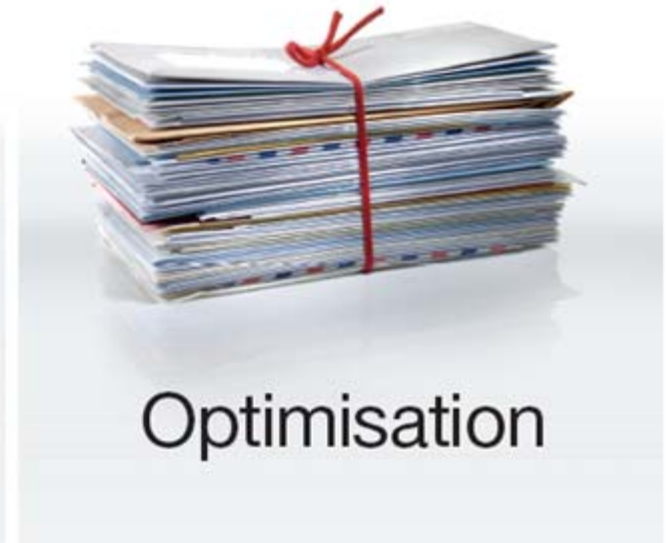


Francotyp-Postalia Holding AG



Analyst Conference: Half Year Results 2008

August 28, 2008

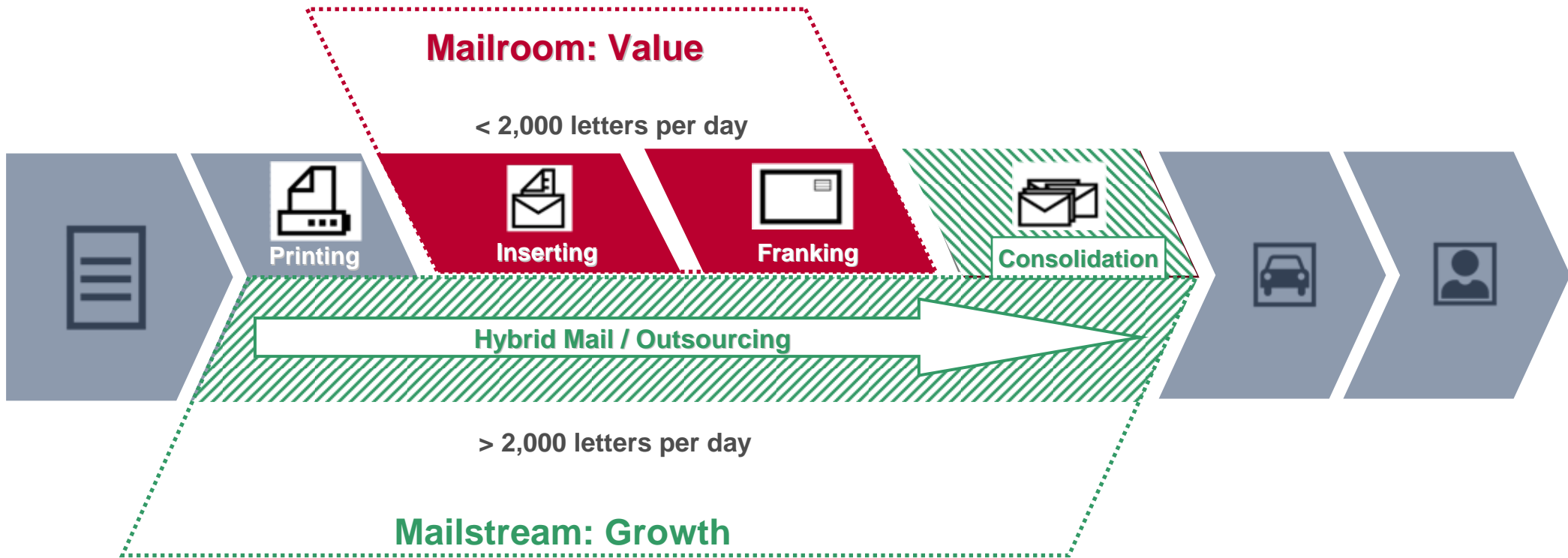
Agenda

- Overview
- Results Half Year and Q2 2008
- Outlook 2008

Overview



The FP Business Model along the Mailstream Value Chain



Extension of the value chain by expanding into Mailstream Services

FP at a Glance

€ million	H1 2007	H1 2008	change %	Q2 2007	Q2 2008	change %
Revenues	75.1	72.7	-3.2	37.4	35.9	-4.2
EBITDA excl. restructuring* in % of revenues	14.8 19.7	11.8 16.1	-20.3	8.5 22.7	5.0 13.9	-41.2
EBITDA in % of revenues	14.8 19.7	9.8 13.5	-33.8	8.5 22.7	3.1 8.6	-63.5
EBITA	9.8	5.0	-49.0	5.9	0.7	-88.1
EBIT	0.6	-2.8	n/a	1.4	-3.2	n/a
Net Profit/Loss	0.7	-4.7	n/a	1.0	-2.9	n/a
Operating Cash Flow	6.9	14.6	211.6	2.6	2.1	-19.2
Installed Base (thousand)	264	266	0.6			

*adjusted by €1.9m restructuring costs incl. €1.0m severance pay

Financial Highlights H1 2008

Group Revenues declined by -3.2% – Continuing strong revenue growth in Mailstream business

