UNAUDITED FINANCIAL STATEMENTS **HALF-YEAR 2014** //

FP GROUP

MANAGEMENT BOARD OF FRANCOTYP-POSTALIA HOLDING AG

BIRKENWERDER | 28 AUGUST 2014

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 2013 Annual Report develop in a way other than we are currently expecting.

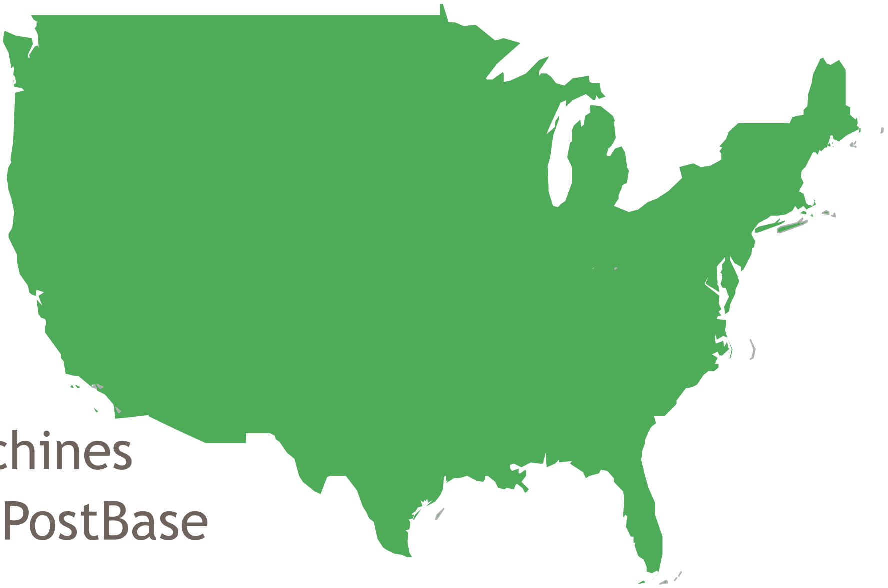
FIRST HALF YEAR DOMINATED BY CURRENCY EFFECT

REVENUE	EBITDA	EBIT	NET PROFIT
down by 1.0% to **€84.6 million**	up by 2.4% to **€11.8 million**	down by 3.4% to **€5.7 million**	down by 9.6% to **€2.9 million**

- **Currency effect** of **€-0.9m** on **revenue** and **€-0.6m** on **EBITDA,** means adjusted **revenue of €85.5m** on previous year‘s level and adjusted **EBITDA of €12.4m**
- **Growth Drivers: Software** and **Mail Service business in Germany**
- **Net debt reduced** to €11.0m due to reassessment of former restricted cash in UK
- **Investments** rose by 17.8% to €8.6m to pave the ground for future growth

INVESTMENTS IN RENTAL MARKET USA

- 2nd year of decertification in rental market USA
- Successful replacement of T1000 against PostBase
- More than 20,000 franking machines have already been changed to PostBase



Investments secure sustainable recurring revenues in future

INVESTMENTS IN RENTAL MARKET FRANCE

- France is biggest european franking machine market
- PostBase currently in the process of being certified. Expected introduction end of 2014
- Investments in sales team

PostBase introduction facilitates market entry

INVESTMENT IN RENTAL BUSINESS ITALY

- Introduction of TDC-infrastructure in Italy opens the market for new franking machines

- **Growing demand for PostBase in Italy:** FP is able to install an increasing number of PostBase since the launch in 2013

- Italy focused on rental business

Italy best example for chances in traditional markets

FP ALSO FOCUSED ON INVESTMENTS IN R&D

- **MyMail** successor

➢ State-of-the-art A0-franking machine based on superior PostBase technology
➢ Perfect for small letter volumes
➢ Rounds off the FP product range in the low end segment
➢ Suitable to address customers with declining physical mail volume
➢ Scheduled launch of MyMail-successor: UK at the end of 2014, US beginning 2015, Germany spring 2015

- Further country variants of **PostBase**

- **FP Box**: Field test running

Investments to open up further growth opportunities

FURTHER HIGHLIGHTS

- July 2014, FP acquired a further 24.5% of the shares of Mentana-Claimsoft. FP now holds **100% of Mentana-Claimsoft**
- Also in July 2014, FP announced **cancellation of the membership in Arbeitergeberverband** (Employers‘ Association of the Metal and Electronic Industry). This gives **more flexibility** for future negotiations regarding salary increases
- August 2014, FP published that the teleporto funds of UK are no longer restricted

