It is currently not possible to say whether and how fast the economy in the key markets for the FP Group will recover in 2009 – a quantitative forecast for the current financial year is therefore impossible at the present time. New business in the Mailroom segment in particular is dependent on the global economy and exchange rate movements. The fact that two thirds of revenue are recurring in nature nevertheless provides an element of stability in business performance. In the Mailstream segment and for integrated mail management solutions the FP Group could also benefit from corporate clients' current willingness to invest in efficient and simultaneously cost-saving solutions.

Events after the balance sheet date

On 16 February 2009 the Supervisory Board der Francotyp-Postalia Holding AG dismissed Dr Heinz-Dieter Sluma from his position as Chairman of the Management Board and Management Board member.

On 23 February 2009 Andreas Drechsler was appointed to the Management Board for a period of one year. Previously Andreas Drechsler had been responsible for Foreign Sales and Investor Relations. Within the Management Board he has assumed responsibility for Sales, Marketing and Investor Relations. At the same time Hans Szymanski assumed responsibility for Research and Development, Personnel and Law in addition to his existing remit.

Management Board's responsibility statement in accordance with Section 289 Paragraph 1 Sentence 5 HGB

"We hereby affirm, to the best of our knowledge and in accordance with the applicable reporting principles, that the annual financial statements convey a true and fair view of the Company's net assets, financial position and results of operations, and that the Management Report sets out the Company's business progress, performance and current position in a way which accurately reflects its true circumstances, as well as describing the principal opportunities and risks associated with FP Holding's prospective future developments."

Birkenwerder, 16 March 2009

Hans Szymanski
Management Board

Andreas Drechsler
Management Board



Notes to the financial statements of Francotyp-Postalia Holding AG, Birkenwerder, for the financial year from 1 January to 31 December 2008

I. General information

Francotyp-Postalia Holding AG, Birkenwerder, (hereinafter also referred to as FP Holding, FP or the Company) is the parent company of the Francotyp-Postalia-Konzern (hereinafter also referred to as Francotyp-Postalia). The Company's headquarters are at Triftweg 21–26, Birkenwerder.

FP Holding is entered in the Commercial Register maintained by Neuruppin Local Court as HRB 7649. The financial year is the same as the calendar year.

Francotyp-Postalia is an internationally active company with an 80-year history in the field of outgoing mail processing. The focus of its activities is the traditional product business, which consists of developing, manufacturing and selling franking machines, in particular, but also inserting machines and conducting after-sales business. Thanks to the acquisition in November 2006 of the subsidiary freesort and of a majority holding in iab, the Francotyp-Postalia Group can also offer its German customers sorting and consolidation services as well as hybrid mail products.

Since 30 November 2006 all shares in FP Holding AG have been admitted for trading on the official market. On the same date the shares were authorised for trading on the Prime Standard segment of the Frankfurt Stock Exchange, where additional post-listing requirements apply. The shares are traded on the Frankfurt Stock Exchange under the Securities Identification Number (Wertpapierkennnummer) FPH900.

The annual financial statements were drawn up according to German Commercial Code (Handelsgesetzbuch, HGB) rules, taking duly into account the special provisions applying to corporations (Kapitalgesellschaften) laid down in Sections 264 ff. HGB as well as the supplementary provisions of the German Stock Corporation Act (Aktiengesetz – AktG). The Income Statement was prepared using the nature of expense method (Gesamtkostenverfahren) .

The annual financial statements have been drawn up in euros. Unless otherwise stated, for purposes of clarity and comparability all amounts are given in thousands of euros (EUR 000s). The rounding of individual items and percentages may lead to minor arithmetic differences.

II. Accounting policies

The **intangible fixed assets** and the **tangible assets** are carried at cost less scheduled depreciation. As well as the direct costs, manufacturing costs include a reasonable portion of the necessary material and production overheads, including production-related loss of value of fixed assets. Depreciation is via the straight-line method.

Shares in affiliated companies are carried at cost and **loans, receivables** and **other assets** are carried at their nominal values. Assets are subjected to regular impairment testing. If a permanently lower value has to be assigned to a fixed asset as of the balance sheet date a corresponding impairment will be recognised.

Pursuant to Section 266 paragraph 2 B III 2 of the German Commercial Code (Handelsgesetzbuch, HGB), the **treasury shares** were assigned to securities held as current assets. If the historic cost exceeds the fair value on the balance sheet date the shares will be written down to this fair value. If a write-down of treasury shares is necessary, a corresponding portion of the **reserve for treasury shares** will be released.

Expenses incurred before the balance sheet date are carried on the Assets side as **prepaid expenses** provided they represent expenditure relating to a specific time after that date, while income received before the balance sheet date is carried on the Liabilities side provided the income relates to a specific time after that date.

Pursuant to Section 6a of the German Income Tax Act (Einkommensteuergesetz – EstG), **provisions for pensions** are formed on the basis of figures calculated on actuarial principles using the mortality tables (Richttafeln 2005 G) drawn up by Professor Klaus Heubeck, and applying an interest rate of 6%.

Other provisions cover all discernible risks and uncertain liabilities. They are formed on the basis of our reasonable commercial judgement.

All **liabilities** are carried at their repayment values.

III. Notes to the balance sheet

1. Fixed assets

Changes during the 2008 financial year to the asset items carried on the balance sheet are set out in the Table of Assets which forms Appendix I.

Shares in FP GmbH, iab internet access GmbH (iab), iab-Verwaltungs- und Vertriebs GmbH (iabv) and freesort GmbH (freesort) are disclosed in the Financial Assets. A list of these shareholdings can be found in the Appendix to the Notes.

FP Holding has a 51.01% share in iab and 36.99% of the shares in iabv, both of which have their headquarters in Berlin. The remaining 63.01% of iabv is held directly by iab. FP also has a long-term option to purchase the remaining 48.99% of the shares in iab by 31 December 2017. The acquisition cost for the two companies was EUR 7,500,000 plus overheads of EUR 123,000.

Because iabv is no longer operationally active the EUR 25,000 book value of its shares has been written off entirely. The shares in iab were written down on 31 December 2008 by EUR 797,000 to a book value of EUR 6,800,000.

freesort GmbH, which is based in Düsseldorf, is a wholly owned subsidiary of FP Holding. The purchase price including overheads was EUR 19,694,000. The book value of the shares in FP GmbH remains unaltered at EUR 1,000,000.

The loans break down into EUR 16,623,000 (2007: EUR 16,623,000) to FP GmbH and EUR 4,500,000 (2007: EUR 3,800,000) to freesort.

2. Receivables from affiliated companies

Receivables from affiliated companies chiefly comprise receivables from profit transfer agreements, interest on loans, receivables for services rendered and from ongoing settlement of accounts. Receivables fell by EUR 18,519,000 as compared to the previous year. As in the previous year, all receivables have a remaining term of less than one year.