- Mailroom revenues down by -8.5% mainly due to
 - currency effects of €-3.6m (in Q1 2008 €-1.6m)
 - slowdown in The Netherlands after NetSet™ effect in 2007
 - US rate change at the lower end of expectations
- Mailstream revenues up by 96.6% mainly due to consolidation business

EBITDA by -33.8% due to

- decrease of revenue in the Mailroom business
- currency effects of €-2.0m and
- restructuring costs of €-1.9m

Operational Highlights H1 2008

Mailroom:

- Contract over two years closed with major account with estimated annual revenues of €2.0m plus additional service revenues
- Restructuring of sales activities in Germany
 - Acquisition of approx. 1,700 customers in the Rhine-Main area
- Restructuring programme confirmed and enforced

Consolidation and Outsourcing business (Mailstream):

- Strong revenue growth from €2.0m to €5.6m in the Consolidation business
- Focusing of iab GmbH software product to small and midsize customers

Results H1 2008



Digitalisation

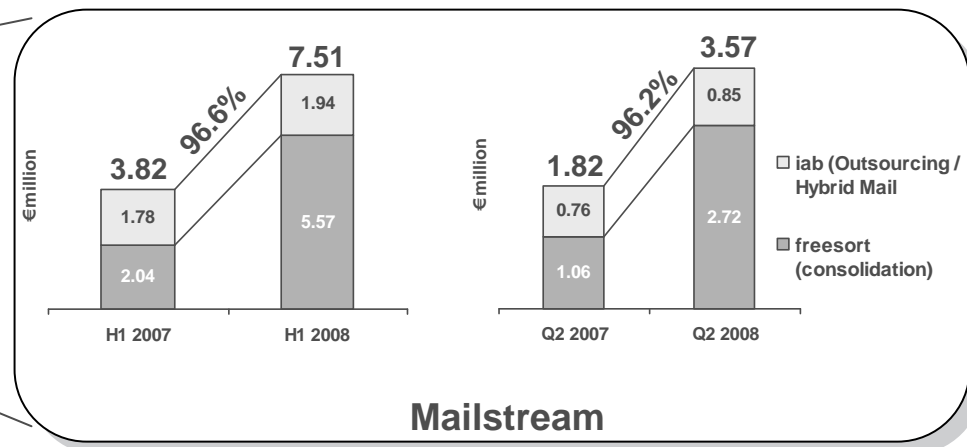
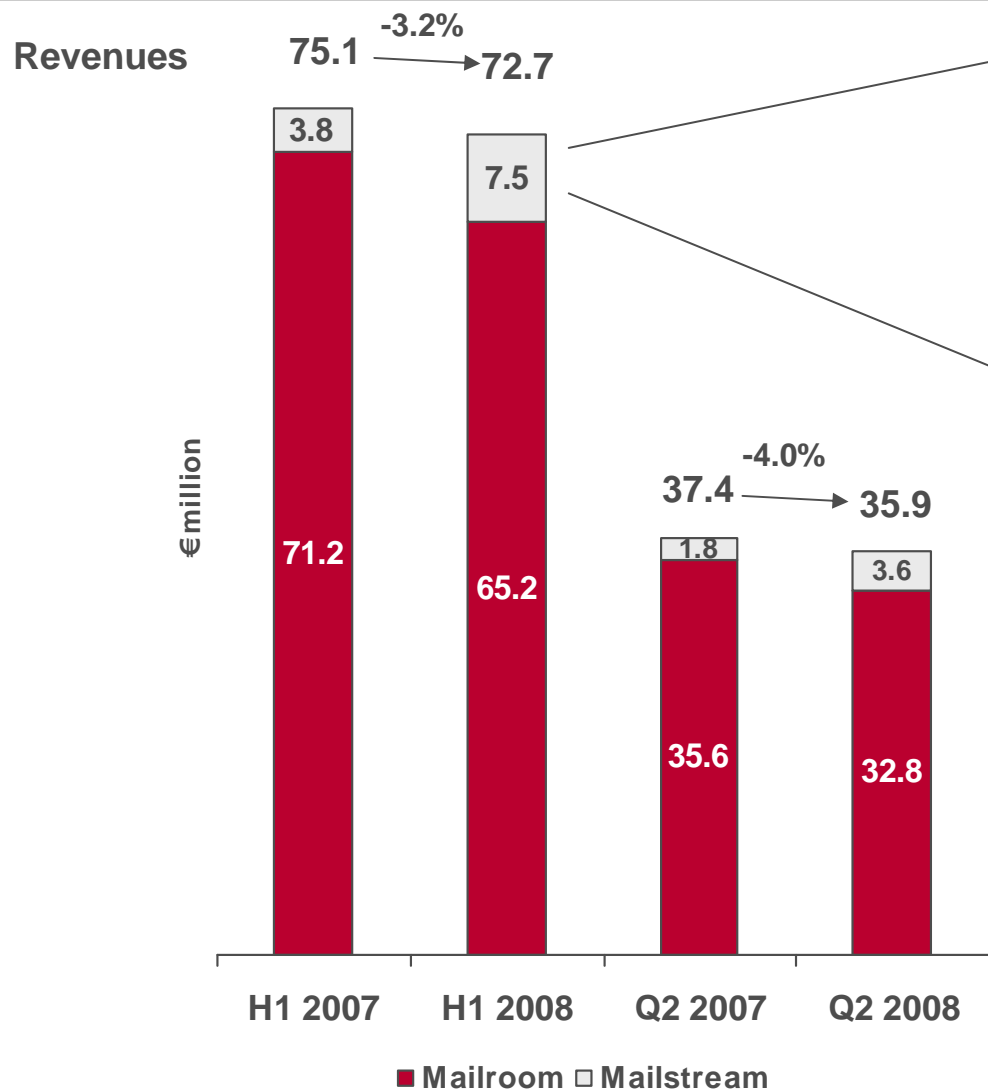


