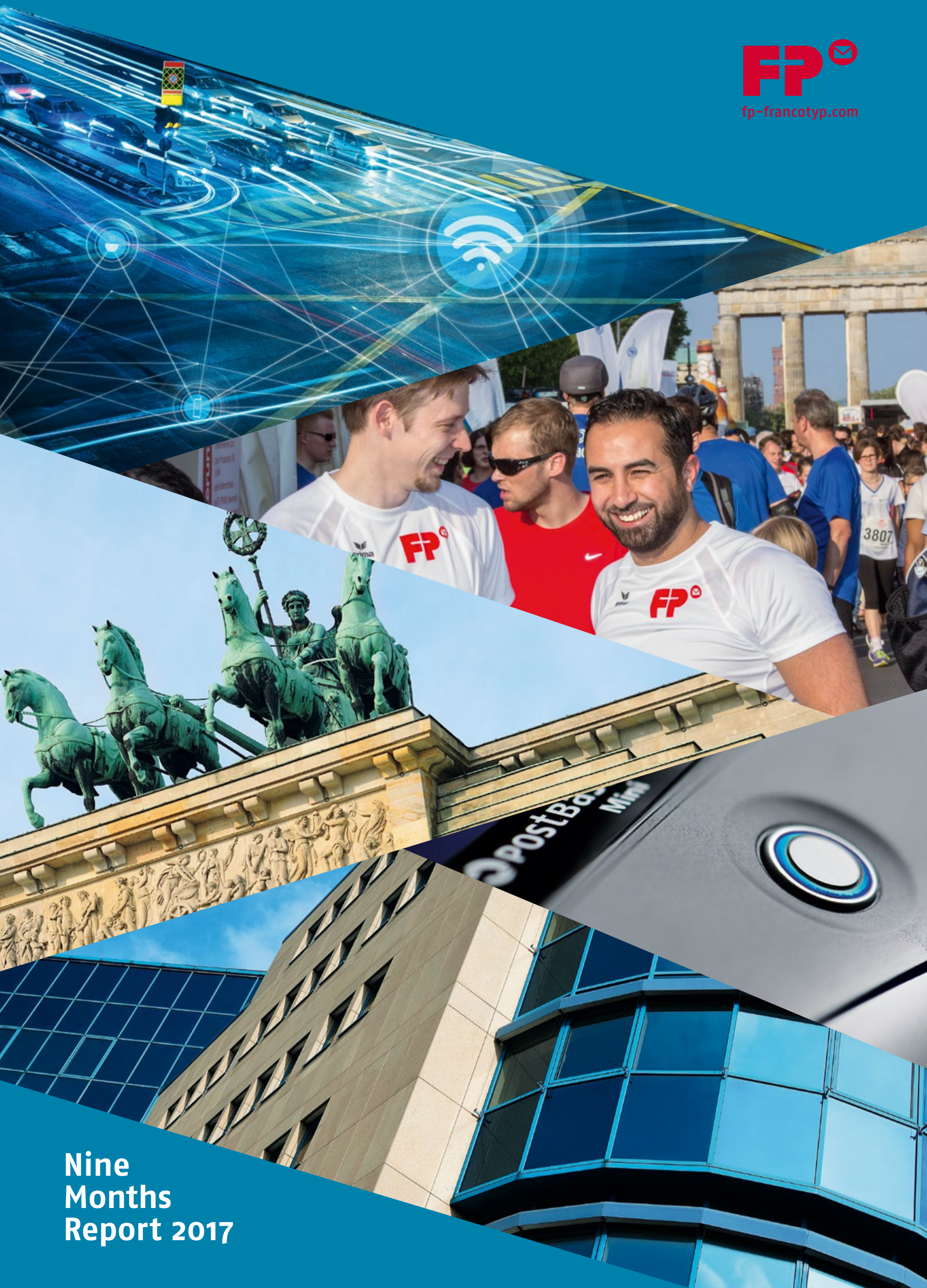
fp-francotyp.com



Nine Months Report 2017

KEY FIGURES

153.9 EUR MILLION

REVENUES

19.6 EUR MILLION

EBITDA

8.0 EUR MILLION

Free cash flow adjusted

FP IS AIMING AT 2020 TARGETS

THE SUCCESS OF POSTBASE CONFIRMS THE ASSUMPTIONS OF THE ACT STRATEGY AND LEADS TO CONTINUOUS GROWTH IN MARKET SHARE:

The success story of PostBase 100 and PostBase Mini continued in the third quarter of 2017. Hence, the assumptions of the ACT growth strategy were confirmed. The market changes are accelerating. In consequence, the demand for franking systems for small mail volumes is growing, while the demand for bigger systems is shrinking. The FP Group has increased its global market share especially in the strategic core markets US and France.

