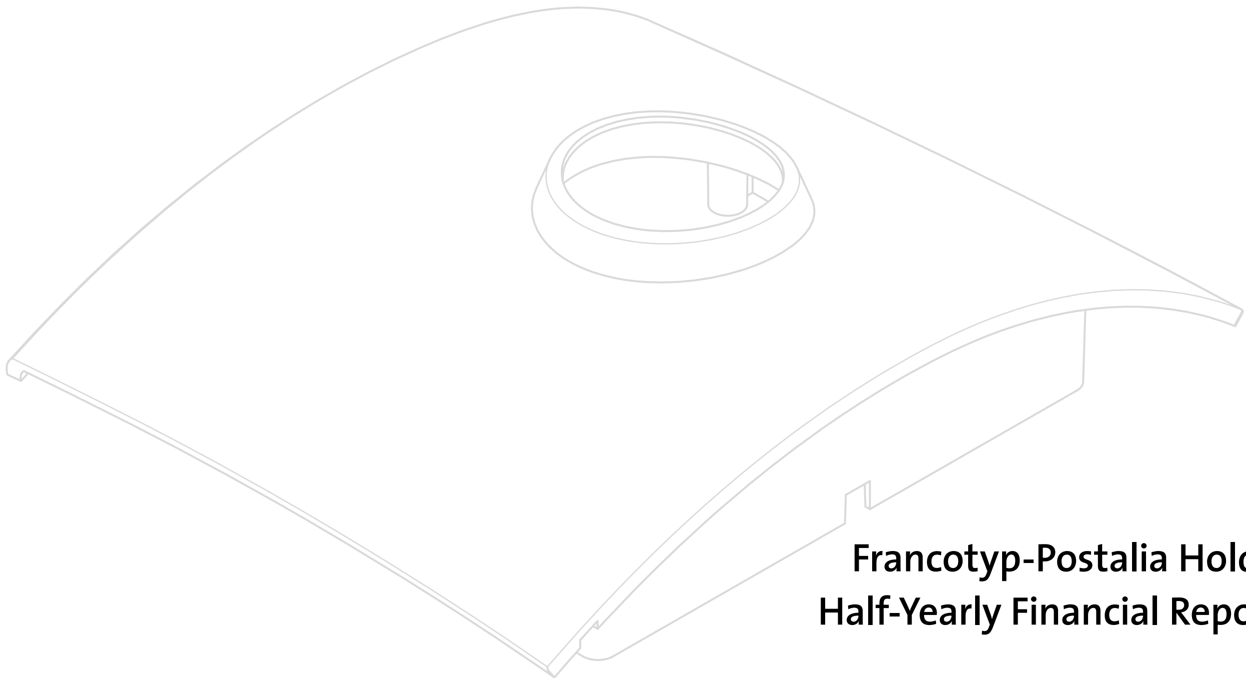
YOUR MAIL IS OUR BUSINESS



Francotyp-Postalia Holding AG
Half-Yearly Financial Report 2010

FRANKING
INSERTING
SOFTWARE SOLUTIONS
MAIL SERVICES

OUR EXPERTISE FOR YOUR MAIL

Key Figures of the first Half-Year 2010

Figures in accordance with consolidated financial statements in EUR millions	1st Half 2010	1st Half 2009	Change in %	1 Apr–30 June 2010	1 Apr–30 June 2009	Change in %
Revenues	**66.0**	66.8	-1.2	**32.4**	32.6	-0.6
Revenue growth in %	-1.2	-8.1		-0.6	-9.2	
Recurring revenues	**48.7**	49.7	-2.0	**24.0**	24.8	-3.2
EBITDA	**12.8**	9.5	34.7	**5.7**	4.3	32.6
in percentage of revenues	19.4	14.2		17.6	13.2	
EBITA	**7.5**	3.8	97.4	**2.9**	1.4	107.1
in percentage of revenues	11.4	5.7		12.1	5.6	
EBIT	**2.8**	-2.4	n/a	**1.3**	-1.6	n/a
in percentage of revenues	4.2	-3.6		7.4	-12.1	
Net income	**-0.8**	-4.8	83.3	**-0.1**	-2.8	96.4
in percentage of revenues	-1.2	-7.2		-0.8	-49.6	
Free cash flow	**4.9**	3.3	48.5	**-0.1**	1.2	n/a
in percentage of revenues	7.4	4.9		-0.3	3.7	