Franking



Optimisation

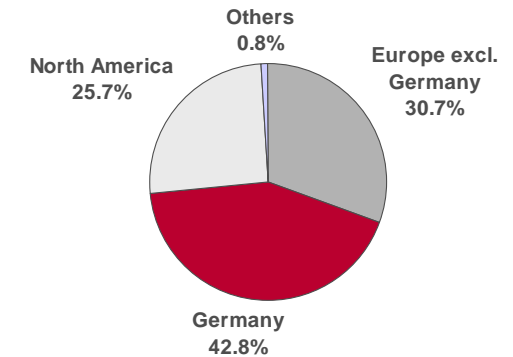
Continuing Strong Growth in Mailstream – Mailroom Revenues Impaired by Currency and NetSet™ Effect



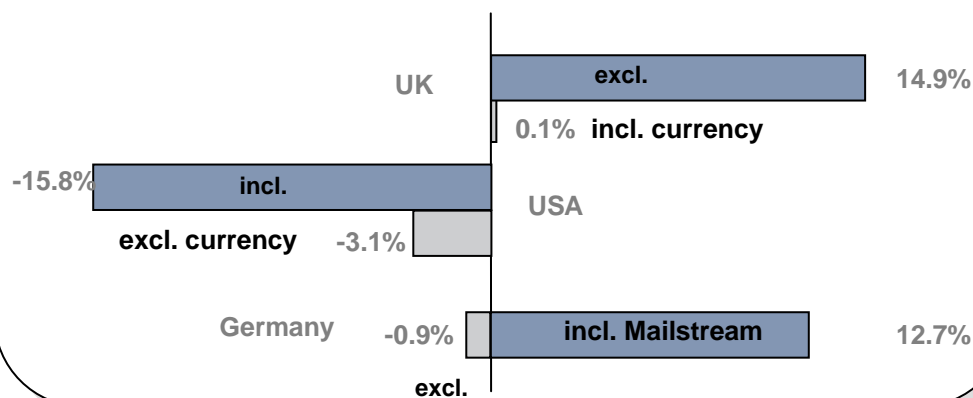
- **Decrease of Mailroom business** by €-6.0m (-8.5%) mainly due to:
 - currency effect of €-3.6m
 - NetSet™ effect in The Netherlands in 2007 (€-1.9m)
 - rate change USA lower than expected (€-0.5m)
- **Mailstream business increases by €+3.7m**
 - iab GmbH was not able to realise software project

Revenues by Region

€ million	H1 2007	H1 2008	change %	Q2 2007	Q2 2008	change %
Germany	27.6	31.1	12.7	13.5	15.5	14.8
Europe excl. Germany	24.9	22.3	-19.2	11.8	10.7	-9.3
North America	22.1	18.7	-15.4	12.0	9.4	-21.7
Others	0.6	0.6	0.0	0.3	0.3	0.0
Total Revenues	75.1	72.7	-3.2	37.4	35.9	-4.0



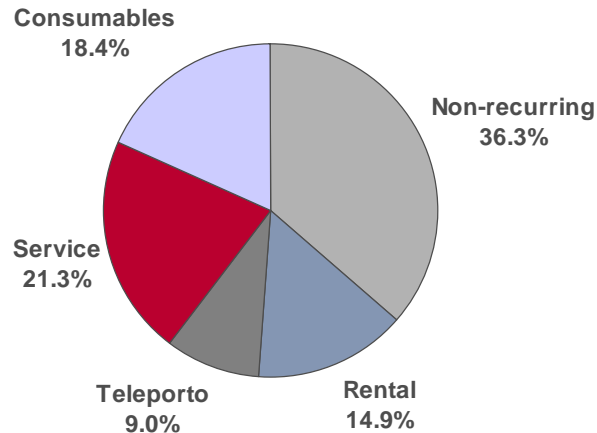
Changes HY 2008 vs HY 2007



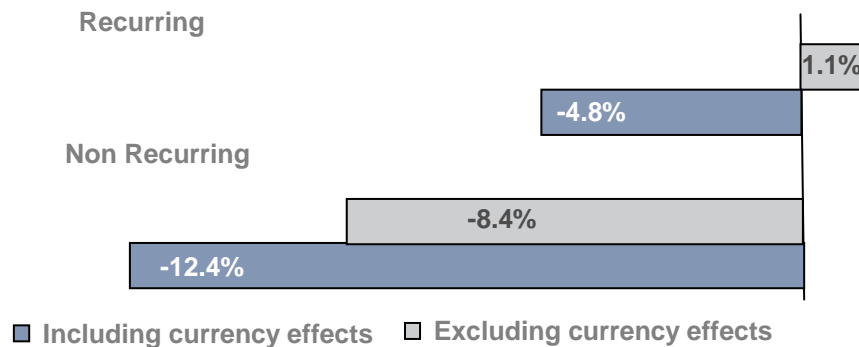
- Germany:** Growth further driven by Consolidation business: €+5.6m H1 2008 (previous year €+2.0m).
- Europe excl. Germany:** Revenues decreased to €22.3m from €24.9m (-19.2%) due to NetSet™ business in NL and currency effect in UK
- North America:** Decline of revenue mainly in US due to negative currency effect of US dollar €-2.5m and rate change of €-0.4m and in CAN by €-0.4m