3. Securities and shares

After the authorisation granted by the General Meeting of Shareholders of FP on 16 October 2006, the Management Board of Francotyp-Postalia Holding AG decided on 20 November 2007 to embark on a programme to buy back FP shares in order to be in a position to acquire companies or investments in companies using treasury shares as the acquisition currency.

The aim of the General Meeting of Shareholders authorisation granted on 16 October 2006 was to allow the acquisition on the stock markets of up to 500,000 FP shares. This would have represented up to 3.40 per cent of the Company's equity capital. Said authorisation expired on 15 April 2008.

By the balance sheet date 370,444 shares (2007: 102,132) had been purchased at a total cost of EUR 1,829,000. (2007: EUR 552,000). By 31 December 2008 the shares were worth EUR 315,000 and, in strict application of the lower of cost or market principle, they were written down to this sum.

Month of acquisition	Number of treasury shares acquired	Amount of equity capital, EUR 000s	Percentage share of equity capital
November 2007	38,283	38,283	0.26 %
December 2007	63,849	63,849	0.43 %
January 2008	96,367	96,367	0.66 %
February 2008	92,596	92,596	0.63 %
March 2008	43,572	43,572	0.30 %
April 2008	35,777	35,777	0.24 %
Total	370,444	370,444	2.52 %

4. Shareholders' equity

Currently the equity capital in Francotyp-Postalia Holding AG is EUR 14,700,000, divided into 14,700,000 no-par value bearer shares with pro rata entitlement to participate in the Company's profits. Each share also confers one vote at the General Meeting of Shareholders. The equity capital is fully paid up.

On 16 October 2006 the FP Holding General Meeting of Shareholders passed resolutions approving both the creation of EUR 6.0 million in authorised capital, with a corresponding change in the Articles of Association, and a contingent increase in FP's equity capital by up to EUR 6.0 million through the issue of new no-par value bearer shares each representing EUR 1.00 of the equity capital. The Management Board was also authorised to issue option bonds and convertible

bonds with the option of withholding subscription rights pursuant to Section 186 paragraph 3 sentence 4 AktG, as well as contingent capital, and to make a corresponding change to the Articles of Association. FP has been further authorised, pursuant to Section 71 paragraph 1 No. 8 AktG, to acquire or dispose of treasury shares worth up to 10% of the equity capital of FP.

Accordingly, in November 2007 FP decided to embark on a share buyback programme, and by the end of the financial year 370,444 shares had been acquired. This represents 2.52% of the equity capital. Pursuant to Section 272 paragraph 4 HGB a reserve for treasury shares in the amount carried as assets was duly formed.

On 18 June 2008 the General Meeting of Shareholders passed a further resolution authorising the purchase of treasury shares. Under the new resolution FP is entitled by 17 December 2009 to acquire treasury shares totalling up to 10% of the equity capital in existence at the time when the resolution was passed.

At the General Meeting of Shareholders on 18 June 2008 the shareholders of Francotyp-Postalia Holding AG resolved for the first time to distribute a dividend, of EUR 0.15 per share. This represented a total dividend of EUR 2,150,000. The dividend was distributed immediately after the passing of the resolution. The remainder of the previous year's accumulated profit of EUR 7,475,000 was carried forward.

The reserve for treasury shares changed as follows during 2008:

	EUR 000s
Balance on 1 January 2008	552
Purchase of treasury shares	1,277
Loss of value	-1,514
Balance on 31 December 2008	315

Pursuant to Section 158 AktG, the reconciliation of the net loss for the year (2007: net profit) with the accumulated loss (2007: accumulated profit) is set out in the supplement to the Income Statement.

5. Provisions for pensions and similar obligations

EUR 279,000 of the provisions for pensions and similar obligations of EUR 280,000 (2007: EUR 248,000) relate to pension commitments to former Management Board members.

6. Other provisions

The other provisions of EUR 1,011,000 (2007: EUR 210,000) chiefly comprise provisions for anticipated losses on pending transactions of EUR 536,000 (2007: EUR 0), for premiums of EUR 184,000 (2007: EUR 31,000), for audit costs of EUR 79,000 (2007: EUR 93,000), for outstanding invoices of EUR 97,000 (2007: EUR 0), for Supervisory Board remuneration of EUR 72,000 (2007: EUR 60,000) and for outstanding paid leave of EUR 36,000 (2007: EUR 16,000). During 2008 provisions of EUR 18,000 were released and recognised as income.

7. Liabilities

As in the previous year, all liabilities have a remaining term of less than one year.

Other liabilities chiefly comprise tax liabilities. Of these, EUR 33,000 (2007: EUR 34,000) relate to payroll tax and EUR 480,000 (2007: EUR 6,000) to as-yet unpaid VAT. The increase in as-yet unpaid VAT results from the VAT implications of our organisational structure involving four domestic subsidiaries.

8. Other financial liabilities

Existing leases for company cars on the balance sheet date account for the other financial liabilities totalling EUR 123,000. The sum breaks down into EUR 61,000 in liabilities with a remaining term of less than one year and EUR 62,000 with remaining terms of between one and five years.

9. Contingency

On 4 March 2005, with modification agreements on 13 April 2005 and 23 January 2006, FP Holding as the parent company and FP GmbH as the borrower entered into agreement with BNP Paribas S.A., Frankfurt am Main for a loan originally amounting to EUR 89.5 million to finance the acquisition of the mail processing system business. By 31 December 2008 EUR 54.9 million of the agreed loan amount had been drawn down by FP GmbH and EUR 0.4 million by the affiliated company Francotyp-Postalia Inc., Addison, Illinois, USA.

FP Holding furnished BNP Paribas S.A. with the following loan collateral:

- Pledge of all shares in FP GmbH;
- Assignment for security of all claims against third parties, in particular the claim arising from the loan granted to FP GmbH;
- Pledge of bank balances.

Further loan collateral was furnished by the subsidiaries of FP Holding.

After the successful stock market flotation in 2006 the collateral held by the banks was released, before being taken up again at the end of 2008 within the scope of a revised loan agreement.

With effect from 1 January 2007 FP Holding issued a parent company guarantee (letter of comfort) towards its subsidiary freesort GmbH, Düsseldorf to the effect that, until 31 January 2010, it would irrevocably and unreservedly undertake ...

- to maintain an unaltered equity investment in freesort GmbH, Düsseldorf,
- to immediately, on request, furnish freesort with additional liquidity or other funds in so far as necessary to enable freesort to satisfy all its creditors' claims and thus remedy any existing or impending insolvency and to avoid any existing indebtedness within the meaning of insolvency law,
- and to ensure that freesort GmbH remains in a position to substantially continue its business operations.

IV.

Notes to the income statement

1. Revenues

The revenues result exclusively from consultancy services under the service contract concluded with FP GmbH on 16 May 2006.