EBITDA SLIGHTLY DOWN TO EUR 19.6 MILLION DUE TO ACT AND ONE-OFF EFFECTS:

In line with planning, 2017 is impacted by the implementation of the ACT strategy. ACT costs amounted to EUR 2.6 million in the first nine months of the current fiscal year. Despite further one-off effects of EUR 1.0 million, the company reported an EBITDA of EUR 19.6 million in the first nine months of 2017 compared with EUR 20.6 million in the same period of 2016. The negative effects resulted mainly from concentrating the production-related activities at the Wittenberge site (EUR 0.5 million) and expenses in connection with the previously reported irregularities in the Mail Services segment (EUR 0.5 million). There was a positive effect of EUR 1.9 million from statute-barred liabilities. The euro's current strength against the US dollar, which is increasing year-on-year, is expected to continue to have a negative impact in the fourth quarter. Adjusted for currency effects, EBITDA came to EUR 20.0 million.

FP FIT PROVIDES THE BASIS FOR PROFITABLE GROWTH CONCENTRATION ON STABILISATION AND REALIGNMENT OF THE MAIL SERVICES AND SOFTWARE PRODUCT SEGMENTS, ALONG WITH ACCELERATED TRANSFORMATION OF THE GROUP:

As part of the successfully launched ACT strategy in 2016, the FP Group is stepping up its measures to enhance efficiency and is aiming to improve the Group's performance sustainably. Focusing on fiscal 2020, FP is increasing the pace significantly. The FP Group is continuing to systematically implement the measures entailed by ACT with undiminished vigour. Starting from an EBITDA margin of currently around 13%, FP intends to achieve an EBITDA margin of 17% with revenues of EUR 250 million by 2020. To do so it has enacted the ACT "Structure & Organisation" project, which will have a substantial and lasting positive effect on the EBITDA margin. The goal is to reduce complexity in the FP Group by creating improved and stable organisational structures for future tasks and to make the FP Group more dynamic. This necessitate measures will lead to expenses and investments in 2018, the year of action. Positive effects are expected during 2018. This project will concern the company structures, its locations, general processes, procedures and IT systems. The FP Group is still on course to achieve its medium-term targets by 2020. FP is aiming to double its revenues to around EUR 400 million with an EBITDA margin of 20% by 2023.

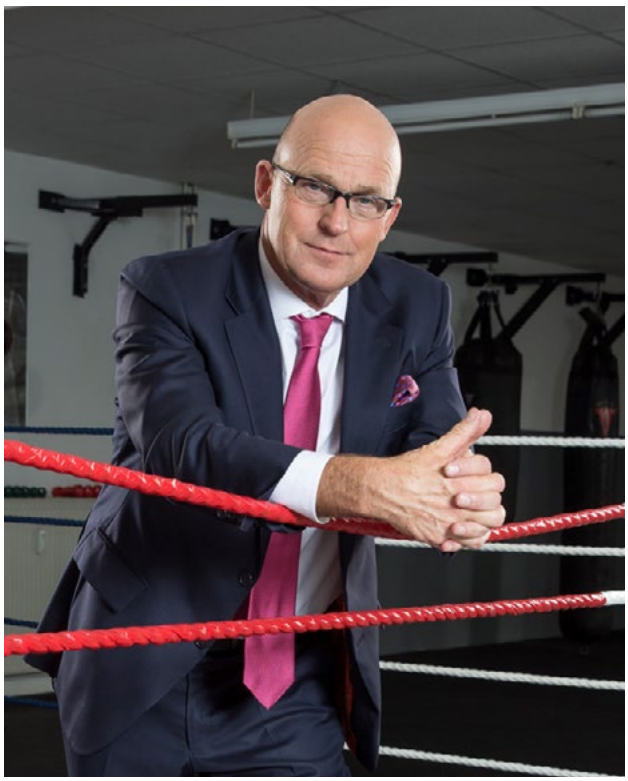
2017 FORECAST CONFIRMED

The FP Group has confirmed its forecast for fiscal year 2017, based on the assumption of constant exchange rates, and anticipates a slight year-on-year increase in revenues and EBITDA and adjusted free cash flow at the level of the previous year.