Mailroom: Strong Recurring Revenues of 63.7%

Revenues H1 2008: €65.2m



Changes H1 2008 vs H1 2007



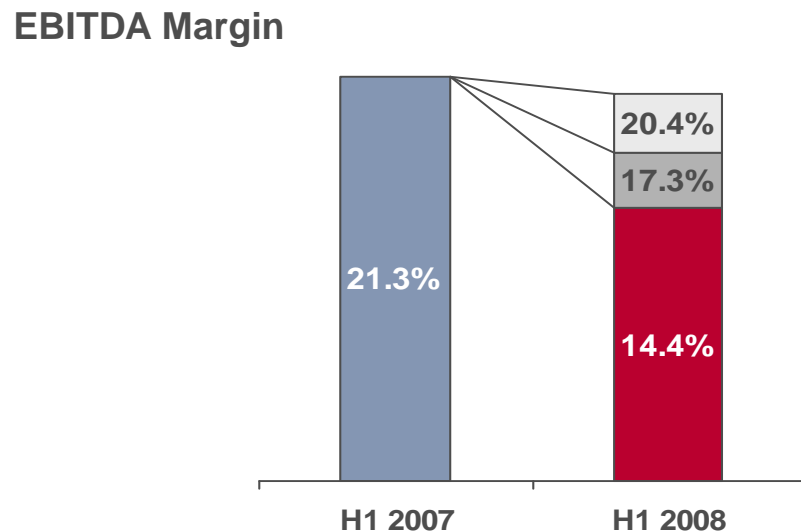
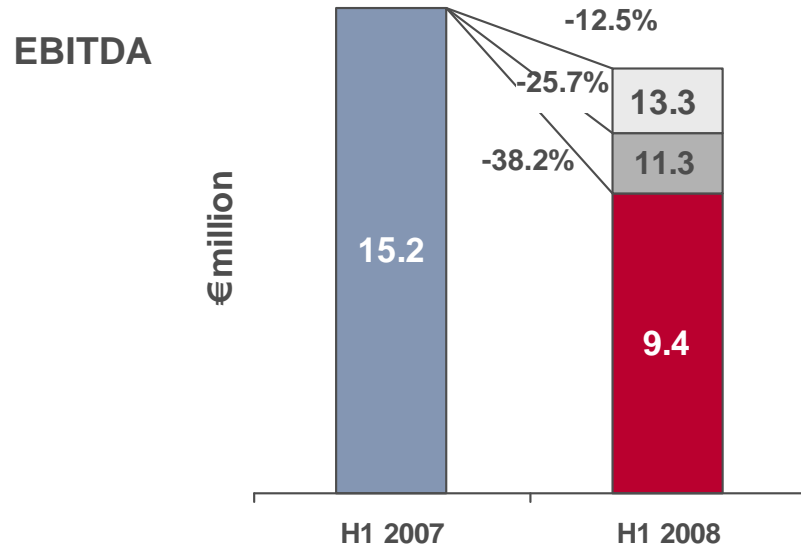
• Recurring:

- Stable revenue source
- Portion of recurring revenues rose from 61.8% to 63.7%
- Decline in recurring revenues to €41.5m (prior year €43.6m) due to currency effect of €-2.6m thereof €-1.3m in rental business

• Non-recurring:

- Totalled €23.7m or 36.3% of revenues (€27.0m prior year or 38.2%)
- Currency effect of €-1.0m
- Price pressure and further shift to smaller machines

Mailroom: EBITDA Margin Still at 20% w/o Extraordinary Effects



■ Before restructuring costs ■ Before currency effect

- Mailroom EBITDA amounts to €9.4m corresponding with Mailroom revenues of €65.2m
- Restructuring costs of €1.9m:
 - Other operating expenses of €0.7m
 - €1.2m personnel expenses incl. severance
- Majority of restructuring costs were due in Q2 2008: EBITDA in Q2 2008 amounts to €3.1m adjusted for restructuring costs to €5.0m
- Currency effect of €-2.0m at EBITDA level and €-3.6m at revenues level
- **Adjusted EBITDA results in a 20.4% EBITDA margin**