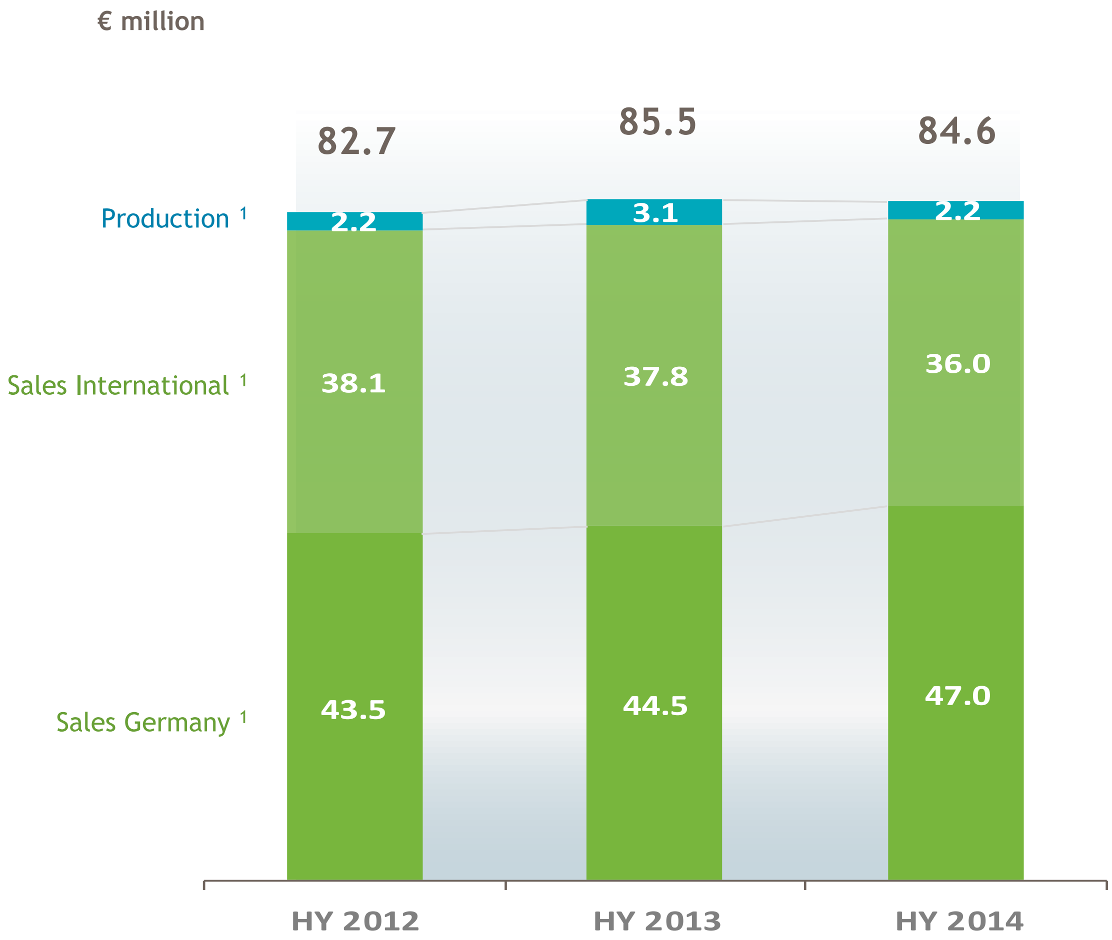
SUSTAINABLE PROFITABILITY

€ million	HY 2014	HY 2013	%	Q2 2014	Q2 2013	%
Revenue	**84,6**	**85,5**	**-1,0**	**40,2**	**42,0**	**-4,3**
Change in inventories	0,8	1,9	-55,2	-0,1	1,2	-111,5
Own work capitalised	7,6	7,0	8,7	3,8	3,3	15,3
Total output	**93,0**	**94,3**	**-1,4**	**43,8**	**46,5**	**-5,7**
Material expenses	41,1	40,0	2,6	19,3	19,7	-2,1
Gross profit	**51,9**	**54,3**	**-4,4**	**24,5**	**26,8**	**-8,4**
Personnel expenses	27,4	27,7	-1,3	13,7	13,8	-0,8
Other income ./. Expenses	12,8	15,0	-15,2	5,7	7,7	-26,0
EBITDA	**11,8**	**11,5**	**2,4**	**5,1**	**5,3**	**-2,6**
as % of revenue	14,0	13,5		12,8	12,6	
Depreciation/ Amortisation	6,1	5,6	8,5	3,1	2,8	12,2
EBIT	**5,7**	**5,9**	**-3,4**	**2,0**	**2,5**	**-19,1**
Interest result	-1,2	-1,0	25,7	-0,7	-0,5	30,4
Financial results	0,0	0,1	n/a	0,1	-0,1	n/a
Tax result	-1,6	-1,8	-13,1	-0,4	-0,8	-48,9
Net profit/loss	**2,9**	**3,2**	**-9,6**	**1,0**	**1,0**	**0,0**
EPS (€)	**0,18**	**0,21**	**-14,3**	**0,07**	**0,06**	**16,7**

- **Strength of Euro** burdens revenue and EBITDA
- **Revenue growth** in Germany due to increase in software and low-margin Mail Service business
- **Own work capitalised** increases due to successful replacement of franking machines in US and rental business in Italy
- **Mainly the currency effects** lead to a decrease in net profit and EPS