	1st Half 2010	31 Dec 2009	Change in %
Equity capital	**14.7**	14.7	
Shareholders' equity	**17.8**	15.3	-50.6
in percentage of balance sheet total	12.7	11.4	
Return on equity (%)	-4.5	-31.4	
Debt capital	**122.9**	119.0	3.3
Balance sheet total	**140.7**	134.3	4.8
Net debt	**37.1**	48.2	-23.0
Net gearing (%)	208.4	315.0	
Earnings per share	**-0.03**	-1.12	97.3
Share price to quarterly figures	**2.68**	1.55	
Employees	**1,064**	1,048	2.2

Segments

SOFTWARE SOLUTIONS

The FP Group provides software solutions for digital mail processing. With hybrid mail products, the entire process can be outsourced and thus more efficiently executed.

FRANKING AND INSERTING

In the traditional Franking and Inserting segment, the FP Group concentrates on developing, manufacturing, selling and leasing franking and inserting machines.

SERVICES

Consolidation services include collecting mail from clients, sorting it by postcode and delivering it, in bundled form, to a mail centre. By availing themselves of this service, even small companies can benefit from postage discounts.

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Letter from the Management Board

Dear Shareholders, Ladies and Gentlemen,

during the first half of 2010, the FP Group was able to improve its financial strength and profitability. Sporting stable revenues, EBITDA, the key metric representing improvement in operative business, rose from previous year´s EUR 9.5 million to EUR 12.8 million. Free cash flow also grew during that period, reaching EUR 4.9 million, compared to EUR 3 million for the previous year.

Considering this development, FP Group is doing well. However we must not abate now since the market continues to be challenging. In spite of our economic cycle´s slow recovery from the recession, the economic growth in our important domestic market, Germany, for instance, is expected to level off again during the third quarter of 2010. We can still sense a distinctive reservation towards investments within many business companies in Germany as well as other industrialized countries. Considering this, more pleasing is the fact that we were able to slightly increase our revenues in Germany during the first half of 2010. It is also encouraging to see that our new business, the sale of franking and inserting machines, has shown a slight increase during 2010 so far.

This positive development during the first half of 2010 stems primarily from significant improvements in our cost structure. As compared to last year´s figures, the cost of materials dropped to EUR 17.0 million from EUR 17.6 million, and personnel expense to EUR 25.5 million from EUR 26.9 million.

As a consequence, FP Group could notably improve its net income. In the first six months of 2010 it was EUR -0.8 million, compared to previous year´s EUR -4.8 million, also taking declining depreciation expense into account. During the second quarter of 2010, the company generated a break-even net result, whereas we still had a loss of EUR -2.8 million during the same quarter a year ago.

Dear Shareholders, these figures prove the scope in which the FP Group has benefited from improved cost structures and the implemented restructuring programme. We would like to express our heartfelt thanks for your continuing trust in the FP Group. We strive to continue the strengthening of our financial strength and profitability, and to generate sustained positive results. In the long and medium term, the company must and will generate bottom line profits.

We are positive that the FP Group is following the right strategy for profitable growth. It is the further development towards becoming a Mail Management Provider as well as our intensified engagement in emerging markets that will open up new potential for growth to our company. The cooperation with WEB.DE, as communicated at the beginning of July concerning the use of Hybrid-Mail-Solutions, demonstrates how these could also be designed for private customers in the upcoming years: In an intelligent way, they combine the advantages of low cost granted by online solutions with those of printed letters. The user will send a letter via email to our printing centre and gets the document printed, inserted and franked on site.

In order to lead our company towards a successful future as a Mail Management Provider we still require further adaptations. Currently our headquarters in Birkenwerder have a limited contract to keep the current company location only until August 2011. However in view of the future of the FP Group, it is vital to push further changes.

The plan recently presented, dealing with a sustained protection of the Birkenwerder location, aims to modernize the company and create a long- and medium-term perspective for the company and its staff. At the core, we are planning on a restructuring in the production of franking machines. Extensive measures will be necessary in order to ensure competitive conditions for production at the Birkenwerder location in the long run; this is a crucial requirement for the FP Group´s sustained and successful running of the company.