Restructuring Cost Burden EBITDA Profit in Q2 2008

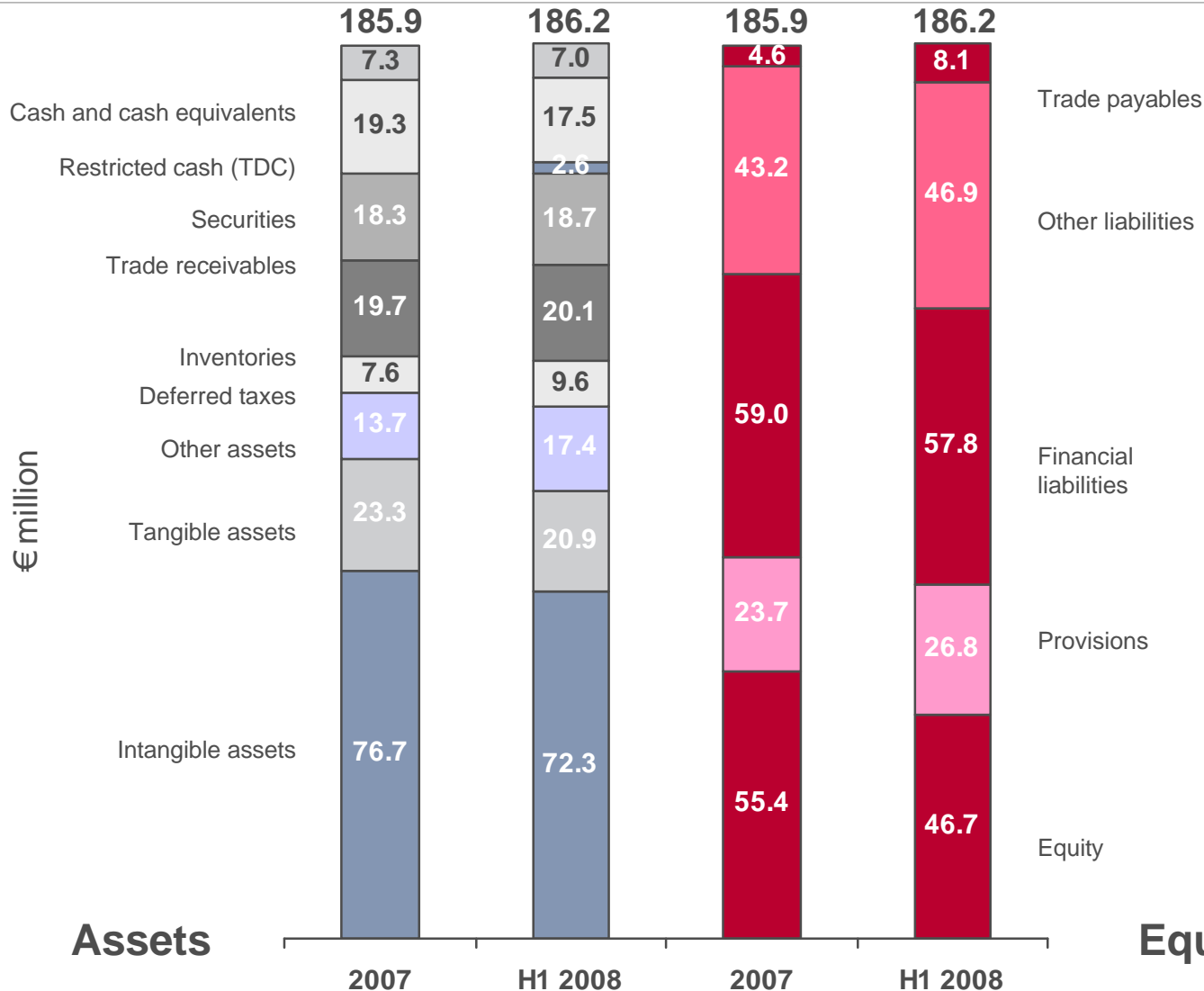
€ million	H1 2007	H1 2008	Q2 2007	Q2 2008
Revenue	75.1	72.7	37.4	35.9
Change in inventories	1.6	1.4	-0.2	0.7
Own work capitalised	6.8	4.2	3.4	2.1
Total output	83.5	78.3	40.6	38.7
Material expenses	24.5	23.7	12.0	12.2
in % of revenue	32.6	32.6	32.1	34.0
Gross profit	59.0	54.6	28.6	26.5
Personnel expenses	27.9	28.9	13.6	14.5
in % of revenue	37.2	39.8	36.4	40.4
Operating expenses ./ income	16.3	16.1	6.5	8.9
EBITDA before restructuring	14.8	11.8	8.5	5.0
in % of revenue	19.7	16.1	22.7	13.9
EBITDA	14.8	9.8	8.5	3.1
in % of revenue	19.7	13.5	22.7	8.6
Depreciation	5.0	4.8	2.6	2.4
EBITA	9.8	5.0	5.9	0.7
Amortisation	9.2	7.8	4.5	3.9
EBIT	0.6	-2.8	1.4	-3.2
Interest result	-1.2	-1.3	-0.5	-0.6
Financial result	1.6	-1.5	0.5	0.04
Tax result	-0.3	0.9	-0.4	0.9
Net profit/loss*	0.7	-4.7	1.0	-2.9
EPS (€)**	0.07	-0.3	0.08	-0.19
EPS adjusted (€)	0.51	0.04	0.30	-0.01

- Less own work capitalised due to finalised decertification in Canada
- Higher material expenses due to higher cost of purchased services, increase of change in inventories, and Mailstream business
- €28.9m personnel expenses incl. €1.0m severance and €0.2m restructuring costs
- Higher operating expenses due to restructuring costs, Mailstream business and lower operating income
- EBITDA incl. restructuring costs of €1.9m
- EBITDA of Mailstream business marginally positive in Q2 2008
- Amortisation lower due to end of non-compete-clause in 2007

* before minorities

** after minorities

Consolidated Balance Sheet



- Cash and cash equivalents remained stable
- Net Debt decreased to €50.8m (2007: €51.7m)
- Equity ratio as percentage of total assets 25.1%
- Provisions of up to €26.8m, thereof pensions €12.1m
- Working capital of €30.7m