GROWING SALES IN GERMANY

Revenue by Segments



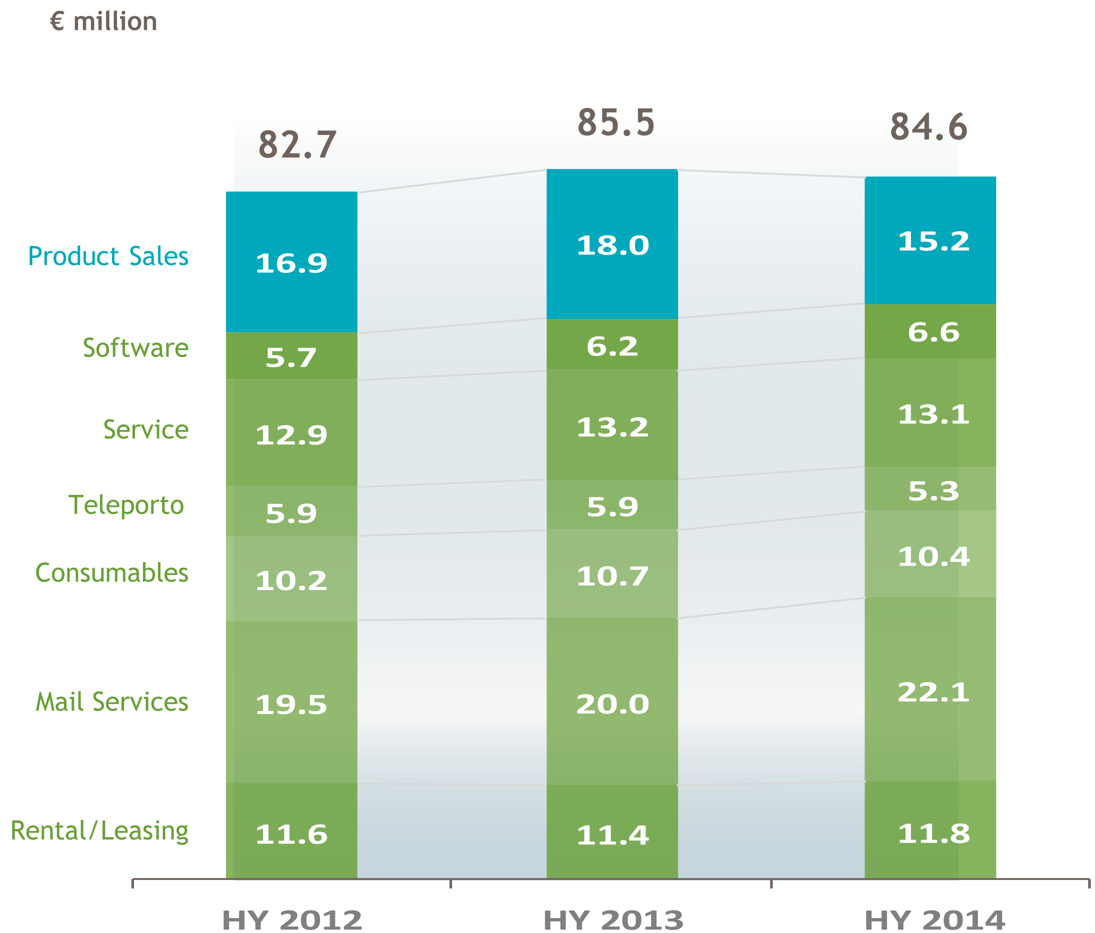
International Sales were influenced by **negative currency effect** of €0,9m

Revenue losses in **Austria** due to the **end of a decer-tification**

German organization benefits from **multi-channel approach** mainly in Software and Mail Service business

1 | Non-consolidated figures according local GAAP. Revenue with third parties.

INCREASE IN RECURRING REVENUES



High proportion of recurring revenues (82%) is **a perfect base for sustainable business**

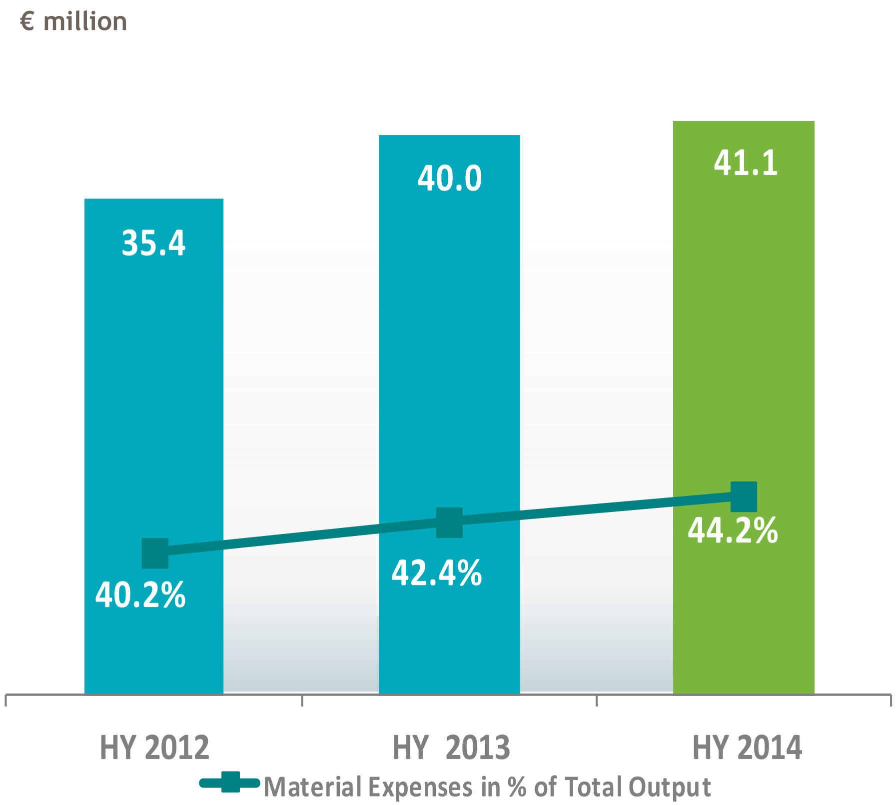
Major revenue drivers

- Growing demand for multi-channel offers in Germany
  - Mail Services +10.5%
  - Software +6.5%

Growth constraint

- Negative currency effect of €0.9m
- End of decertification in Austria
- Lower product sales also due growing importance of rental business (e.g. Italy)