Hans Szymanski
(CFO & CTO)

Andreas Drechsler
(CSO)

Management Board

Andreas Drechsler (left)
Member of the Management Board of Francotyp-Postalia Holding AG (CSO)

Born in 1968, Andreas Drechsler studied and graduated in banking and business studies, and is responsible for Sales, Marketing and Investor Relations.

Hans Szymanski (right)
Member of the Management Board of Francotyp-Postalia Holding AG (CFO & CTO)

Born in 1963 and an economics graduate, he is responsible for Finance, Production, IT, Research and Development, Human Resources and Legal Affairs.

Consolidated Interim Report

BUSINESS AND GENERAL ENVIRONMENT

Business activity

Francotyp-Postalia Holding AG (FP Group), based in Birkenwerder near Berlin, is a global professional mail management company. As postal markets are increasingly liberalised, the company has moved from being a producer of franking machines to becoming a mail management provider specialising in letter post.

With new services such as the collection of business mail and innovative software solutions for outbound mail, such as hybrid mail, the company has expanded its traditional product portfolio comprising franking and inserting machines. Today, the FP Group covers the entire mail management processing chain and can thus offer tailored mail management solutions to corporate clients of all sizes.

General conditions

The global economy stabilised further in the second quarter of 2010. In particular, growth was driven by emerging countries in Asia. In contrast, growth in industrialised countries remained moderate.

In Germany, the domestic market of the FP Group, the gross domestic product rose by 2.2% the second quarter of 2010, a higher level of growth than in most European countries. However, the German Institute for Economic Research is already anticipating a declining momentum in the third quarter of 2010 and is forecasting growth of only 0.5%.

In the USA, growth had already weakened again slightly in the second quarter of the current year. In the months from April to June, the gross domestic product increased only at a projected rate for the year of 2.4%, according to an initial estimate. In the first quarter of 2010, the level of growth was 3.7%.

In contrast, China's gross domestic product achieved double-digit growth in the second quarter of 2010. However, the growth rate slowed slightly to 10.3%, following growth of 11.9% in the first quarter. Singapore's economy grew by 19.3% year-on-year in the second quarter of 2010. This country is therefore becoming the fastest-growing economy in Asia. The Indian economy also recorded strong growth. The growth forecast for the full year has been raised from 8.0% to 8.5%.

For the FP Group, this growth dynamic in the Asia/Pacific region creates a good environment for pushing ahead with expansion into these future markets in the medium and long term.

Employees

As at 30 June 2010, the FP Group employed a total of 1,064 people worldwide, compared with 1,048 employees the previous year. Accordingly, as at 30 June, 688 employees were attributable to the German companies (previous year: 691) and 376 to foreign subsidiaries (previous year: 357).

In Germany, a total of 465 employees belonged to the segment Franking and Inserting (previous year: 481) and 223 to the segment Software Solutions and Services (previous year: 210). As at 30 June 2010, 168 people were employed at freesort, compared with 161 employees the previous year. At iab, the number of employees rose from 49 in the same period of the previous year to 55. The increase in personnel in this segment underlines the increasing significance of mail management for the entire company.

As the order situation had improved again, the FP Group discontinued the reduced working hours at its main site in Birkenwerder by the end of June this year. The company had introduced reduced working hours for employees in August 2009, as part of the site continuation agreement. Key elements of this agreement also include the waiving of significant pay components by employees and the Management Board, combined with a job guarantee for employees lasting a total of 24 months. Further explanatory information on the site continuation agreement can be found in the 2009 Annual Report.

The German subsidiaries of Francotyp-Postalia Holding AG, Francotyp-Postalia GmbH and Francotyp-Postalia Vertrieb und Service GmbH, presented a plan in June this year to safeguard the Birkenwerder site on a sustainable basis. As part of considerations relating to the start of production for the new Phoenix product line in 2011, the companies are planning extensive restructuring of business activities in the field of production. Partial closures of individual areas of production and further restructuring measures are being considered. A total of 120 employees work in this field in Birkenwerder. Comprehensive measures are necessary to ensure that production is possible under competitive conditions at the Birkenwerder site in the long term. The company is aiming to find a solution that caters to the interests of all those involved and secures the company's future at the Birkenwerder site.