2. Personnel costs

	2008 EUR 000s	2007 EUR 000s
Wages and salaries	1,307	927
Social security and pension & support costs	207	149
(of which pension costs)	(32)	(79)
	1,514	1,076

Compensation payments to two former Management Board members are carried as extraordinary expenses.

3. Other operating expenses

Other operating expenses for 2007 and 2008 break down as follows:

	2008 EUR 000s	2007 EUR 000s
Legal and consultancy costs	3,659	431
Other personnel costs	378	157
Travel costs	192	114
Rents and leases	159	1
Marketing and publications	158	105
Audit fees	79	83
Others	143	65
Total	4,768	956

4. Income from profit transfer agreements or loss transfer expenses

The expenditure arising from a loss transfer, or in 2007 the income [from a profit transfer], relate to the loss, or in 2007 profit, incurred by FP GmbH as a result of a control and profit transfer agreement.

5. Income from loans held as financial assets

The income of EUR 1,225,000 (2007: EUR 1,209,000) from loans held as financial assets relates exclusively to affiliated companies.

6. Interest income and expenses

The interest income of EUR 1,085,000 (2007: EUR 1,167,000) almost exclusively comprises interest from affiliated companies. In 2007 this item included interest from affiliated companies totalling EUR 953,000. The interest income from long-term loans is being disclosed separately from this year onwards, the 2007 figures have been adjusted accordingly. Interest expenses towards third parties were just EUR 7,000 (2007: EUR 1,000) in the reporting year.

7. Depreciation on financial assets and securities held as current assets

EUR 814,000 of the total depreciation of EUR 2,337,000 relates to the investment in iab, EUR 9,000 to the investment in iabv and EUR 1,514,000 to the treasury shares.

8. Extraordinary expenses

The extraordinary expenses of EUR 1,020,000 (2007: EUR 102,000) exclusively comprise the compensation payments to two former Management Board members (2007: expenditure directly arising from FP Holding AG's flotation).

V. Other details

1. Average number of employees

FP employs an average of two (2007: three) Management Board members and seven employees (2007: four).

2. Management Board and Supervisory Board

The Management Board of FP currently consists of two persons.

The former Spokesman of the Management Board of Francotyp-Postalia Holding AG, Hartmut Neumann, left the Company at the end of the previous year. The Supervisory Board appointed Dr Heinz-Dieter Sluma as his successor, and he ran the affairs of Francotyp-Postalia Holding AG as Management Board Chairman from 1 January 2008 onwards. The appointment, which was originally intended to run until December 2010, was terminated by the Supervisory Board with immediate effect on 16 February 2009.

The contracts with the two Management Board members Hans-Christian Hiemenz (CFO) and Manfred Schwarze (CTO) were terminated with effect from 30 June 2008, and the Supervisory Board appointed Hans Szymanski as CFO with effect from 1 December 2008. The post of CTO was left vacant. Responsibilities within the Management Board for Research and Development, Intellectual Property, Production, Logistics, Purchasing and Quality Management, which fell to Manfred Schwarze until 30 June 2008, were divided between Dr Sluma and Hans Szymanski.

The following table lists the Management Board members during the 2008 financial year and their individual responsibilities:

Name	Date of initial appointment	Currently appointed until	Responsibilities
Dr Heinz-Dieter Sluma (Chairman), .	January 2008	Appointment terminated in February 2009	<ul style="list-style-type: none"> • Sales • Marketing • Personnel and Law • Business Development • Research and Development
Hans Szymanski CFO	December 2008	December 2011	<ul style="list-style-type: none"> • Finances and Controlling • IT • Supply Chain
Left in the reporting year:			
Hans Christian Hiemenz	September 2006	Appointment terminated in June 2008	<ul style="list-style-type: none"> • Controlling, Finance and accounts • IT • Personnel and Law Investor Relations
Manfred Schwarze	September 2006	Appointment terminated in June 2008	<ul style="list-style-type: none"> • Research & Development • Intellectual Property • Production • Logistics • Purchasing • Quality Management •

The Management Board members do not hold positions on any supervisory board or other controlling bodies within the meaning of Section 125 paragraph 1 sentence 3 AktG.

On 23 February 2009 Andreas Drechsler was appointed to the Management Board for a period of one year. Previously Andreas Drechsler had been responsible for Foreign Sales and Investor Relations. Within the Management Board he has assumed responsibility for Sales, Marketing and Investor Relations. At the same time Hans Szymanski assumed responsibility for Research and Development, in addition to his existing remit.

On 18 June 2008 the General Meeting of Shareholders appointed Professor Michael J.A. Hoffmann to the Supervisory Board. Professor Hoffmann replaced Dr Rolf Stomberg, who

resigned from his post on the Supervisory Board of FP with effect from the end of the General Meeting of Shareholders.

The following table lists the members of FP's Supervisory Board and gives details of their occupations outside FP and other management board or supervisory board mandates with comparable German or foreign controlling bodies:

Name	Occupation	Other management board or supervisory board mandates with comparable German or foreign controlling bodies
Professor Michael J. A. Hoffmann (Chairman)	Management Consultant; Professor of Industrial Production and Organisation at Witten/Herdecke University	- Chairman of the Supervisory Board <ul style="list-style-type: none"> • Curtis 1000 Europe AG • inframation AG - Deputy Chairman of the Advisory Board of <ul style="list-style-type: none"> • KST-Motorenversuch GmbH & Co. KG
Christoph Weise (Deputy Chairman)	Management Consultant	- Executive Director of <ul style="list-style-type: none"> • QCR 1 GmbH • Quadriga Capital GmbH • Quadriga Capital Services GmbH • W.E.R.F. 1 Vermögensverwaltungsgesellschaft mbH
George Marton	Management Consultant	None
Left in the reporting year:		
Dr Rolf Stomberg (former Chairman)	Management Consultant	- Chairman of the Supervisory Board of <ul style="list-style-type: none"> • LANXESS AG, Leverkusen - Deputy Chairman of the Supervisory Board of <ul style="list-style-type: none"> • Biesterfeld AG, Hamburg - Member of the Supervisory Board of <ul style="list-style-type: none"> • Deutschen BP, Hamburg • Reed Elsevier N. V., Amsterdam • TNT N. V., Amsterdam - Member of the Board of Directors of <ul style="list-style-type: none"> • JSC Severstal, Russia • Reed Elsevier plc, London • Smith & Nephew plc, London - Deputy Chairman of the Advisory Board of HOYER GmbH, Hamburg

Management Board remuneration is set at a reasonable level by the Supervisory Board on the basis of performance assessments of the persons concerned, while also taking into account any payments by Group companies. Criteria for determining the suitability of the remuneration include the duties of the Management Board member in question, his personal performance, the performance of the Management Board as a whole, as well as the macroeconomic situation and the Company's performance and future prospects, giving due consideration to the Company's peer group. The employment contracts concluded with board members stipulate a fixed annual

salary plus a performance-related bonus. No bonuses were paid to board members for the 2008 financial year. The direct remuneration paid to Management Board members totalled EUR 651,000, of which EUR 586,000 comprised the fixed annual salaries and EUR 65,000 represented payment in kind. The payments in kind chiefly consist of the value of company car use as determined in compliance with the provisions of tax law, as well as rent allowances and individual insurance contributions.