Cash Flow Statement

€ million	2007	H1 2008
Cash flow from operating activities	19.4	14.6
Cash flow from investing activities	-17.4	-7.5
thereof:		
R&D	-5.8	-2.5
Tangible assets	-3.7	-1.4
Intangible assets	-1.6	-2.0
Leased inventories	-6.3	-1.6
Free cash flow	2.1	7.1
Cash flow from corporate acquisitions	-17.0	0
Cash flow from financing activities*	-18.7	-4.8
Cash and cash equivalents	7.3	9.6**

{ Dividends €-2.2m
 Currency effect €-1.4m
 Share buy-back €-1.3m

* incl. currency effect of €-1.4m (prior year €-1.6m)

** including €2.6m securities

Restructuring Programme



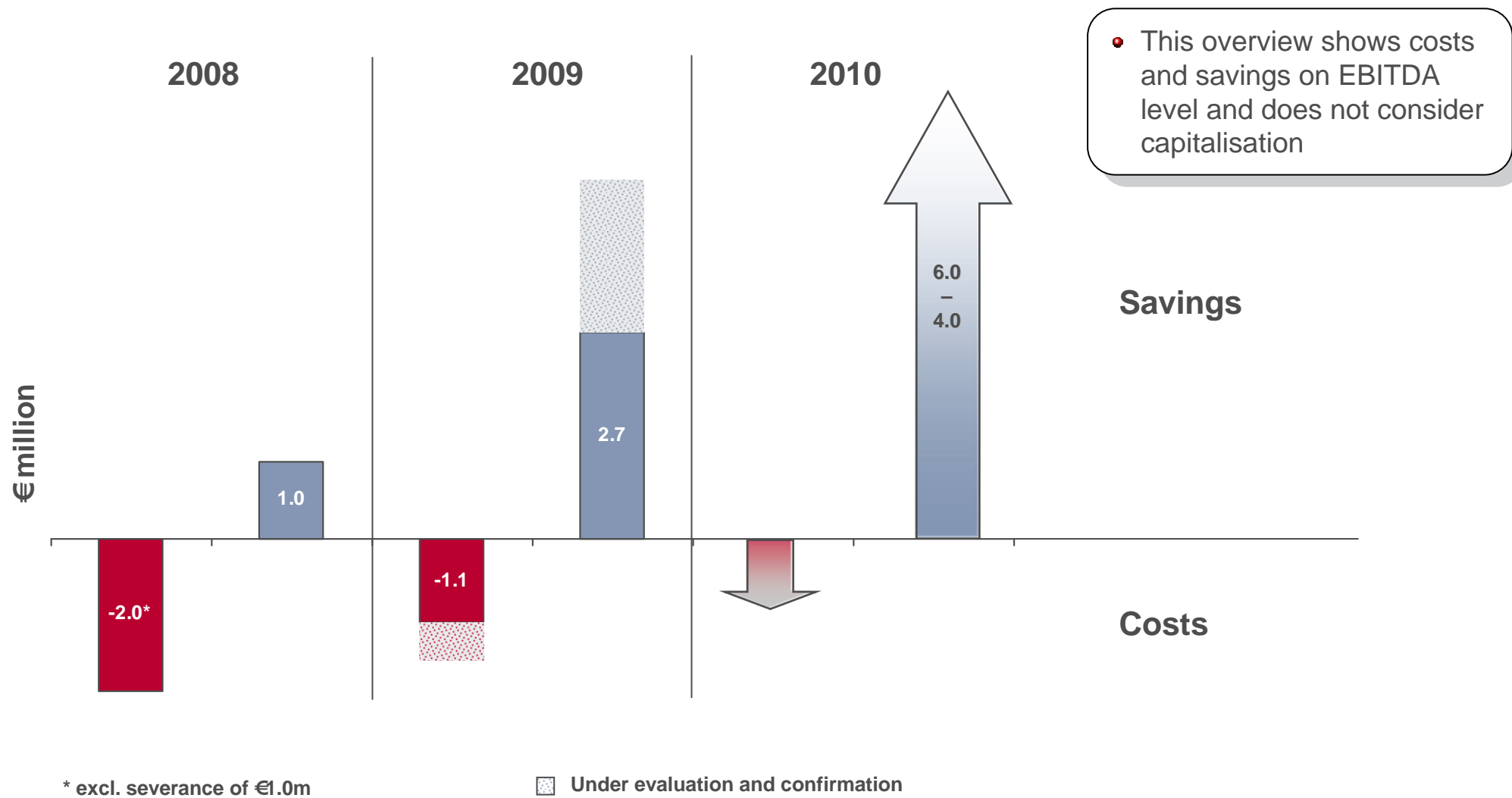
Restructuring Programme „MOVE“

Situation Beginning 2008	Status Quo H1 2008
<ul style="list-style-type: none"> No integration of freesort (Consolidation) and iab (Hybrid Mail/Outsourcing) into the FP Group and the traditional Mailroom business, in order to establish a comprehensive range of 'Mailstream Services' 	<ul style="list-style-type: none"> Strong focus on building Mailstream Services as a result of integrating freesort and iab into the FP Group to further extend the business along the Mailstream value chain Development of a clear and concise strategy Stronger focus on customer satisfaction and intimacy Streamlining all administrative functions to optimise decision-making processes and better support internal and external customers worldwide
<ul style="list-style-type: none"> Absence of well structured supply chain management caused poor internal and external customer support 	<ul style="list-style-type: none"> Project start of Supply Chain Optimization to align companies' logistics
<ul style="list-style-type: none"> In the past, weak internal communication led to a cut off between sales, product development, production, and marketing 	<ul style="list-style-type: none"> Internal processes to be further defined and optimised Redesign of R&D organisation and development process Implementation of a strong marketing and product management function to offer best-in-class support to internal and external customers Newly established market analysis regarding core business focus on the megatrends: liberalisation of mail markets, preparing for the trend towards increasing digitalisation of mailrooms and customer demand for simplicity, effectiveness, and individualisation