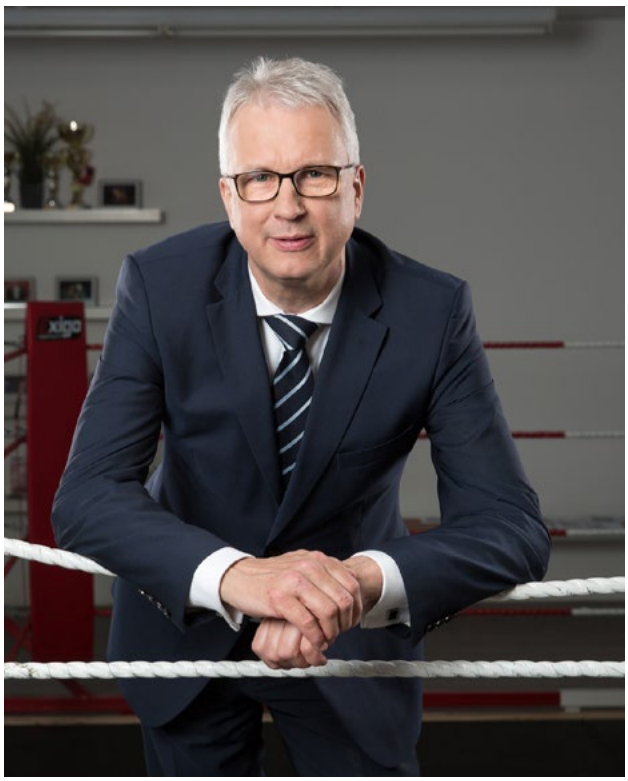
RÜDIGER ANDREAS GÜNTHER

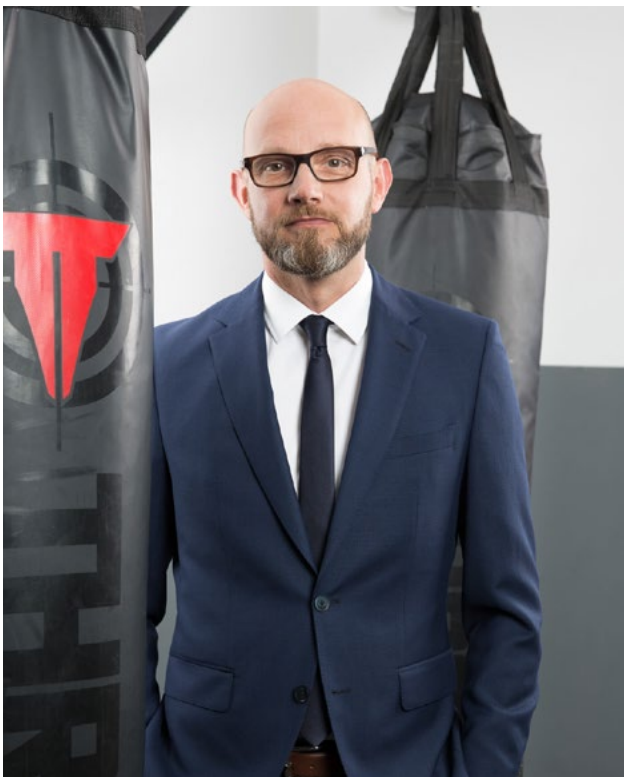
CEO AND CFO

"In fiscal year 2016 we introduced a clear change of direction in FP's positioning with our ACT growth strategy. We are on the attack in our core business, we are developing new products and services for our customers and we are starting our digital transformation. In the first year of ACT – 2017 – we are focusing and working hard on implementing strategic projects and measures into practice. We will meet our targets for 2017 as announced and will achieve slightly higher revenues year-on-year, slightly higher EBITDA and adjusted free cash flow on the previous year's level – despite a series of unexpected negative factors. 2018 will be the year of action. We are not wasting any time. We have a clear focus on our medium- and long-term goals and want to improve our current EBITDA margin of currently around 13% to 17% with revenues of EUR 250 million by 2020. In 2018 we accelerate the implementation of our projects and measures and are also rolling out the ACT-project "Structure & Organisation". We are hereby making FP fit for the future – leading to noticeable non-recurring expenses. Adjusted positive effects are expected in 2018. We are aiming at doubling our revenues to around EUR 400 million with an EBITDA margin of 20% by 2023.