No share-based remuneration agreements were in place, and in 2009 there continues to be no share option scheme. The remuneration for the 2008 financial year was as follows:

EUR 000s	Fixed salary	Compensation	Payment in kind and allowances	Total remuneration
Dr Heinz-Dieter Sluma	348	0	32	380
Hans Szymanski (December 2008 onwards)	22	0	3	25
Hans Christian Hiemenz (until June 2008)	108	510	16	634
Manfred Schwarze (until June 2008)	108	510	14	632
Total	586	1.020	65	1,671

As compensation for the premature termination of their contracts of employment, the two former Management Board members Hans Christian Hiemenz and Manfred Schwarze each received a payment of EUR510,000.

A provision of EUR 279,000 (2007: EUR 248,000) was set aside to cover pension commitments towards the two former Management Board members. None of the Management Board members' immediate relatives has any business relationship with Francotyp-Postalia.

Each member of the Supervisory Board receives fixed lump sum remuneration of EUR 10,000 per financial year, payable in the final month of the year. The Supervisory Board Chairman receives 2.5 times this amount and the Deputy Chairman double.

On 18 June 2008 the General Meeting of Shareholders agreed to a change in the Articles of Association concerning Supervisory Board remuneration whereby, from the 2009 financial year onwards, each Supervisory Board member would receive, as well as cash expenses plus VAT for his/her Supervisory Board duties, lump sum remuneration of EUR 30,000, payable in the final month of the financial year. Under this arrangement the 2009 lump-sum remuneration due to the Chairman will be 150% and to the Deputy Chairman 125% of the remuneration for ordinary Supervisory Board members.

3. Auditor's fee recognised as expenses

Expenditure of EUR 79,000 for FP Holding's auditor, Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft Berlin, was recognised in the financial year 2007. This was entirely attributable to the audit of the annual financial statements.

4. Corporate Governance

The German Corporate Governance Code, as first adopted in February 2002 and in its currently prevailing version adopted on 6 June 2008, contains recommendations and suggestions for the management and supervision of German listed companies in relation to shareholders, the general meeting of shareholders, the management board and supervisory board, transparency, rendering of accounts and auditing.

The Management Board and Supervisory Board of Francotyp-Postalia Holding AG adhere to the Code's goal of promoting responsible and transparent corporate management and supervision geared to bringing about a sustained increase in corporate value, and are committed to the implementation of the recommendations and proposals of the Corporate Governance Code (Code), in particular where they concern shareholder interests. However, the Company does depart from those recommendations in some areas. These departures have been elucidated in the Management Board and Supervisory Board's Declaration of Compliance with the 6 June 2008 version of the Code. In accordance with Section 161 AktG, they are also set out on our website in order to allow our shareholders permanent access to them.

5. Consolidated financial statements

Individual consolidated financial statements are drawn up for FP Holding and its subsidiaries and second-tier subsidiaries. The statements are submitted to the electronic version of the German Federal Gazette (Bundesanzeiger) for publication.

6. Shareholder structure

During the 2008 financial year Francotyp-Postalia Holding AG received the following notification from its shareholders pursuant to Section 21 paragraph 1 of the German Securities Trading Act (Wertpapierhandelsgesetz - WpHG) and published them pursuant to Section 26 paragraph 1 WpHG:

J O Hambro Capital Management Limited, J O Hambro Capital Management Group Limited, J O Hambro Capital Management Umbrella Fund plc, all with their headquarters in London, Great Britain:

Announcement on 4 February 2008

Correction of announcements on 10 and 11 July 2008

J O Hambro Capital Management Limited, with its headquarters in London, Great Britain, notified us pursuant to Section 21 paragraph 1 WpHG that its share of the voting rights in Francotyp-Postalia Holding AG on 18 May 2007 exceeded the 3% threshold and amounted to 3.10% (455,960 voting rights) of the voting rights on that date. 3.10% (455,960 voting rights) of the voting rights are to be allocated to J O Hambro Capital Management Limited pursuant to Section 22 paragraph sentence 1 No. 6 WpHG.

J O Hambro Capital Management Group Limited, with its headquarters in London, Great Britain, notified us pursuant to Section 21 paragraph 1 WpHG that its share of the voting rights in Francotyp-Postalia Holding AG on 18 May 2007 exceeded the 3% threshold and amounted to 3.10% (455,960 voting rights) of the voting rights on that date. 3.10% (455,960 voting rights) of the voting rights are to be allocated to J O Hambro Capital Management Group Limited pursuant to Section 22 paragraph 1 sentence 1 No. 6 WpHG in connection with Section 22 paragraph 1 sentence 2 WpHG.

J O Hambro Capital Management Umbrella Fund plc, with its headquarters in London, Great Britain, notified us pursuant to Section 21 paragraph 1 WpHG that its share of the voting rights in Francotyp-Postalia Holding AG on 22 May 2007 exceeded the 3% threshold and amounted to 3.02% (444,651 voting rights) of the voting rights on that date.

J O Hambro Capital Management Umbrella Fund plc, with its headquarters in London, Great Britain, further notified us that its voting rights in Francotyp-Postalia Holding AG on 4 July 2007 exceeded the threshold of 5% and corresponded to a figure of 5.69% (835,956 voting rights) of the voting rights on that date.

J O Hambro Capital Management Limited, with its headquarters in London, Great Britain, notified us pursuant to Section 21 paragraph 1 WpHG that its share of the voting rights in Francotyp-Postalia Holding AG on 4 July 2007 exceeded the 5% threshold and amounted to 6.01% (882,960 voting rights) of the voting rights on that date. 6.01% (882,960 voting rights) of the voting rights are to be allocated to J O Hambro Capital Management Limited pursuant to Section 22 paragraph 1 sentence 1 No. 6 WpHG. The voting rights are to be allocated to J O Hambro Capital Management Limited via J O Hambro Capital Management Umbrella Fund plc.

J O Hambro Capital Management Group Limited, with its headquarters in London, Great Britain, notified us pursuant to Section 21 paragraph 1 WpHG that its share of the voting rights in Francotyp-Postalia Holding AG on 4 July 2007 exceeded the 5% threshold and amounted to 6.01% (882,960 voting rights) of the voting rights on that date. 6.01% (882,960 voting rights) of the voting rights are to be allocated to J O Hambro Capital Management Group Limited pursuant to paragraph 1 sentence 1 No. 6 WpHG in connection with Section 22 paragraph 1 sentence 2 WpHG. The voting rights are being allocated to J O Hambro Capital Management Group Limited via J O Hambro Capital Management Umbrella Fund plc, which directly holds 3% or more of the voting rights.