RESEARCH AND DEVELOPMENT

In its research and development, the FP Group concentrates on developing new products and refining existing ones, continually optimising security aspects and networking machines with appropriate server and software solutions. With all innovations, the company takes care that they can be integrated as smoothly as possible into customers' existing processes and make a contribution to increasing efficiency. As the Group continues to develop into a full provider of mail management solutions, the integration of software and server concepts and the development of outsourcing interfaces become increasingly important.

Since the FP Group restructured its research and development, a significant improvement is now being seen in efficiency. Expenses for research and development amounted to EUR 2.0 million in the months from April to June 2010, compared with EUR 2.4 million in the second quarter of 2009. For the first half of the current year, the expenses totalled EUR 4.0 million, compared with EUR 4.7 million in the first six months of 2009. Accordingly, the proportion of revenue spent on R&D dropped to 6.1%, compared with 7.0% in the same period of the previous year. The FP Group capitalised EUR 1.8 million of the expenses (previous year: EUR 1.1 million) in accordance with IFRS and recognised EUR 2.2 million (previous year: EUR 3.6 million) in expenses.

NET ASSETS, FINANCIAL AND EARNINGS POSITION

Earnings position

REVENUES

In the first six months of the 2010 financial year, the FP Group achieved revenue of EUR 66.0 million, compared with EUR 66.8 million in the same period of the previous year. The incipient recovery of the global economy from the recession led to the stabilisation of the FP Group's revenue. In the second quarter of 2010, the company recorded revenue of EUR 32.4 million, compared with EUR 32.6 million in the second quarter of 2009.

Recurring revenue from service agreements, leasing, teleporto, the sale of consumables, postal services and software solutions remained stable in the first half of 2010, when it amounted to EUR 48.7 million, compared with EUR 49.7 million in the previous year. This meant that the share of sustainable recurring revenue in total revenue amounted to 73.8%, compared with 74.3% in the same period of the previous year. The development of the leasing business was positive. In the first half of 2010, revenue came to EUR 10.9 million, compared with EUR 10.5 million in the previous year. In the field of consumables and Services/Customer Service, revenue dropped to EUR 23.0 million from EUR 25.2 million in the same period of the previous year.

Revenue from product sales totalled EUR 17.3 million in the first six months of the current year, compared with EUR 17.2 million in the previous year. In particular, income from the franking business showed positive development. In the first half of 2010, revenue rose to EUR 13.4 million from EUR 12.9 million in the first six months of 2009.

Revenues by product and service

EUR million	1st half of 2010	1st half of 2009	2nd quarter of 2010	2nd quarter of 2009
Recurring revenue	**48.7**	**49.7**	**24.0**	**24.8**
Rental	10.9	10.5	5.8	5.3
Services/Customer Service	12.4	14.2	5.9	7.6
Consumables	10.6	11.0	5.2	5.1
Teleporto	6.1	6.1	3.0	3.0
Mail Services	6.5	5.7	3.0	2.8
Software	2.1	2.2	1.0	1.0
Income from product sales	**17.3**	**17.2**	**8.4**	**7.8**
Franking	13.4	12.9	6.4	5.8
Inserting	3.5	3.9	1.8	1.9
Other	0.3	0.4	0.1	0.2
Total	**66.0**	**66.8**	**32.4**	**32.6**
Recurring revenue	73.8%	74.3%	73.9%	76.0%
Non-recurring revenue	26.2%	25.7%	26.1%	24.0%
Natural hedges	0.0	0.0	0.0	0.0
Total	**66.0**	**66.8**	**32.4**	**32.6**

OPERATING EXPENSES

The cost of materials fell in the first six months of the current year to EUR 17.0 million as against EUR 17.6 million in the same period of the previous year. The cost of services purchased dropped to EUR 4.0 million from EUR 5.1 million in the previous year. In contrast, expenses for raw materials, consumables and supplies increased to EUR 13.0 million from EUR 12.5 million in the previous year. This rise is due above all to an increase in work in progress and finished goods. Overall, the cost of materials ratio amounted to 25.8%, compared with 26.3% in the first six months of 2009.

The FP Group also reduced staff expenses to EUR 25.5 million in the first half of 2010, compared with EUR 26.9 million in the same period of the previous year. As a result, the personnel cost ratio dropped from 40.2% to 38.6% year-on-year. The site continuation agreement concluded in August 2009 led to savings of EUR 1.2 million.