FP INCREASES THE PACE AND IS IMPLEMENTING THE ACT GROWTH STRATEGY





THOMAS GRETHE

CSO

"With our PostBase product family, we are perfectly in line with the trends and are offering our customers products and services that are precisely geared towards their needs. Our core business with franking systems for small to medium volumes of mail is growing. With the PostBase 100 and PostBase Mini, which have proved to be bestsellers, we have launched exactly the right products on the market and are underlining the crucial advantage that FP has when it comes to innovation. We have come up with the right strategy at the right time. However, we are not resting as we want to become even faster and better. In 2017, we started to bring our sales organisation into line with specific changes in customers' wishes and stepped up the expansion of our sales activities. We will see the first results of this in 2018, even if we have not yet completed our repositioning. I am convinced that our investment in the development of the PostBase product family and in the further expansion of sales will pay off when it comes to achieving our targets for 2020, we are convinced of it!"

SVEN MEISE

CDO

"Digitalisation does not happen overnight – this fact remains. However, FP has no time to lose. In 2017, we reviewed efficiency, quality and process stability in the Mail Services and Software segments in the interests of our customers and partners and implemented the first stabilisation and realignment measures. We are still at the beginning of this process. We suffered severe setbacks with the reported incidents in the Mail Services segment in the second quarter of 2017 in particular, and we are continuing to see the effects of the increasing competitive pressure in the third quarter. This led to a further decline in margins. We have begun to implement countermeasures here. It is vital that we continue our realignment quickly and consistently for this reason too. That includes the integration of the Mail Services and Software product segments. It is a key task for the coming fiscal year. At the same time, we will systematically tackle the IT infrastructure and gear research and development towards the requirements of digitalisation."

OVERVIEW OF THE FIRST NINE MONTHS OF 2017

OVERALL STATEMENT:

THE FP GROUP RECORDS FURTHER REVENUES GROWTH AND CONFIRMS 2017 FORECAST

The FP Group has continued the growth in revenues in the fiscal year 2017 to date. In the first nine months of 2017, the FP Group increased revenues by 3.0% to EUR 153.9 million compared to previous year. EBITDA for the FP Group amounted to EUR 19.6 million, including negative currency effects of EUR –0.4 million, down slightly from EUR 20.6 million in the previous year. Apart from the currency effect, this was mainly due to weak margins in the Mail Services product segment and the significant rise in staff costs in connection with ACT measures. Despite the negative impact on results from these expense items, the FP Group confirms its forecast for fiscal year 2017.

BUSINESS PERFORMANCE:

POSITIVE DEVELOPMENT CONTINUES IN BUSINESS WITH FRANKING MACHINES

The FP Group has recorded slight revenue growth of 0.6% in its traditional business with franking systems in the last nine months, which corresponds to revenues of EUR 94.9 million in the first three quarters of fiscal year 2017. The fact that British Pound remained relatively weak, coupled with the increasing strength of the euro against the US dollar, also constituted a challenge here. Negative currency effects had a total impact of EUR –1.0 million in the first nine months of 2017. As predicted, FP's success in the franking machine business was attributable to high demand for small franking systems. With the PostBase 100 and PostBase Mini, FP has responded in time to the change in demand from large to small franking systems, and is targeting the segment for small to medium mail volumes with products and services that are precisely tailored to customers' needs.

REVENUE GROWTH IN MAIL SERVICES

Revenues in the Mail Services business increased by 9.8% to EUR 49.1 million. Despite ongoing strong revenue growth over the last five years, margins in the product segment remained weak, with profitability declining further in the first nine months of 2017. For this reason, FP brought forward the reorganisation planned in the context of ACT, as potential areas for enhancing efficiency and reducing costs were identified in an operational review. The Software segment achieved revenues of EUR 9.9 million after EUR 10.3 million in prior year. The reduction of revenues in the Software segments resulted primarily from a temporary loss of processed mail.

RESULTS OF OPERATIONS:

EBITDA OF EUR 19.6 MILLION IMPACTED BY ONE-OFF EFFECTS AND ACT COSTS

EBITDA for the first nine months of 2017 totalled EUR 19.6 million including negative currency effects of EUR –0.4 million, down slightly on the previous year's figure of EUR 20.6 million. Along with higher currency effects, a significant increase in the cost of materials and staff costs had a strong negative impact on results. Income of EUR 1.9 million from statute-barred liabilities had a positive effect. The cost of materials increased by 7.2% mainly due to the increase in franking service business in Mail Services. As a result, the cost of purchased services increased by 14.9% to EUR 49.9 million in the first nine months of 2017, compared with EUR 43.4 million in the same period of the previous year. In contrast, expenses for raw materials, consumables and supplies declined to EUR 26.7 million compared with EUR 28.0 million in the previous year, despite the slight increase in revenues in the core business of franking and inserting. As a result, the cost of materials ratio increased by two percentage points to 49.8%. Staff costs rose from EUR 42.9 million in prior year to EUR 45.0 million, mainly due to the expansion of the international sales team and the professionalisation of administrative areas of the Group in connection with the ACT strategy (EUR 1.5 million). Other expenses decreased from EUR 25.9 million to EUR 24.3 million in the first nine months, despite one-time expenses of EUR 0.8 million as well as expenses in the amount of EUR 0.9 million within the ACT strategy. The release of liabilities in the amount of EUR 0.9 million due to the disappearance of the reasons let to an improvement of other operation expenses. Amortisations and depreciations developed largely in line with expectations during the first nine months, due to the modernisation of the product family, software investments and the acquisition of customer lists, and increased from EUR 12.5 million to EUR 14.6 million. In total, earnings before interests and taxes (EBIT) thus decline from EUR 8.1 million to EUR 5.0 million. Net interest results improve significantly from EUR –0.1 million prior year to EUR 0.5 million. This improvement resulted primarily from increased interest income from finance leases of EUR 1.1 million (previous year: EUR 0.8 million) and from non-recurring effects of tax-related interest income of EUR 0.5 million due to the successful completion of mutual tax agreement procedures in accordance with the EU Arbitration Convention (previous year: EUR 0.2 million). One-time interest expenses of EUR 0.3 million from ongoing tax audits had a negative impact. Income taxes amounted to EUR –2.0 million in the first nine months of 2017, compared with EUR –2.8 million in previous year. With EUR 3.4 million, consolidated net income was below EUR 5.2 million. Earnings per share (EPS) fell to EUR 0,21 (basic) and EUR 0.20 (diluted) in the first nine months of 2017, compared with EUR 0.31 and EUR 0.30 respectively in previous year.

OVERVIEW OF THE FIRST NINE MONTHS OF 2017

FINANCIAL POSITION AND NET ASSETS:

ADJUSTED FREE CASH FLOW AT THE GOOD PRIOR YEAR LEVEL AS EXPECTED

The FP Group pursues a focused investment strategy. Thanks to its new product portfolio, the FP Group has been successful on all key markets. In the first nine months of 2017, investment in ongoing business and in the implementation of the growth strategy amounted to EUR 12.0 million, compared with EUR 11.9 million in previous year. EUR 4.7 million of this amount was attributable to investments in rental equipment (previous year: EUR 5.1 million). In the first nine months of 2017, the FP Group invested a total of EUR 1.4 million in the acquisition of customer lists including leased products. In addition, the FP Group capitalised development costs of EUR 3.4 million (previous year: EUR 3.7 million). Cash outflows for investments of EUR 12.0 million were offset by cash inflows of EUR 16.6 million from cash flow from operating activities in the first nine months of 2017. Free cash flow thus declined to EUR 4.5 million, compared with EUR 5.2 million in previous year. Adjusted for investments in finance lease assets of EUR 2.1 million and the acquisition of customer lists in the United Kingdom, free cash flow amounted to EUR 8.0 million and thus remained stable year-on-year. Positive cash flow from operating activities is an important funding source for the FP Group, in addition to existing loan agreements with banks and finance lease contracts. Financial liabilities increased to EUR 40.2 million as at 30 September 2017, compared with EUR 38.4 million as at 31 December 2016. Cash and cash equivalents totalled EUR 21.5 million (31 December 2016: EUR 18.7 million). Net debt dropped to EUR 18.8 million as at 30 September 2017, compared to EUR 19.8 million at the end of 2016.

FORECAST

FP CONFIRMS FORECAST AND ANTICIPATES SLIGHT GROWTH IN REVENUES AND EBITDA AND ADJUSTED FREE CASH FLOW AT THE PRIOR YEAR LEVEL

In the current fiscal year 2017, the FP Group is focusing on expanding its market share in the franking machine business and on implementing strategic projects, and the implementation of numerous FP Fit measures, which are generally leading to a significant rise in staff costs. Despite additional expenses from the Mail Services product segment the FP Group confirms its forecast for 2017 as a whole, based on the assumption of constant exchange rates. The company anticipates a slight increase in revenues and EBITDA and an adjusted free cash flow at prior year level.

All of these disclosures are based on the information available at the end of the third quarter of 2017. The FP Group wishes to point out that the planning data as stated may differ from the actual figures subsequently recorded.