J O Hambro Capital Management Umbrella Fund plc, with its headquarters in London, Great Britain, notified us pursuant to Section 21 paragraph 1 WpHG that its share of the voting rights in Francotyp-Postalia Holding AG on 5 September 2007 exceeded the 10% threshold and amounted to 10.41% (1,530,435 voting rights) of the voting rights on that date.

J O Hambro Capital Management Limited, with its headquarters in London, Great Britain, notified us pursuant to Section 21 paragraph 1 WpHG that its share of the voting rights in Francotyp-Postalia Holding AG on 5 September 2007 exceeded the 10% threshold and amounted to 10.84% (1,593,452 voting rights) of the voting rights on that date. 10.84% (1,593,452 voting rights) of the voting rights are to be allocated to J O Hambro Capital Management Limited pursuant to Section 21 paragraph 1 sentence 1 No. 6 WpHG. The voting rights are being allocated to J O Hambro Capital Management Group Limited via J O Hambro Capital Management Umbrella Fund plc, which directly holds 3% or more of the voting rights.

J O Hambro Capital Management Group Limited, with its headquarters in London, Great Britain, notified us pursuant to Section 21 paragraph 1 WpHG that its share of the voting rights in Francotyp-Postalia Holding AG on 5 September 2007 exceeded the 10% threshold and amounted to 10.84% (1,593,452 voting rights) of the voting rights on that date. 10.84% (1,593,452 voting rights) of the voting rights are to be allocated to J O Hambro Capital Management Group Limited pursuant to Section 22 paragraph 1 sentence 1 No. 6 WpHG in connection with Section 22 paragraph 1 sentence 2 WpHG. The voting rights are being allocated to J O Hambro Capital Management Group Limited via J O Hambro Capital Management Umbrella Fund plc, which directly holds 3% or more of the voting rights.

Announcement on 18 April 2008

J O Hambro Capital Management Group Limited, with its headquarters in London, Great Britain, notified us pursuant to Section 21 paragraph 1 WpHG that its share of the voting rights in Francotyp-Postalia Holding AG (WKN [= Wertpapierkennnummer, the German Securities Identification Number] FPH900; ISIN DE000FPH9000) on 14 April 2008 had fallen below the 10% threshold and corresponded to a figure of 9.35% (1,373,948 voting rights) of the voting rights on that date.

9.35% (1,373,948 voting rights) of the voting rights are to be allocated to J O Hambro Capital Management Group Limited pursuant to Section 22 paragraph 1 sentence 1 No. 6 WpHG in connection with Section 22 paragraph 1 sentence 2 WpHG.

The voting rights are to be allocated to J O Hambro Capital Management Group Limited via J O Hambro Capital Management Umbrella Fund plc, which directly holds 3% or more of the voting rights.

J O Hambro Capital Management Limited, with its headquarters in London, Great Britain, further notified us pursuant to Section 21 paragraph 1 WpHG that its share of the voting rights in Francotyp-Postalia Holding AG (WKN FPH900; ISIN DE000FPH9000) on 14 April 2008 had fallen below the 10% threshold and corresponded to a figure of 9.35% (1,373,948 voting rights) of the voting rights on that date.

9.35% (1,373,948 voting rights) of the voting rights are to be allocated to J O Hambro Capital Management Limited pursuant to Section 22 paragraph 1 sentence 1 No. 6 WpHG in connection with Section 22 paragraph 1 sentence 2 WpHG.

Announcement on 17 July 2008

On 15 July 2008, J O Hambro Capital Management Group Limited, London, Great Britain, notified us pursuant to Section 21 paragraph 1 WpHG, that, via shares, its voting rights in Francotyp-Postalia Holding AG, Birkenwerder, Germany, ISIN: DE000FPH9000, WKN: FPH900, on 14 July 2008 had fallen below the 5% voting rights threshold and now amount to 3.94% (corresponding to 579,198 voting rights). 3.94% of the voting rights (corresponding to 579,198 voting rights) are to be allocated to J O Hambro Capital Management Group Limited pursuant to Section 22 paragraph 1, sentence 1, Nr. 6 WpHG in connection with Section 22 paragraph 1 sentence 2 WpHG. The voting rights are to be allocated to J O Hambro Capital Management Group Limited via J O Hambro Capital Management Umbrella Fund plc, which directly holds 3% or more of the voting rights.

On 15 July 2008, J O Hambro Capital Management Limited, London, Great Britain, notified us pursuant to Section 21 paragraph 1 WpHG, that, via shares, its voting rights in Francotyp-Postalia Holding AG, Birkenwerder, Germany, ISIN: DE000FPH9000, WKN: FPH900, on 14 July 2008 had fallen below the 5% voting rights threshold and now amount to 3.94% (corresponding to 579,198 voting rights). 3.94% of the voting rights (corresponding to 579,198 voting rights) are to be

allocated to J O Hambro Capital Management Limited pursuant to Section 22 paragraph 1 sentence 1 No. 6 WpHG.

The voting rights are being allocated to J O Hambro Capital Management Limited via J O Hambro Capital Management Umbrella Fund plc, which directly holds 3% or more of the voting rights.

On 16 July 2008 J O Hambro Capital Management Umbrella Fund plc, London, Great Britain, notified us pursuant to Section 21 paragraph 1 WpHG, that, via shares, its voting rights in Francotyp-Postalia Holding AG, Birkenwerder, Germany, ISIN: DE000FPH9000, WKN: FPH900, on 11 July 2008 had fallen below the 5% voting rights threshold and now amount to 4.81% (corresponding to 706,898 voting rights).

Announcement on 4 August 2008

On 1 August 2008 J O Hambro Capital Management Group Limited, London, Great Britain, notified us pursuant to Section 21 paragraph 1 WpHG, that, via shares, its voting rights in Francotyp-Postalia Holding AG, Birkenwerder, Germany, ISIN: DE000FPH9000, WKN: FPH900, on 29 July 2008 had fallen below the 3% voting rights threshold and now amount to 0% (corresponding to 0 voting rights). 0% of the voting rights (corresponding to 0 voting rights) are to be allocated to J O Hambro Capital Management Group Limited pursuant to Section 22 paragraph 1, sentence 1, No. 6 WpHG in connection with Section 22 paragraph 1 sentence 2 WpHG. The voting rights are to be allocated to J O Hambro Capital Management Group Limited via J O Hambro Capital Management Umbrella Fund plc, which directly holds 0% or more of the voting rights.

On 1 August 2008 J O Hambro Capital Management Limited, London, Great Britain, notified us pursuant to Section 21 paragraph 1 WpHG, that, via shares, its voting rights in Francotyp-Postalia Holding AG, Birkenwerder, Germany, ISIN: DE000FPH9000, WKN: FPH900, on 29 July 2008 had fallen below the 3% voting rights threshold and now amount to 0% (corresponding to 0 voting rights). 0% of the voting rights (corresponding to 0 voting rights) are to be allocated to J O Hambro Capital Management Limited pursuant to Section 22 paragraph 1 sentence 1 No. 6 WpHG.