Restructuring Programme „MOVE“

Topic	Measures & Effect	Status quo
Research & Development	<ul style="list-style-type: none"> • New structure and processes defined. • Reduce expenses/headcount by approx. 20% (Headcount reduction: number defined.) 	<ul style="list-style-type: none"> • implemented
Streamline Administration	<ul style="list-style-type: none"> • Headcount reduction target defined. 	<ul style="list-style-type: none"> • implemented
Supply Chain Optimization	<ul style="list-style-type: none"> • Implementation of an IT-supported, integral approach for the “Order Management Process” (order entry – production – warehouse – logistics) • Reduce inventories and warehouse capacities by up to 25%, worldwide: targets identified • Save up to 20% processing costs in the production- and delivery process 	<ul style="list-style-type: none"> • under implementation

„MOVE“: Savings and Costs Expected on EBITDA Level

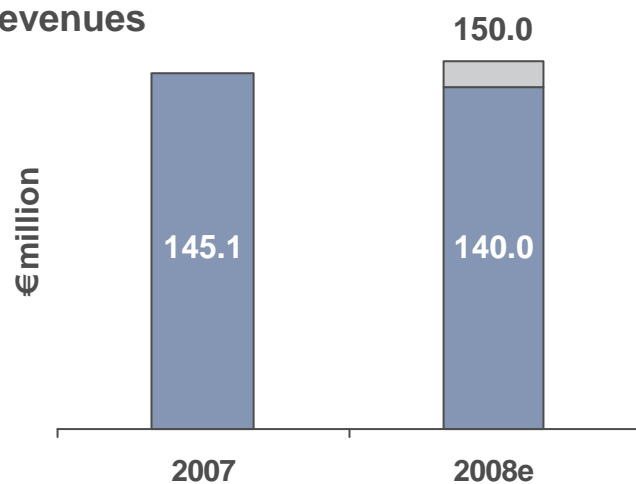


Outlook 2008



Outlook 2008: Guidance Reflects Economic Environment

Revenues

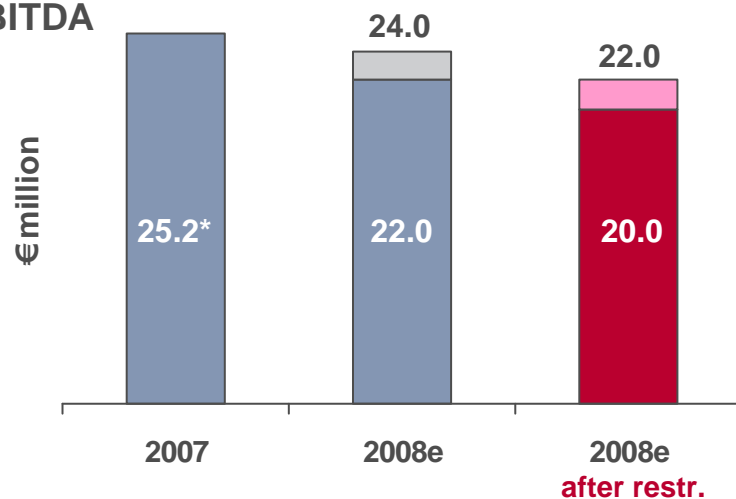


Revenue guidance:

Decline of Mailroom revenues due to

- Weakness of US dollar and US economy
- Competitive German market
- Weaker performance of iab
- Decreased letter volume leading to downsizing of meter / equipment

EBITDA



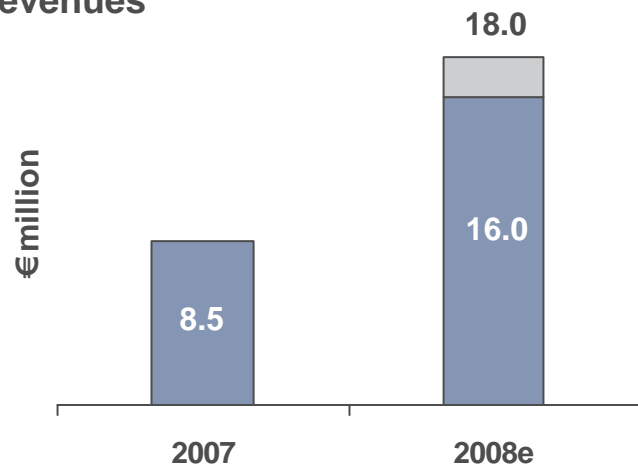
EBITDA guidance assumes unchanged profitability:

- Original guidance did not include restructuring costs
- EBITDA guidance of €22m to €24m reflects reduced revenue expectations
- Restructuring costs for 2008: €3.0m partially offset by €1.0m savings