HIGHER MATERIAL EXPENSES

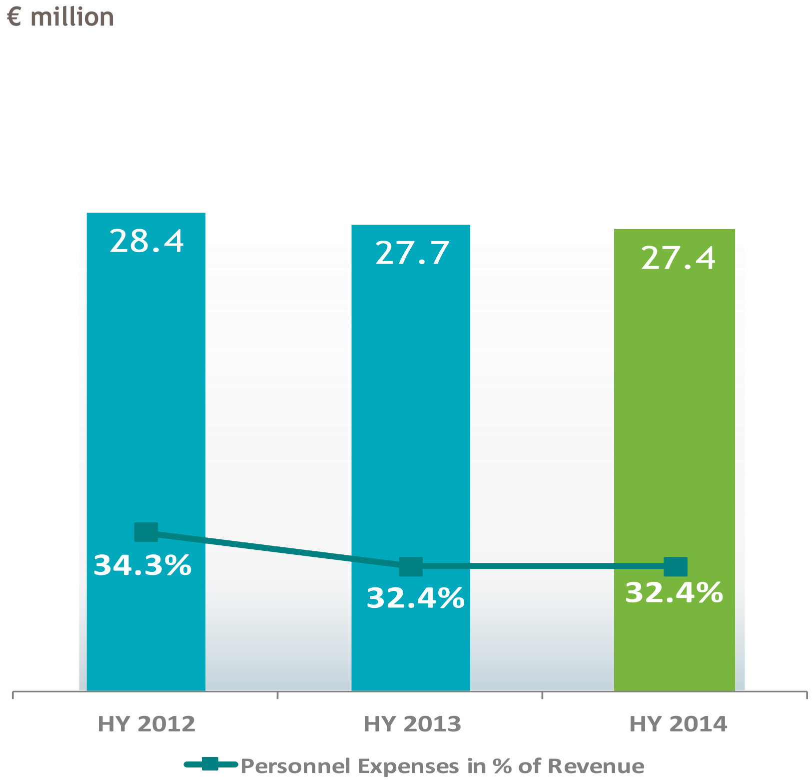


High demand for Mail Services characterised by high material ratio leads to higher material expenses

Increase of costs for service purchased of 11.5% from €20.4m to €22.7m

Material expenses also reflect **growth in production of new franking machines** for renting

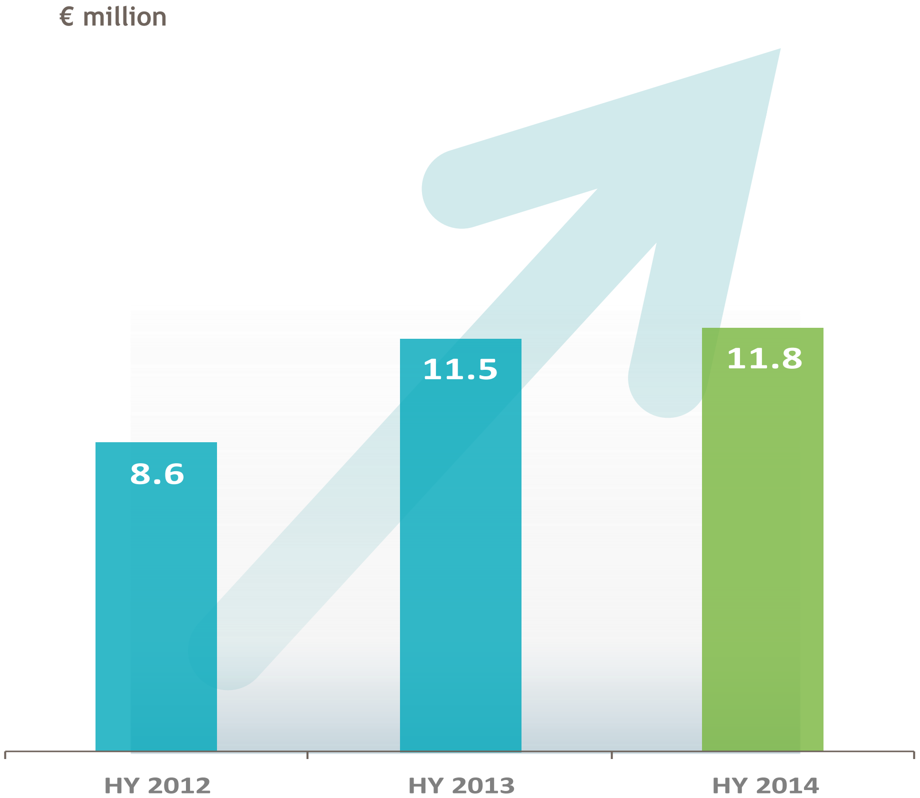
PERSONNEL EXPENSES ON A STABLE LEVEL



Number of employees slightly decreased
from 1,064 (HY 2013) to 1,056 (HY 2014)