SIGNIFICANT EVENTS

A significant and reportable event after 30 September 2017 was the start of the share buyback programme. On 9 October 2017, the Management Board of Francotyp-Postalia Holding AG decided, with the approval of the Supervisory Board, to exercise the authorisation resolved upon at the Annual General Meeting on 11 June 2015 to acquire treasury shares in accordance with section 71 (1) no. 8 of the German Stock Corporation Act (Aktiengesetz – AktG) and to acquire up to 475,000 shares (corresponding to max. 2.91% of the company's share capital), probably during the period from 12 October 2017 to 12 January 2018, whereby the repurchase of up to 475,000 shares is limited to a maximum total purchase price of EUR 3 million. The purpose of the purchase is to use the treasury shares acquired to service subscription rights that have been issued under stock option plans and have been or will be exercised.

CONSOLIDATED FINANCIAL STATEMENTS

for the first nine month of 2017

Please note that there may be rounding differences compared to exact mathematical figures (monetary units, percentages, etc.).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2017

in thousand euro	01.01.–30.09.2017	01.01.–30.09.2016	3rd quarter 2017 01.07.–30.09.2017	3rd quarter 2016 01.07.–30.09.2016
Revenues	153,868	149,376	49,447	49,059
Increase/decrease in inventories of finished goods and work in progress	544	438	76	651
	154,412	**149,814**	**49,523**	**49,710**
Other own work capitalised	7,870	8,920	2,746	2,431
Other income	3,306	2,210	2,193	648
Cost of materials				
a) Expenses for raw materials, consumables and supplies	26,691	28,019	8,512	9,477
b) Cost of purchased services	49,900	43,429	16,294	14,203
	76,591	**71,448**	**24,806**	**23,680**
Staff costs				
a) Wages and salaries	38,174	36,530	12,507	12,232
b) Social security contributions	5,957	5,631	1,850	1,718
c) Expenses for pensions and other benefits	855	772	333	251
	44,985	**42,933**	**14,689**	**14,201**
Amortisation, depreciation and write-downs	14,598	12,502	4,767	4,180
Other expenses	24,383	25,963	8,047	8,953
Net interest income				
a) Interest and similar income	1,655	975	386	319
b) Interest and similar expenses	1,160	1,099	556	152
	495	**–124**	**–170**	**167**
Other financial result				
a) Other financial income	640	4,441	–105	782
b) Other finance costs	789	4,304	–251	787
	–149	**137**	**146**	**–5**
Income taxes	–1,996	–2,845	–876	–679
Consolidated net income	**3,380**	**5,266**	**1,252**	**1,258**
Other comprehensive income				
Foreign currency translation of financial statements of foreign entities	–3,697	–2,341	–1,195	–467
of which taxes	–3	19	1	21
of which reclassified to consolidated net income	10	63	–4	56
Adjustment of provisions for pensions and partial retirement obligations in accordance with IAS 19 (rev. 2011)	–8	0	–3	0
Cash flow hedges – reclassified to profit or loss	249	0	0	0
of which taxes	–108	0	0	0
Other comprehensive income after taxes	**–3,456**	**–2,341**	**–1,198**	**–467**
Total comprehensive income	**–76**	**2,925**	**54**	**791**
Consolidated net income, of which:	3,380	5,266	1,252	1,258
Consolidated net income attributable to the shareholders of FP Holding	3,380	4,924	1,252	1,149
Consolidated net income attributable to non-controlling interests	0	342	0	109
Total comprehensive income, of which	–76	2,925	54	791
Total comprehensive income attributable to the shareholders of FP Holding	–76	2,583	54	682
Total comprehensive income attributable to non-controlling interests	0	342	0	109
Earnings per share (basic, in EUR)	**0.21**	**0.31**	**0.08**	**0.07**
Earnings per share (diluted, in EUR)	**0.20**	**0.30**	**0.08**	**0.07**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

ASSETS

in thousand euro	30.09.2017	31.12.2016
NON-CURRENT ASSETS		
Intangible assets		
Intangible assets including customer lists	22,450	22,117
Goodwill	8,494	8,494
Development projects in progress and advance payments	3,693	4,265
	34,638	**34,876**
Property, plant and equipment		
Land, land rights and buildings	2,847	3,044
Technical equipment and machinery	4,908	4,729
Other equipment, operating and office equipment	4,450	4,348
Leased products	19,780	23,807
Finance lease assets	1,438	3,103
Advance payments and assets under construction	392	315
	33,814	**39,346**
Other assets		
Associates	36	36
Other equity investments	163	163
Finance lease receivables	10,594	9,375
Other non-current assets	149	149
	10,943	**9,723**
Tax assets		
Deferred tax liabilities	2,373	866
	81,767	**84,811**
CURRENT ASSETS		
Inventories		
Raw materials, consumables and supplies	4,400	5,187
Work in progress	677	552
Finished goods and merchandise	5,958	5,457
	11,035	**11,196**
Trade receivables	17,749	18,966
Other assets		
Finance lease receivables	4,066	3,169
Income taxes receivable	5,806	6,480
Derivative financial instruments	74	86
Other current assets	14,803	15,557
	24,748	**25,292**
Securities	683	679
Cash and cash equivalents	30,185	26,394
	84,400	**82,527**
	166,167	**167,338**