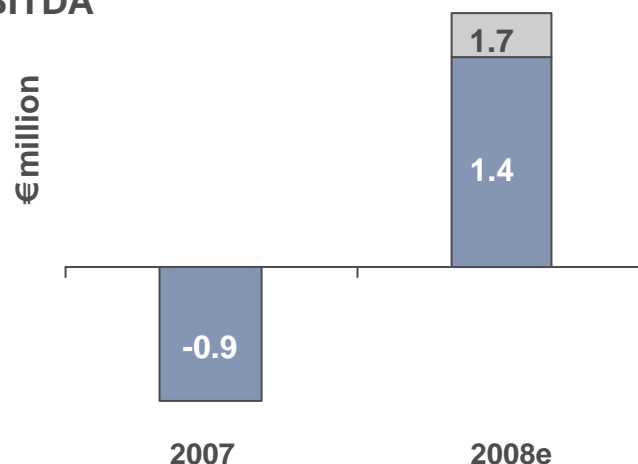
*without financial result

Outlook 2008: Consolidation (freesort) and Outsourcing (iab)

Revenues



EBITDA



Revenue guidance:

- Run rate freesort and iab 2008 approx. €15m
- Organic growth still around 96%
- Amended business model within Mailstream business: In addition to consolidation business freesort offers customers the opportunity to choose regional alternative mail services (AZD model)
- Further growth of letter volume
 - Customers still use consolidation services
 - then have the choice to use Deutsche Post to deliver the letters nationwide or international, or an alternative mail service, which deliver letters within specific regions
 - Benefit for the customers: Discounts for consolidation and discounts from alternative mail carrier

FP is Well Positioned for Future Growth

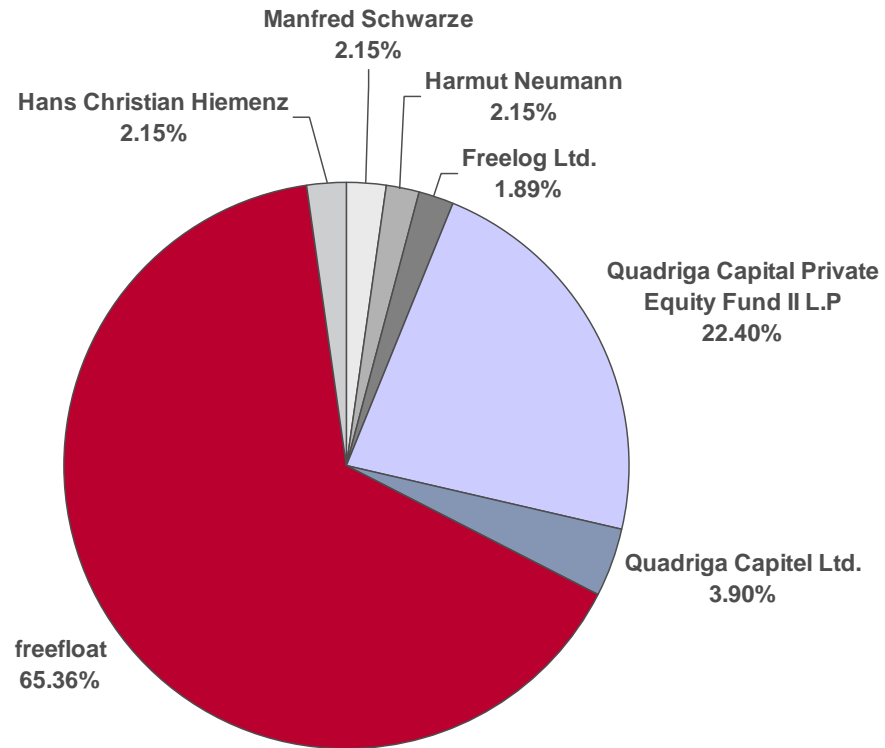
Francotyp-Postalia

- The market leader for franking machines in Germany (>44%), with growing market share in the US and UK markets
- One of the leading providers in the fast growing consolidation and outsourcing market in Germany
- Continued solid market position in Western Europe and North America as future growth platform and growth in emerging markets
- Can draw upon an installed base of 266,000 units across 250,000 customers, opening up cross selling potential for new Mailstream Services
- Generates stable cash flow from more than 60% recurring revenues
- Benefits from high entry barriers in core business
- Owns in-depth know-how for international Hybrid Mail solutions

Appendix



Shareholder Structure



Freefloat

Amiral Gestion	11.30%
Richelieu Finance Gestion Privée	9.12%
Baillie Gifford & Co	5.39%
INVESCO UK Limited	5.11%
Financière de l'Echiquier	5.11%
Treasury stock	2.52%

Financial Calendar

- Q3 Results 2008 November 27, 2008 – Conference Call
- Results 2008 April 2009

Thank you for your attention!

We will now answer your questions.

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Disclaimer

This report contains forward-looking statements on the business development of the Francotyp-Postalia Group. These statements are based on assumptions relating to the development of the economic and legal environment in individual countries and economic regions, which we have made on the basis of the information available to us and which we consider to be realistic at the time of going to press. The estimates given entail a degree of risk, and the actual developments may differ from those forecast. Consequently, any unexpected fall in demand or economic stagnation in our key sales markets, such as Western Europe (and especially Germany) or in the USA, UK, or Canada, and Singapore will have a corresponding impact on the development of our business. The same applies in the event of a significant shift in current exchange rates relative to the US dollar, sterling, Canadian dollars, Singapore dollars. In addition, expected business development may vary if the assessments of value-enhancing factors and risks presented in the 2007 Annual Report develop in a way other than we are currently expecting.