Salary increases could be compensated by higher efficiency

EBITDA STRAINED BY CURRENCY EFFECT

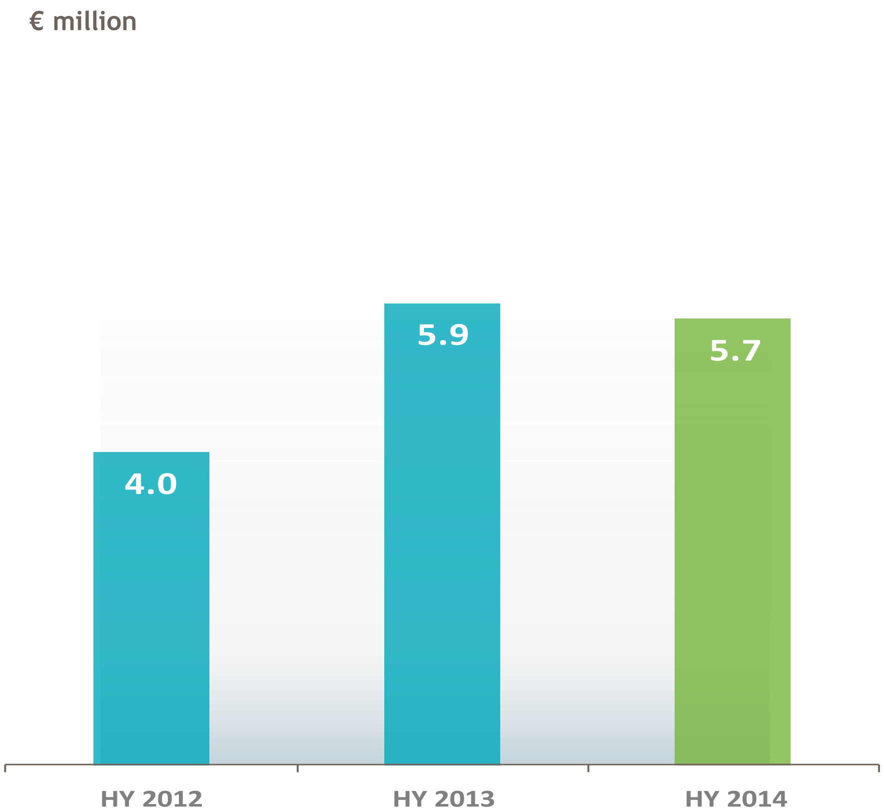


EBITDA increases by 2.4%

Adjusted **EBITDA of €12.4m** (currency effect of €-0.6m)