The voting rights are being allocated to J O Hambro Capital Management Limited via J O Hambro Capital Management Umbrella Fund plc, which directly holds 0% or more of the voting rights.

On 1 August 2008 J O Hambro Capital Management Umbrella Fund plc, London, Great Britain, notified us pursuant to Section 21 paragraph 1 WpHG, that, via shares, its voting rights in Francotyp-Postalia Holding AG, Birkenwerder, Germany, ISIN: DE000FPH9000, WKN: FPH900, on 29 July 2008 had fallen below the 3% voting rights threshold and now amount to 0% (corresponding to 0 voting rights).

Kairos Investment Management Limited, with its headquarters in London, Great Britain, KIM SpA, with its headquarters in Milan, Italy, and KIM BV, with its headquarters in Amsterdam, The Netherlands

Announcement on 4 April 2008

Kairos Investment Management Limited, with its headquarters in London, Great Britain, notified us on its own behalf and on behalf of KIM SpA, with its headquarters in Milan, Italy, KIM BV, with its headquarters in Amsterdam, Netherlands, and Kairos Fund Ltd, with its headquarters in George Town, Grand Cayman, Cayman Islands, pursuant to Section 21 paragraph 1 WpHG, that the voting rights of KIM SpA, KIM BV, Kairos Investment Management Ltd and Kairos Fund Ltd in Francotyp-Postalia Holding AG, Birkenwerder (WKN FPH900, ISIN DE000FPH9000) on 1 April 2008 have each exceeded the 3% threshold and each amounted to 3.01% (442,146 shares) of the voting rights on that date.

3.01% (442,146 shares) of the voting rights are to be allocated to Kairos Investment Management Ltd pursuant to Section 22 paragraph 1 sentence 1 No. 6 WpHG, and to Kairos SpA and Kairos BV each pursuant to Section 22 paragraph 1 No. 6 in connection with sentence 2 WpHG.

The voting rights of Kairos Fund Ltd, which holds 3% or more in Francotyp-Postalia Holding AG, are to be allocated to KIM SpA, KIM BV and Kairos Investment Management Ltd.

Announcement on 29 July 2008

Kairos Investment Management Limited, with its headquarters in London, Great Britain, notified us on its own behalf and on behalf of Kairos Fund Ltd, with its headquarters in George Town, Grand Cayman, Cayman Islands, KIM SpA, with its headquarters in Milan, Italy, and KIM BV, with its headquarters in Amsterdam, Netherlands, and pursuant to Section 21 paragraph 1 WpHG, that the voting rights of KIM SpA, KIM BV, Kairos Investment Management Ltd and Kairos Fund Ltd in Francotyp-Postalia Holding AG, Birkenwerder (WKN FPH900, ISIN DE000FHP9000) on 23 July 2008 had each fallen below the 3% threshold and each amounted to 2.95% (433,801 shares) of the voting rights on that date.

2.95% (433,801 shares) of the voting rights are to be allocated to Kairos Investment Management Ltd pursuant to Section 22 paragraph 1 sentence 1 No. 6 WpHG, and to Kairos SpA and Kairos BV each pursuant to Section 22 paragraph 1 No. 6 in connection with sentence 2 WpHG.

Correction of announcement pursuant to Section 26 paragraph 1 WpHG on 29 July 2008

Kairos Investment Management Limited, with its headquarters in London, Great Britain, notified us on its own behalf and on behalf of Kairos Fund Ltd, with its headquarters in George Town, Grand Cayman, Cayman Islands, KIM SpA, with its headquarters in Milan, Italy, and KIM BV, with its headquarters in Amsterdam, Netherlands, and pursuant to Section 21 paragraph 1 WpHG, that the voting rights of KIM SpA, KIM BV, Kairos Investment Management Ltd and Kairos Fund Ltd in Francotyp-Postalia Holding AG, Birkenwerder (WKN FPH900, ISIN DE000FHP9000) on 23 July 2008 had each fallen below the 3% threshold and each amounted to 2.95% (433,801 shares) of the voting rights on that date.

2.95% (433,801 shares) of the voting rights are to be allocated to Kairos Investment Management Ltd pursuant to Section 22 paragraph 1 sentence 1 No. 6 WpHG, and to KIM SpA and KIM BV each pursuant to Section 22 paragraph 1 No. 6 in connection with sentence 2 WpHG.

Baillie Gifford & Co., Baillie Gifford Overseas Limited, both with their headquarters in Edinburgh, Scotland

Announcement on 17 July 2008

On 16 July 2008 Baillie Gifford & Co, Edinburgh, Scotland, UK, notified us pursuant to Section 21 paragraph 1 WpHG, that, via shares, its voting rights in Francotyp-Postalia Holding AG, Birkenwerder, Germany, ISIN: DE000FPH9000, WKN: FPH900, on 14 July 2008 exceeded the 5% voting rights threshold and now amount to 5.39% (corresponding to 792,000 voting rights). 1.61% of the voting rights (corresponding to 236,500 voting rights) are to be allocated to Baillie Gifford & Co pursuant to Section 22 paragraph 1 sentence 1 No. 6 WpHG, 3.78% of the voting rights (corresponding to 555,500 voting rights) are to be allocated to Baillie Gifford & Co pursuant to Section 22 paragraph 1 sentence 1 No. 6 and sentence 2 WpHG.

On 16 July 2008 Baillie Gifford & Co, Edinburgh, Scotland, UK, notified us pursuant to Section 21 paragraph 1 WpHG, that, via shares, its voting rights in Francotyp-Postalia Holding AG, Birkenwerder, Germany, ISIN: DE000FPH9000, WKN: FPH900, on 14 July 2008 exceeded the 3% voting rights threshold and now amount to 3.78% (corresponding to 555,500 voting rights).

3.78% of the voting rights (corresponding to 555,500 voting rights) are to be allocated to Baillie Gifford & Co pursuant to Section 22 paragraph 1 sentence 1 No. 6 WpHG.

On 16 July 2008 Baillie Gifford & Co, Edinburgh, Scotland, UK, also notified us pursuant to Section 21 paragraph 1 WpHG, that, via shares, its voting rights in Francotyp-Postalia Holding AG, Birkenwerder, Germany, ISIN: DE000FPH9000, WKN: FPH900, on 12 June 2008 exceeded the 3% voting rights threshold and now amount to 4.03% (corresponding to 592,000 voting rights). 1.20% of the voting rights (corresponding to 177,000 voting rights) are to be allocated to Baillie Gifford & Co pursuant to Section 22 paragraph 1 sentence 1 No. 6 WpHG, 2.82% of the voting rights (corresponding to 415,000 voting rights) are to be allocated to Baillie Gifford & Co pursuant to Section 22 paragraph 1 sentence 1 No. 6 and sentence 2 WpHG.