Other operating expenses dropped to EUR 15.6 million in the first six months of 2010, compared with EUR 16.2 million in the same period of the previous year, as no significant restructuring expenses were incurred in 2010.

EBITDA

The FP Group increased its profitability in the first six months of 2010. Earnings before interest, tax, net financial income, depreciation and amortisation (EBITDA) improved to EUR 12.8 million, compared with EUR 9.5 million in the same period of the previous year. In the second quarter of 2010, the EBITDA rose to EUR 5.7 million, compared with EUR 4.2 million in the same period of the year before. The company continued to benefit from its improved cost structure and the restructuring measures implemented in the previous year.

DEPRECIATION AND AMORTISATION

Owing to a reduction in amortisation of intangible assets, depreciation and amortisation fell significantly in the first six months of 2010 to EUR 10.0 million, compared with EUR 11.9 million in the corresponding period of the previous year.

NET INTEREST INCOME/EXPENSE

In the first half of 2010, the net interest expense improved slightly to EUR -1.7 million, compared with EUR -1.9 million in the previous year. Interest income fell to EUR 0.6 million from EUR 0.8 million the previous year, due to the very low level of interest rates. Accordingly, interest expenses fell from EUR 2.7 million in the previous year to EUR 2.3 million.

OTHER FINANCIAL RESULTS

In the first six months of the current financial year, the FP Group generated a net financial expense of EUR -1.4 million as a result of losses due to exchange rate effects. In the same period of the previous year, the Group had achieved a balanced net financial result.

NET TAXES

Net taxes improved slightly to EUR -0.4 million in the first half of 2010, compared with EUR -0.6 million in the same period of the previous year. This is made up of tax income of EUR 2.7 million and tax expenses of EUR 3.1 million.

CONSOLIDATED NET INCOME

Consolidated net income before minority interests improved significantly in the first half of 2010 and amounted to EUR -0.8 million, compared with EUR -4.8 million in the same period of the previous year. Developments in the second quarter of 2010 were particularly positive: the company achieved almost a balanced consolidated net income, following a negative result of EUR -2.8 million in the same quarter of the previous year. Earnings per share for the first half of the year totalled EUR -0.03, compared with EUR -0.32 in the previous year.

Business performance by segment

Francotyp-Postalia divides its activities into four segments, namely Production, Domestic Sales, International Sales and head office functions. This segmentation corresponds to the FP Group's internal reporting and also takes account of the company's development into a mail management provider.

Since the segments report in accordance with the local financial reporting framework, both the adjusting entries in accordance with IFRS and the Group consolidation entries are included in the reconciliation with the interim consolidated financial statements. The Group consolidation entries comprise the consolidation of business relationships between the segments. Intra-Group transactions are effected at market prices. Since the figures from the separate financial statements must be aggregated to produce total segment earnings, the segment totals include both intra-segment figures and interim profits.

DOMESTIC SALES

In the first six months, the company achieved total revenue of EUR 32.6 million in its Domestic Sales segment. The FP Group increased revenue with external third parties on the domestic market to EUR 31.0 in the first half of the year, against EUR 30.0 the previous year.

In the Services segment, revenue generated by the consolidation specialist freesort increased significantly to EUR 6.5 million, compared with EUR 5.6 million in 2009. In the Software Solutions segment, revenue amounted to EUR 2.1 million, compared with EUR 2.2 million in the same period of the year before.

The German companies responsible for the franking and inserting business achieved revenue of EUR 22.4 million, compared with EUR 22.2 million the previous year, and benefited in particular from stable recurring revenue. In new business, a slight rise again in demand for franking machines was reflected in revenue.

Although the environment remained challenging, the FP Group underlined its market leadership in Germany with a market share of 43.4% in franking machine business.

The EBITDA in the Domestic Sales segment grew to EUR 4.8 million in the first six months of 2010, compared with EUR 3.8 million a year earlier. In the quarter from April to June 2010, the company achieved a result of EUR 2.3 million, compared with EUR 1.4 million in the same period of the previous year.

INTERNATIONAL SALES

In its International Sales segment, in which all activities of the foreign subsidiaries are combined with the exception of Singapore, the FP Group generated total revenue of EUR 33.4 million in the first half of 2010. Revenue with external third parties was EUR 33.2 million, in comparison with EUR 34.1 million in the same period of the previous year. The consequences of the economic and financial crisis have continued to be reflected in the cautious approach of companies towards investment and were not offset by stable recurring revenue.