Improvement of **EBITDA margin to 14.0%**

STABLE EBIT DESPITE HIGHER DEPRECIATION

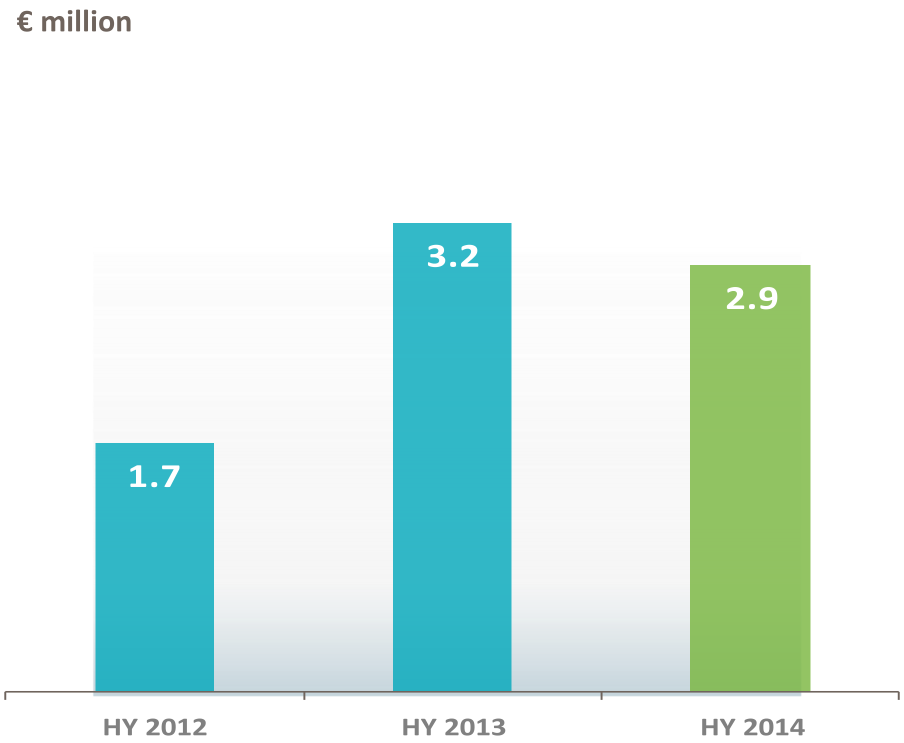


Depreciation and amortisation rose as expected from €5.6m to €6.1m

Increase in depreciation will continue as long as US decertification is running

Nevertheless EBIT remained at a stable level

SUSTAINABLE NET PROFIT

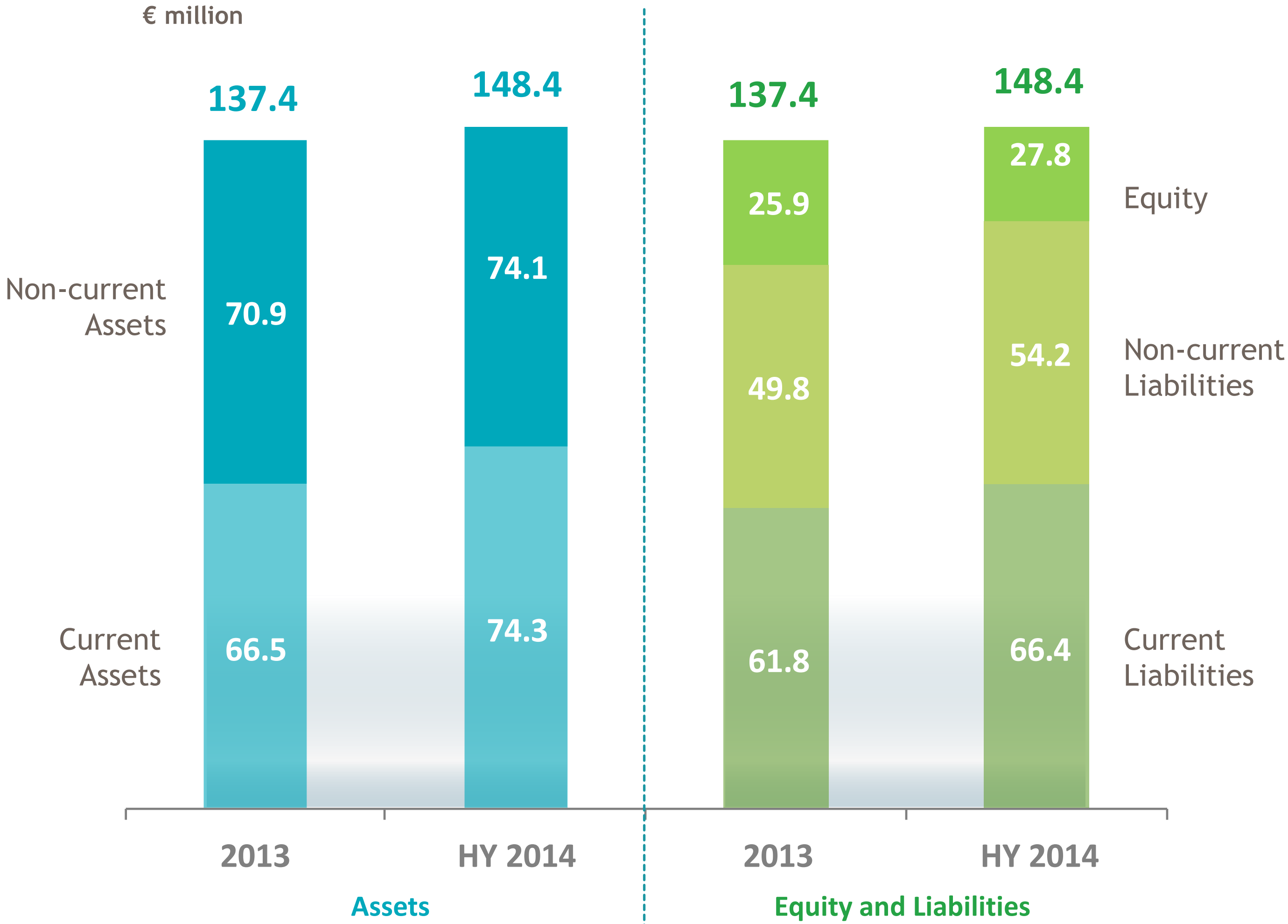


Net profit is impacted by **negative currency effect**

In Q2 2014, net profit **remains on previous years level** of €1.0m

Tax rate of 35.1% as expected

GROWING RENTAL BUSINESS REFLECTED IN BALANCE SHEET



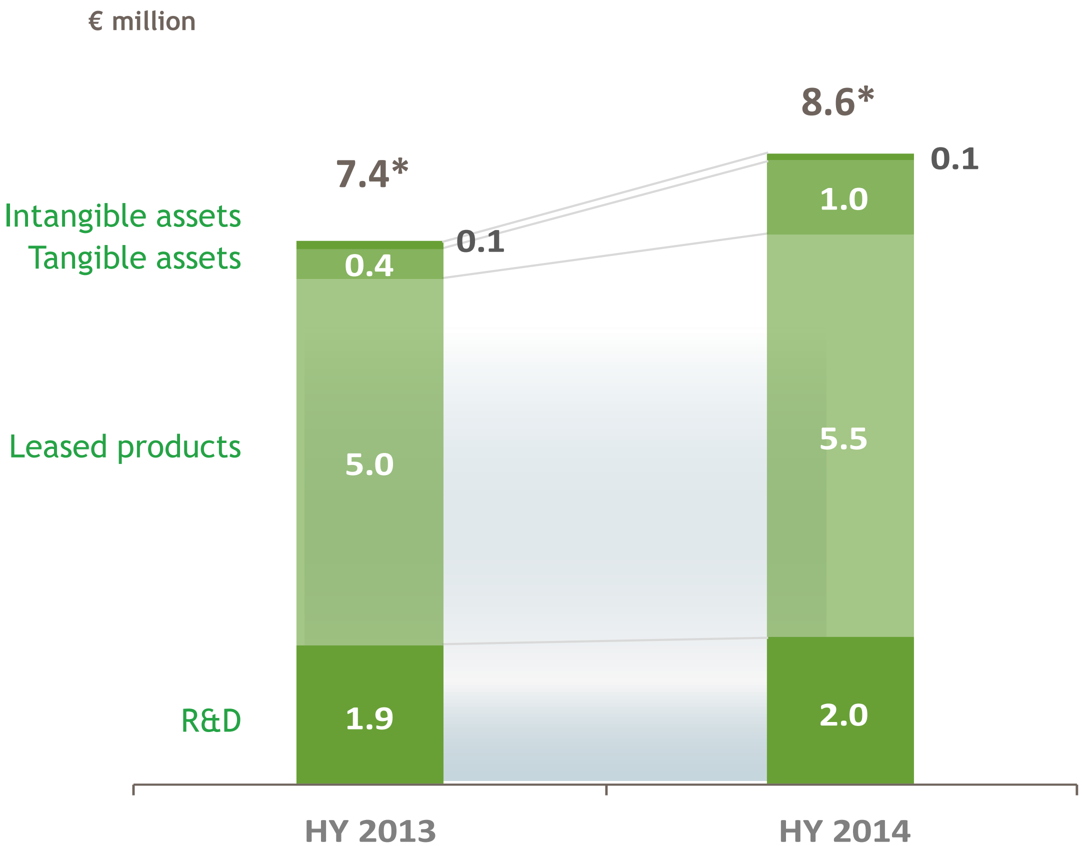
Increase in leased products by 40% due to successful decertification in the USA

Current assets grew due to **increase in PostBase production** and **cash and cash equivalents**

Current liabilites mainly grew due to higher deferred income(€2.3m) and liabilities to employees (€1.2m)

Increase of equity by 7% leads to an **equity ratio of 18.7%**

FP INVESTS IN FUTURE GROWTH



CAPEX Drivers:

Tangible assets increased due to investments in production tools (MyMail successor)