Amiral Gestion, with its headquarters in Paris, France

Announcement on 29 July 2008

On 28 July 2008 Amiral Gestion, with its headquarters in Paris, France, notified us pursuant to Section 21 paragraph 1 WpHG that its share of the voting rights in Francotyp-Postalia Holding AG in Birkenwerder, Germany (ISIN DE000FPH9000, WKN FPH900), on 25 July 2008 exceeded the 5% voting rights threshold and amounted to 6.90% (corresponding to 1,013,953 voting rights) of the voting rights on that date.

6.90% (1,013,953 shares) of the voting rights are to be allocated to Amiral Gestion pursuant to Section 22 paragraph 1 sentence 1 No. 6 WpHG.

Addendum to the announcement on 29 July 2008

On 29 July 2008 Amiral Gestion, with its headquarters in Paris, France, notified us pursuant to Section 21 paragraph 1 WpHG that its share of the voting rights in Francotyp-Postalia Holding AG in Birkenwerder, Germany (ISIN DE000FPH9000, WKN FPH900), on 18 December 2007 exceeded the 3% voting rights threshold and amounted to 4.09% (corresponding to 601,224 voting rights) of the voting rights on that date.

4.09% (601,224 shares) of the voting rights are to be allocated to Amiral Gestion pursuant to Section 22 paragraph 1 sentence 1 No. 6 WpHG.

Correction to our addendum of 29 July 2008:

On 29 July 2008 Amiral Gestion, with its headquarters in Paris, France, notified us pursuant to Section 21 paragraph 1 WpHG that its share of the voting rights in Francotyp-Postalia Holding AG in Birkenwerder, Germany (ISIN DE000FPH9000, WKN FPH900), on 18 December 2007 exceeded the 3% voting rights threshold and amounted to 3.41% (corresponding to 501,301 voting rights) of the voting rights on that date.

3.41% (501,301 shares) of the voting rights are to be allocated to Amiral Gestion pursuant to Section 22 paragraph 1 sentence 1 No. 6 WpHG.

Announcement on 31 July 2008

On 31 July 2008 Amiral Gestion, with its headquarters in Paris, France, notified us pursuant to Section 21 paragraph 1 WpHG that its share of the voting rights in Francotyp-Postalia Holding AG in Birkenwerder, Germany (ISIN DE000FPH9000, WKN FPH900), on 30 July 2008 exceeded the

10% voting rights threshold and amounted to 11.30% (corresponding to 1,660,679 voting rights) of the voting rights on that date.

11.30% (1,660,679 shares) of the voting rights are to be allocated to Amiral Gestion pursuant to Section 22 paragraph 1 sentence 1 No. 6 WpHG.

Financière de L'Echiquier, with its headquarters in Paris, France

Correction to our announcements of 5 July and 13 November 2007

Financière de L'Echiquier Paris, France, notified us pursuant to Section 21 paragraph 1 WpHG, that, via shares, its voting rights in Francotyp-Postalia Holding AG, Birkenwerder, Germany, ISIN: DE000FPH9000, WKN: FPH900, on 7 March 2007 exceeded the 3% voting rights threshold and now amount to 3.27% (corresponding to 480,952 voting rights).

0.027% (4,000 voting rights) of the voting rights are to be allocated to Financière de L'Echiquier pursuant to Section 22 paragraph 1 sentence 1 No. 6 WpHG.

Financière de L'Echiquier Paris, France, notified us pursuant to Section 21 paragraph 1 WpHG, that, via shares, its voting rights in Francotyp-Postalia Holding AG, Birkenwerder, Germany, ISIN: DE000FPH9000, WKN: FPH900, on 1 November 2007 exceeded the 5% voting rights threshold and now amount to 5.112% (corresponding to 751,510 voting rights).

0.02% of these voting rights (3,340 voting rights) are to be allocated to Financière de L'Echiquier pursuant to Section 22 paragraph 1 sentence 1 No. 6 WpHG.

Invesco UK Limited, Invesco Limited, both companies with their headquarters in London, Great Britain

Notification on 1 December 2008

On 28 November 2008 Invesco UK Limited, London, United Kingdom, notified us pursuant to Section 21 paragraph 1 WpHG that, via shares, its voting rights in Francotyp-Postalia Holding AG, Birkenwerder, Germany, ISIN: DE000FPH9000, WKN: FPH900, on 11 November 2008 had fallen below the 5% voting rights threshold and now amount to 4.9949% (corresponding to 734,250 voting rights).

4.9949% of the voting rights (corresponding to 734,250 voting rights) are to be allocated to the Company pursuant to Section 22 paragraph 1 sentence 1 No. 6 in connection with sentence 2 WpHG. In this connection voting rights are being allocated to it from the following shareholders, whose share of the voting rights in Francotyp-Postalia Holding AG each amounts to 3% or more: Invesco Fund Managers Limited.

On 28 November 2008 Invesco UK Limited, London, United Kingdom, notified us pursuant to Section 21 paragraph 1 WpHG, that, via shares, its voting rights in Francotyp-Postalia Holding AG, Birkenwerder, Germany, ISIN: DE000FPH9000, WKN: FPH900, on 11 November 2008 had fallen below the 5% voting rights threshold and now amount to 4.9949% (corresponding to 734,250 voting rights).

4.9949 % of the voting rights (corresponding to 734,250 voting rights) are to be allocated to the Company pursuant to Section 22 paragraph 1 sentence 1 No. 6 in connection with sentence 2 WpHG. In this connection voting rights are being allocated to it from the following shareholders,

whose share of the voting rights in Francotyp-Postalia Holding AG each amounts to 3% or more: Invesco Fund Managers Limited.

Eric Spoerndli, Switzerland

Notification on 1 December 2008

On 1 December 2008 Eric Spoerndli, Switzerland, notified us pursuant to Section 21 paragraph 1 WpHG, that, via shares, his voting rights in Francotyp-Postalia Holding AG, Birkenwerder, Germany, ISIN: DE000FPH9000, WKN: FPH900, on 27 November 2008 exceeded the 3% voting rights threshold and now amount to 3.28% (corresponding to 481,894 voting rights).

KBL Richelieu Gestion, with its headquarters in Paris, France

Notification on 19 December 2008

On 16 December 2008 KBL Richelieu Gestion, Paris, France, notified us pursuant to Section 21 paragraph 1 WpHG, that, via shares, its voting rights in Francotyp-Postalia Holding AG, Birkenwerder, Germany, ISIN: DE000FPH9000, WKN: FPH900, on 29 August 2008 exceeded the 3% voting rights threshold and now amount to 6.14% (corresponding to 903,000 voting rights).