In this environment, the FP Group achieved revenue of EUR 14.5 million in the USA, its biggest foreign market, in the first half of 2010, compared with EUR 16.8 million a year earlier. The decline in revenue was primarily affected by a lack of adjustment of postage tables (rate change) in the second quarter of 2010. In contrast, revenue in the UK rose to EUR 6.7 million, compared with EUR 6.0 million in the same period of the previous year. In the third major foreign market, the Netherlands, revenue in the first half of the current year fell slightly to EUR 4.8 million, compared with EUR 5.1 million a year earlier.

The decline in revenue is also reflected in earnings development. In the International Sales segment, the company recorded EBITDA of EUR 8.7 million in the first six months of 2010, compared with EUR 10.2 million in the first half of 2009.

The FP Group also expects to have opportunities for growth in Asia in the coming years and is currently laying the foundations for expansion into this future market. At the beginning of the year, the company secured its entry to the Indian market for franking machines. With certification, a basis was created for participating in the expected growth in the Indian market over the next few years.

PRODUCTION

The FP Group combines its production activities in Germany and Singapore in the Production segment. In the first six months of the current year, this segment generated total revenue of EUR 27.3 for the company. Revenue with external third parties in the first half of 2010 was EUR 2.8 million, after EUR 2.9 million in the same period of the previous year. In the second quarter of the current year, revenue improved to EUR 1.5 million, compared with EUR 1.3 million in the same quarter of the previous year.

While EBITDA of EUR -3.7 million was reported in Production in the first half of 2009, the company recorded positive EBITDA of EUR 2.1 million in the first six months of the current year. The increase in transfer prices in the Production segment had a positive impact here. In addition, the fact that no further restructuring costs were incurred in the first half of 2010 and that fewer staff were employed in Production than in the first six months of 2009 must be taken into account.

Summary of results per segment

	Revenue			EBITDA		
EUR million	**2nd quarter of 2010**	**2nd quarter of 2009**	**Change**	**2nd quarter of 2010**	**2nd quarter of 2009**	**Change**
Domestic Sales	14.6	14.7	-0.7%	2.3	1.4	+64.3%
International Sales	16.8	16.7	+0.6%	3.8	5.1	-25.5%
Production	1.5	1.3	+15.4%	1.3	-2.3	n/a
FP-Group[1]	32.4	32.6	-0.6%	5.7	4.3	+33.1%

	Revenue			EBITDA		
EUR million	**1st half of 2010**	**1st half of 2009**	**Change**	**1st half of 2010**	**1st half of 2009**	**Change**
Domestic Sales	31.0	30.0	+3.3%	4.8	3.8	+26.3%
International Sales	33.2	34.1	-2.7%	8.7	10.2	-14.7%
Production	2.8	2.9	-3.5%	2.1	-3.7	n/a
FP-Group[1]	66.0	66.8	-1.2%	12.8	9.5	+34.7%

[1] The segment "Central Functions" is also shown in the segment reporting. The segment achieves no revenue with external third parties. Revenue was generated from services for subsidiaries. Further information on this segment and on the Group reconciliation can be found in the notes to the consolidated financial statements.

Financial position

INVESTMENT ANALYSIS

Following the restructuring, the FP Group is pursuing a focused investment strategy and concentrating on investment, which will facilitate the company's development into a mail management provider. Investment increased to EUR 7.6 million in the first half of 2010, compared with EUR 4.0 million in the same period of the previous year. Capitalisation of development costs increased in the first six months of 2010 to EUR 1.8 million, compared with EUR 1.1 million in the previous year. Investment in business combinations also increased year-on-year from EUR 0.4 million to EUR 3.5 million.

Owing to strict cost management, investment in property, plant and equipment and in leased products remained at the same level as in the previous year. Investment in intangible assets also remained stable.