LIABILITIES

in thousand euro	30.09.2017	31.12.2016
EQUITY		
Equity attributable to shareholders of the parent company		
Issued capital	16,301	16,215
Capital reserves	34,746	34,620
Stock option reserve	1,291	1,179
Loss carried forward	–17,543	–20,794
Consolidated net income after minority interests	3,380	5,857
Total other equity	–4,588	–1,131
	33,588	**35,946**
NON-CURRENT LIABILITIES		
Provisions for pensions and similar obligations	16,973	17,054
Other provisions	1,199	991
Financial liabilities	39,906	37,530
Other liabilities	70	110
Deferred tax liabilities	1,277	572
	59,424	**56,257**
CURRENT LIABILITIES		
Tax liabilities	4,930	3,635
Provisions	7,093	7,969
Financial liabilities	320	911
Trade payables	11,145	10,612
Other liabilities		
of which telepostage EUR 25,746 thousand (previous year: EUR 28,119 thousand)	49,667	52,008
	73,155	**75,135**
	166,167	**167,338**

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2017

in thousand euro	01.01.–30.09.2017	01.01.–30.09.2016
1. CASH FLOW FROM OPERATING ACTIVITIES		
Consolidated net income	3,380	5,266
Net income tax recognised in profit or loss	1,996	2,845
Net interest income recognised in profit or loss	–495	124
Amortisation, depreciation and write-downs on non-current assets	14,598	12,502
Decrease (–) / increase (+) in provisions and tax liabilities	–1,045	–1,454
Loss (+) / gain (–) on the disposal of non-current assets	466	122
Decrease (+) / increase (–) in inventories, trade receivables and other assets not attributable to investing or financing activities (without finance leases)	2,262	2,009
Decrease (+) / increase (–) in finance lease receivables	–2,116	–2,947
Decrease (–) / increase (+) in trade payables and other liabilities [1] not attributable to investing or financing activities	–2,600	145
Other non-cash income	264	340
Public grants not yet received	0	–1,012
Interest received	1,655	975
Interest paid	–1,104	–927
Income taxes received	1,011	
Income taxes paid	–1,716	–866
Cash flow from operating activities	**16,557**	**17,122**
2. Cash flow from investing activities		
Payments for the capitalisation of development costs	–3,315	–3,565
Payments for capitalised interest for development costs	–37	–122
Proceeds from disposals of non-current assets	12	0
Payments for investments in intangible assets	–1,488	–1,227
Payments for investments in property, plant and equipment	–7,192	–6,962
Cash flow from investing activities	**–12,020**	**–11,876**

1) Postage credit balances managed by the FP Group of EUR 9,420 thousand (previous year: EUR 8,267 thousand) are deducted from cash and other liabilities. Securities held as current assets are included in cash and cash equivalents in the amount of EUR 683 thousand (previous year: EUR 688 thousand).

in thousand euro	01.01.–30.09.2017	01.01.–30.09.2016
3. Cash flow from financing activities		
Payments for distributions to shareholders	–2,606	–1,923
Bank loan repayments	–6	–33,126
Repayments of finance lease liabilities	–1,030	–1,305
Proceeds from finance lease liabilities	353	0
Proceeds from the sale of treasury shares	0	265
Proceeds for the issue of new shares	212	0
Proceeds from the assumption of bank loans	2,470	32,336
Cash flow from financing activities	**–608**	**–3,754**
Cash and cash equivalents [1]		
Change in cash and cash equivalents	3,929	1,492
Change in cash and cash equivalents due to currency translation	–1,136	–1,076
Cash and cash equivalents at beginning of period	18,655	15,928
Cash and cash equivalents at end of period	**21,448**	**16,345**