On 16 December 2008 KBL Richelieu Gestion, Paris, France, notified us pursuant to Section 21 paragraph 1 WpHG, that, via shares, its voting rights in Francotyp-Postalia Holding AG, Birkenwerder, Germany, ISIN: DE000FPH9000, WKN: FPH900, on 22 October 2008 had fallen below the 5% voting rights threshold and now amount to 4.85% (corresponding to 713,000 voting rights).

The declaration pursuant to Section 264 paragraph 2 sentence 3 HGB has been published in the Management Report.

Birkenwerder, 16 March 2009

Hans Szymanski
Management Board

Andreas Drechsler
Management Board

Francotyp-Postalia Holding AG, Birkenwerder

Balance Sheet to 31 December 2008



Assets			Equity & Liabilities		
	31.12.2008	31.12.2007		31.12.2008	31.12.2007
	TEUR	TEUR		TEUR	TEUR
A. Fixed assets			A. Shareholders' equity		
I. Property, plant and equipment			I. Subscribed capital	14.700	14.700
Other equipment, operating and office equipment	4	0	II. Capital reserves	48.600	48.600
II. Financial assets			III. Revenue reserves		
1 Shares in affiliated companies	27.494	28.317	Reserve for treasury shares	315	552
2 Loans to affiliated companies	21.123	20.423	IV. Net loss (previous year net profit)	-11.105	9.625
	48.617	48.740		52.510	73.477
	48.621	48.740	B. Provisions		
B. Current assets			1. Provisions for pensions and similar obligations	280	248
I. Accounts receivable and other assets			2. Other provisions	1.011	210
1 Receivables from affiliated companies	6.123	24.642		1.291	458
2 Other assets	6	3	C. Liabilities		
	6.129	24.645	1. Accounts payable	776	16
II. Securities and treasury shares	315	552	2. Payables to affiliated companies	0	2
III. Cash in hand, bank balances	3	3	3. Other liabilities	512	40
	6.447	25.200		1.288	58
C. Prepaid expenses	21	53			
	55.089	73.993		55.089	73.993



**Income statement
for the period from 1 January to 31 December 2008**

	1. Januar bis 31. Dezember 2008	1. Januar bis 31. Dezember 2007
	T€	T€
1. Revenues	649	556
2. Other operating income	20	0
3. Staff expenses	1.514	1.076
4. Amortisation of intangible fixed assets and depreciation of tangible fixed assets	2	0
5. Other operating expenses	4.768	956
6. Income from profit transfer agreements	0	6.899
7. Expenses from loss transfer agreements	12.149	0
8. Income from loans held as financial assets	1.225	1.209
9. Other interest and similar income	1.085	1.167
10. Depreciation on financial assets and securities held as current assets	2.337	0
11. Interest and similar expenses	7	1
12. Income from ordinary operating activities	-17.798	7.798
13. Extraordinary income	0	19
14. Extraordinary expenses	1.020	102
15. Annual net loss (previous year net profit)	-18.818	7.715
16 Profit carried forward from previous year	9.625	2.462
17 Appropriation of profit for the distribution of a dividend	-2.150	0
18 Withdrawal from the reserve for treasury shares	1.515	0
19 Transfer to the reserve for treasury shares	-1.277	-552
20 Net loss (previous year net profit)	-11.105	9.625

**Francotyp-Postalia Holding AG,
Birkenwerder**

Development of Non-Current Assets in Financial Year 2008

	costs of purchase and production			cumulative depreciation and amortisation				Carrying amounts	
	as of	Additions	as of	as of	Additions	Additions	as of	as of	
	1.1.2008	of affil. Companies	31.12.2008	1.1.2008	of affil. Companies	Others	31.12.2008	31.12.2008	31.12.2007
	EUR'000	EUR'000	€thousand	€thousand	€thousand	€thousand	€thousand	€thousand	€thousand
I. Intangible Assets									
concession, industrial property rights and similar rights and assets									
licences in and to the right to similar rights and assets	0	60	60	0	59	1	60	0	0
II. Property, plant and equipment									
Other equipment, operating and business equipment	0	37	37	0	32	1	33	4	0
	0	37	37	0	32	1	33	4	0
III. Financial assets									
1. Shares in affiliated companies	28.317	0	28.317	0	0	823	823	27.494	28.317
2. Loans to affiliated companies	20.423	700	21.123	0	0	0	0	21.123	20.423
	48.740	700	49.440	0	0	823	823	48.617	48.740
	48.740	797	49.537	0	91	825	916	48.621	48.740



YOUR MAIL IS OUR BUSINESS

Pos. Nr.	Company	Currency	Capital share in %	Earnings 2008	Equity	Owner (Lfd.Nr.)
1	Francotyp-Postalia Holding AG, Birkenwerder, Germany					
	Table of Share Property					
2	Francotyp Postalia GmbH, Birkenwerder, Germany	TEUR	100	0	1.000	1
3	freesort GmbH, Düsseldorf, Germany	TEUR	100	-751	-4.465	1
4	iab Internet Access GmbH, Berlin, Germany	TEUR	51,01	150	1.230	1
5	iab-Verwaltungs- und Vertriebs GmbH, Berlin, Germany	TEUR	100	-8	12	1 und 4
6	FP Direkt Vertriebs GmbH, Birkenwerder, Germany	TEUR	100	0	26	2
7	Francotyp-Postalia Vertrieb & Service GmbH, Birkenwerder, Germany	TEUR	100	0	11.187	2
8	Francotyp-Postalia International GmbH, Birkenwerder, Germany	TEUR	100	0	6.510	2
9	Francotyp-Postalia N.V. Zaventem, Belgium	TEUR	99,97	6	1.043	2
10	Francotyp-Postalia (Österreich) GesmbH Vienna, Austria	TEUR	100	357	1.116	2
11	Ruys Handelsvereniging BV The Hague, Netherlands	TEUR	100	1.468	1.541	8
12	Italiana Audion S.r.l. Milano, Italy	TEUR	100	-544	159	8
13	Francotyp-Postalia Ltd. Dartford, Great Britain	TGBP	100	1.892	3.592	8
14	Francotyp-Postalia Inc. Lisle, Illinois, USA	TUSD	100	6.539	26.054	2
15	Francotyp-Postalia Canada Inc. Markham, Canada	TCAD	100	-2.543	-3.061	14
16	Francotyp-Postalia Unterstützungseinrichtung Berlin, Germany	TEUR	100	0	4.441	2
17	Kara Technology Inc. Houston, Texas, USA	TUSD	15	n.a.	n.a.	2
18	FPGPS Assembly Pte. Ltd., Singapore, Singapore	TSGD	100	-152	216	2
19	FP Data Center Inc. Osaka, Japan	TJPY	49	n.a.	n.a.	2
20	FP Hanse GmbH Hamburg, Germany	TEUR	100	0	102	7

The companies listed under position 2, 6, 7, 8 and 20 show balanced annual results based on profit transfer agreements

The shares of no 5 are divided between no 1 (36.99%) and no 5 (63.01%)