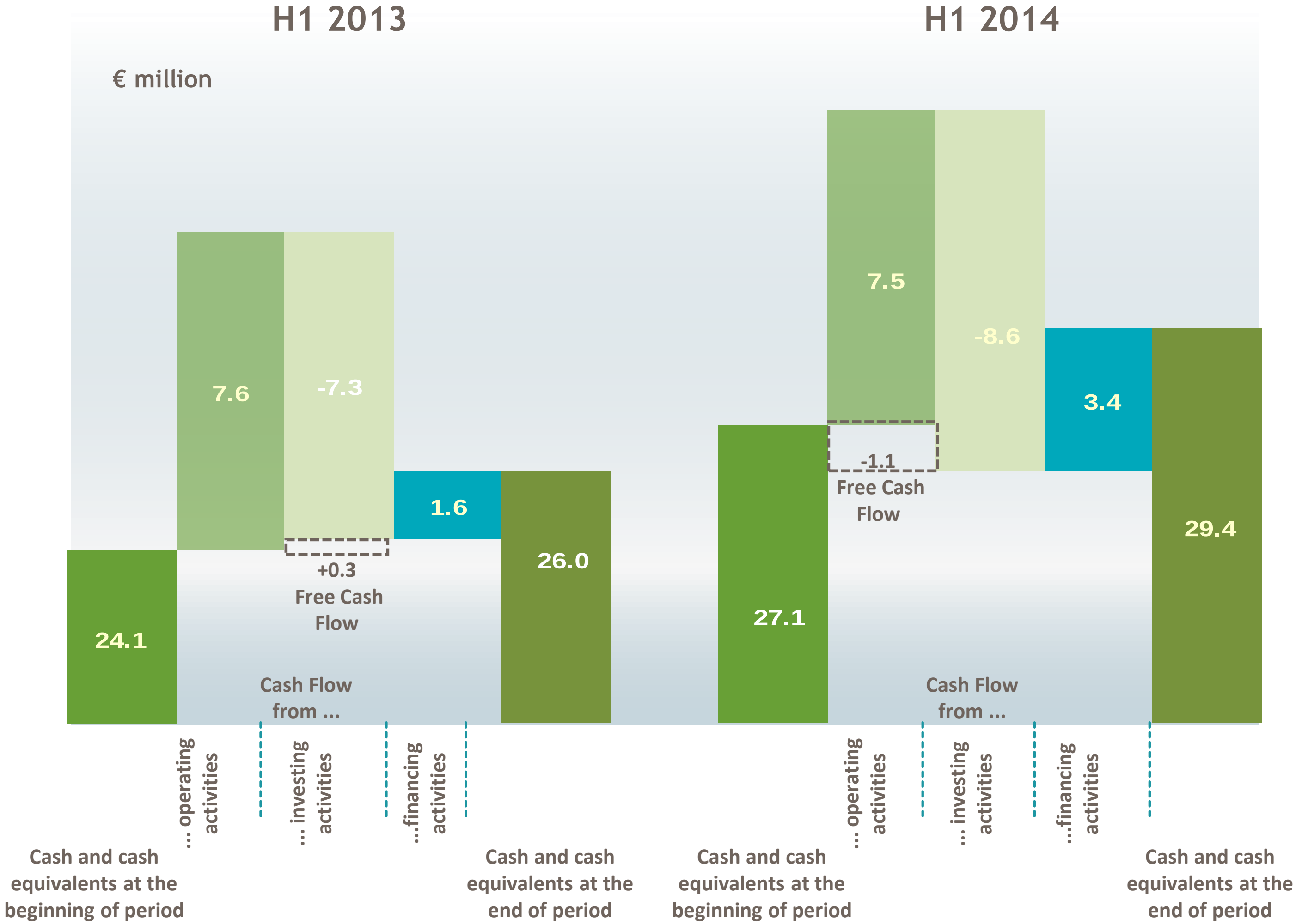
Continuing **high investments** in leased products

MyMail successor and country variants

Investments will increase during the year 2014

* Proceeds from the disposal of non-current assets

FREE CASH FLOW IS DEVELOPING AS EXPECTED



Free cash flow drivers:

Strong cash flow from operating activities

Higher cash outflow from investing activities

For H2, FP expects higher CAPEX due to

- an accelerating exchange of leased products
- new production tools
- relocation of Headquarter

* | incl. change in cash and cash equivalents due to currency translation 2013: €-1.0m, 2014: €0.9m

SIGNIFICANT IMPROVEMENT OF NET DEBT

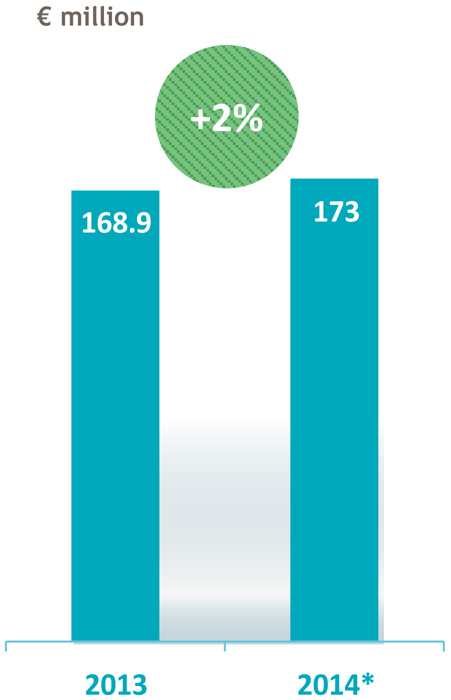
- FP can make **free use** of additional cash and cash equivalents totalling GBP16.7m or €20.8m
- Reason is the reassessment of teleporto funds (restricted cash) of the **UK subsidiary**
- **Improvement of net debt** to €11.0m

in € million	HY 14	2013 (adj.)	2013
Financial Liabilities	42.2	38.6	38.6
Cash	31.3	28.9	8.5
Net debt	**11.0**	**9.7**	**30.1**
Shareholders' equity	27.8	25.9	25.9
Net debt-equity ratio	40%	37%	116%