1) Postage credit balances managed by the FP Group of EUR 9,420 thousand (previous year: EUR 8,267 thousand) are deducted from cash and other liabilities. Securities held as current assets are included in cash and cash equivalents in the amount of EUR 683 thousand (previous year: EUR 688 thousand).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2017

in thousand euro	Issued capital	Capital reserves	Stock option reserve	Treasury shares	Consolidated net income
As at 01.01.2016	**16,160**	**34,937**	**1,046**	**–810**	**–18,871**
Consolidated net income 01.01.–31.09.2016	**0**	**0**	**0**	**0**	**4,924**
Foreign currency translation of financial statements of foreign entities	0	0	0	0	0
Other comprehensive income 01.01.–30.09.2016	**0**	**0**	**0**	**0**	**0**
Total comprehensive income 01.01.–30.09.2016	**0**	**0**	**0**	**0**	**4,924**
Stock option settlement	0	–259	94	524	0
Distributions	0	0	0	0	–1,923
As at 30.09.2016	**16,160**	**34,678**	**1,140**	**–286**	**–15,870**
As at 01.01.2017	**16,215**	**34,620**	**1,179**	**0**	**–14,937**
Consolidated net income 01.01.–30.09.2017	**0**	**0**	**0**	**0**	**3,380**
Foreign currency translation of financial statements of foreign entities	0	0	0	0	0
Adjustment of provisions for pensions in accordance with IFRS	0	0	0	0	0
Cash flow hedges	0	0	0	0	0
Other comprehensive income 01.01.–30.09.2017	**0**	**0**	**0**	**0**	**0**
Total comprehensive income 01.01.–30.09.2017	**0**	**0**	**0**	**0**	**3,380**
Distributions	0	0	0	0	–2,606
Stock option settlement	86	126	112	0	0
As at 30.09.2017	**16,301**	**34,746**	**1,291**	**0**	**–14,163**

	Total other equity							
	Currency translation adjustment	Net investments in foreign operations	Adjustment due to IAS 19	Difference due to acquisition of minority interests	Reserve from hedging transactions	Equity attributable to FP Holding	Non-controlling interests	Total
	3,425	**178**	**–2,352**	**0**	**0**	**33,713**	**1,519**	**35,232**
	0	**0**	**0**	**0**	**0**	**4,924**	**342**	**5,266**
	–2,298	–43	0	0	0	–2,341	0	–2,341
	–2,298	**–43**	**0**	**0**	**0**	**–2,341**	**0**	**–2,341**
	–2,298	**–43**	**0**	**0**	**0**	**2,583**	**342**	**2,925**
	0	0	0	0	0	359	0	359
	0	0	0	0	0	–1,923	0	–1,923
	1,127	**135**	**–2,352**	**0**	**0**	**34,732**	**1,861**	**36,593**
	2,954	**132**	**–3,529**	**–439**	**–249**	**35,946**	**0**	**35,946**
	0	**0**	**0**	**0**	**0**	**3,380**	**0**	**3,380**
	–3,691	–6	0	0	0	–3,697	0	–3,697
	0	0	–8	0	0	–8	0	–8
	0	0	0	0	249	249	0	249
	–3,691	**–6**	**–8**	**0**	**249**	**–3,456**	**0**	**–3,456**
	–3,691	**–6**	**–8**	**0**	**249**	**–76**	**0**	**–76**
	0	0	0	0	0	–2,606	0	–2,606
	0	0	0	0	0	324	0	324
	–737	**126**	**–3,537**	**–439**	**–4,570**	**33,588**	**0**	**33,588**

FURTHER INFORMATION

INFORMATION ABOUT THIS QUARTERLY REPORT

This document complies with new guidelines for quarterly reporting in accordance with section 51 a of the Regulations of the Frankfurt Stock Exchange. As a result of amendments to European law, the legal obligation for listed companies to issue quarterly financial reports was revoked in Germany in 2015. In future, companies will have the possibility to publish a condensed quarterly report in this way for the first and third quarters of a fiscal year.

INFORMATION ABOUT THE COMPANY

The FP Group, which has its headquarters in Berlin, provides businesses and authorities with innovative solutions for secure and efficient communications. In addition to systems for franking and inserting mail, the company's range currently comprises services such as the collection of business mail and software solutions. Thanks to its 90-year history, the FP Group boasts a unique combination of organically grown mail processing expertise and digital know-how. The company has branches in many developed countries and has a global market share of more than 10% in the area of franking machines. In the 2016 fiscal year, the FP Group generated over EUR 200 million in revenues. It aspires to double revenues to around EUR 400 million by 2023. As part of the ACT strategy, the company will be on the attack in the core business, provide additional products services to its customers and press ahead with its digital transformation.

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