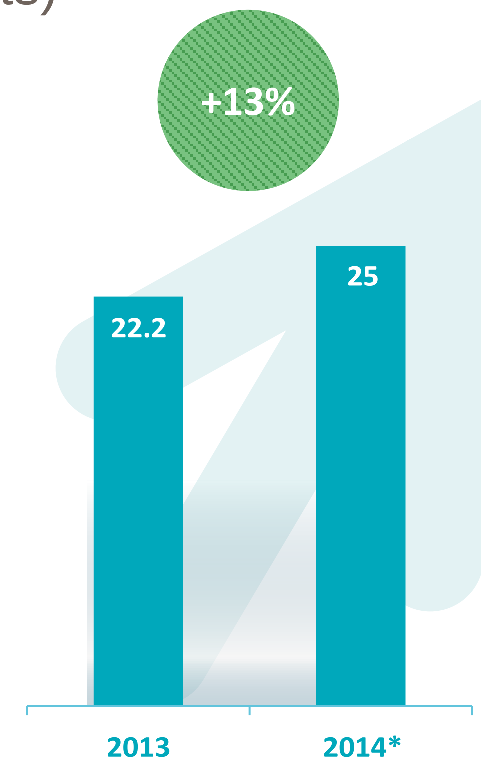
FP will in due course reduce its financial liabilities by using the majority of the available cash

FP will continue to consider attractive value adding investments

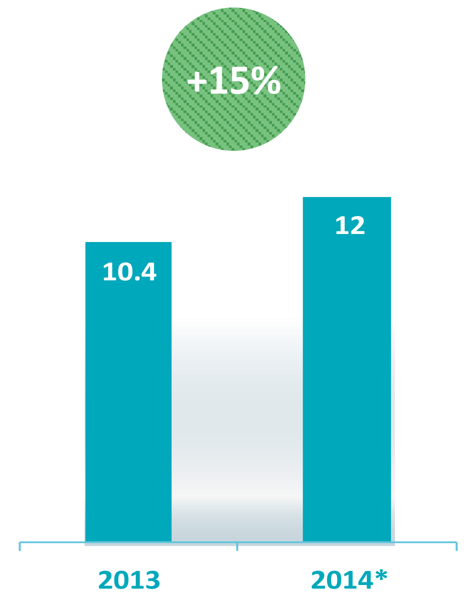
FP IS HEADING TO REACH ITS AMBITIOUS GUIDANCE
(without currency impacts)



Revenue growth
estimated to at least
€173 million



EBITDA growth
estimated to at least
€25 million



EBIT growth
estimated to at least
€12 million

* Guidance, all figures do not include the impact of currency changes

ACTUAL MAIN CHALLENGES AND OPPORTUNITIES

Challenges

- Strong Euro
- Sluggish investment climate
- Delay in the implementation of the new sales channel
- Acceptance of De-Mail
- Revenue shift towards low-margin business

Opportunities

- Strong US-Dollar
- Revitalisation of business climate
- Growing revenues in existing and new sales channels
- Revenues in high-margin software business
- Entering new franking machine markets for FP

POSITIVE OUTLOOK FOR 2015

- FP expects an **increasing profitability** in 2015
- Although the EBITDA target of €30m might be not fully achieved in 2015, **FP is confident to further improve results**
- FP will announce in Feb. 2015 the guidance for 2015
- **Growing Profitability** and financial strength will allow FP to pay **attractive dividends** for the financial year 2014

WE WILL NOW ANSWER **YOUR QUESTIONS** //

FP GROUP

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BIRKENWERDER | 28 AUGUST 2014

APPENDIX //

FP GROUP

MANAGEMENT BOARD OF FRANCOTYP-POSTALIA HOLDING AG

BIRKENWERDER | 28 AUGUST 2014

FP BOARD OF MANAGEMENT

Hans Szymanski
CEO and CFO

Member of the Board since December 2008.
Born in 1963, economics graduate, responsible for Finance, Accounting, Controlling, Human Resources, Legal and Compliance, IT, Research and Development, Quality Management, Production, Purchasing, Logistics, and Strategic Business Development.

Thomas Grethe
CSO

Member of the Board since June 2013.
Born in 1959, banking and economics graduate (WAH), responsible for Sales Germany and International, Strategic Business Development and Product Management, Internal Audit, Marketing and Corporate Communications.

FP STOCK INFORMATION

ISIN	DE000FHP9000
Segment	Prime Standard/ All Industrial
IPO	30 November 2006
Reuters	FPHG.DE
Shares	16.16 million
Freefloat	87.4% (according to GSE Frankfurt)
Coverage	Hauck & Aufhäuser, Warburg Research

Shareholder Structure

3R Investments	10.3%
ARGOS Funds SICAV	5.2%
Saltarax GmbH	3.6%
Ludic GmbH	3.5%
HANSAINVEST	3.4%
Alceda Fund Management SA*	3.1%
Scherzer & Co. AG	3.0%
Rudolf Heil	3.0%
Treasury Stock	2.3%

* | These are data based on share capital of 14.7 million shares

CONTACT

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FINANCIAL CALENDAR

28 August 2014
Presentation Financial Results 2nd Quarter 2014

November 2014
Presentation Financial Results 3rd Quarter 2014

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