Capital expenditure

EUR million	1 Jan – 30 June 2010	1 Jan – 30 June 2009
Capitalised development costs	1.8	1.1
Investment in intangible assets	0.2	0.2
Investment in property, plant and equipment	0.9	0.8
Investment in leased products	1.2	1.4
Investment in financial investments	0.0	0.0
Investment in business combinations	3.5	0.4
Capital expenditure	**7.6**	**4.0**

LIQUIDITY ANALYSIS

Cash flow from operating activities increased in the first six months of 2010 to EUR 12.5 million, compared with EUR 7.3 million in the previous year. The main reasons for this were a significant improvement in the consolidated net income and an increase in liabilities. The cash outflow from investing activities came to EUR 7.6 million in the first half of 2010, compared with EUR 4.0 million the previous year.

As a result, free cash flow, the sum of cash inflows from operating activities and cash outflows from investing activities, increased to EUR 4.9 million compared with EUR 3.3 million in the same period in the previous year. The cash flow from financing activities came to EUR -4.7 million in the first half of 2010, compared with EUR -0.5 million the previous year. This decrease is the result of cash outflows for the extraordinary repayment of bank loans and the repayment of finance leases.

The cash and cash equivalents shown are produced from the balance sheet items "cash and cash equivalents" as well as "securities" less "teleporto funds". At the end of the first half of 2010, cash and cash equivalents were up significantly at EUR 12.9 million, compared with EUR 9.9 million a year earlier.

Liquidity analysis

EUR million	1 Jan – 30 June 2010	1 Jan – 30 June 2009
1. Cash flow from operating activities		
Cash flow from operating activities	12.5	7.3
2. Cash flow from investing activities		
Cash flow from investing activities	-7.6	-4.0
Free cash flow	4.9	3.3
3. Cash flow from financing activities		
Cash flow from financing activities	-4.7	-0.5
Cash and cash equivalents		
Change in cash and cash equivalents	0.2	2.8
Change in cash and cash equivalents due to currency translation	0.3	0.1
Cash and cash equivalents at beginning of period	12.4	7.0
Cash and cash equivalents at end of period	**12.9**	**9.9**

Asset situation

The balance sheet as at 30 June 2010 is characterised by an increase in current assets and current liabilities. Compared with 31 December 2009, total assets rose by EUR 6.4 million to EUR 140.7 million. The proportion of current assets increased slightly from 48.2% to 48.9%. The ratio of current assets to current liabilities was 113.5%. The share of non-current liabilities in total assets dropped to 44.2%, compared with 49.0% at the end of 2009. However, the equity ratio improved from 11.4% to 12.7%.

On the assets side of the balance sheet, intangible assets increased to EUR 33.1 million, compared with EUR 32.7 million on the reporting date of 31 December 2009. Property, plant and equipment increased slightly to EUR 20.1 million, compared with EUR 19.7 million at the end of 2009. Deferred tax assets amounted to EUR 15.1 million as at 30 June 2010, compared with EUR 12.8 million as at 31 December 2009.

With regard to current assets, the FP Group significantly increased its cash and cash equivalents in particular, with this item amounting to EUR 30.9 million as at 30 June 2010 after EUR 29.6 million at year-end 2009. Securities, which are reported separately and have a carrying amount of EUR 0.7 million, are used by freesort as a cash deposit for a guarantee with Deutsche Post AG. Inventories increased to EUR 12.6 million, compared with EUR 11.0 million at the end of 2009. Trade receivables also rose slightly to EUR 14.2 million as at 30 June 2010, compared with EUR 13.9 million as at 31 December 2009. Other assets increased from EUR 9.6 million to EUR 10.6 million in this period.

On the liabilities side, shareholders' equity increased from EUR 15.3 million as at 31 December 2009 to EUR 17.8 million. Owing to a drop in financial liabilities, non-current liabilities were reduced to EUR 62.2 million, compared with EUR 65.9 million as at 31 December 2009. In contrast, current liabilities rose to EUR 60.7 million as at 30 June 2010, compared with EUR 53.1 million at the end of 2009. There was an increase in trade payables, current financial liabilities and other liabilities.

RISK REPORT

The company discussed its opportunities and risks in detail in the consolidated financial statements for the year ending 31 December 2009.

The revision of VAT on postal services was approved by the lower and upper houses of the German parliament on 26 March 2010. The law came into force on 1 July 2010. This revision has opened up various questions regarding how partial services such as the consolidation service provided by freesort GmbH are to be treated with regard to VAT. At present, the company is expecting this revision to have a slightly positive effect on revenue but no effect on profit or loss at freesort GmbH as a result of the necessary switch in conversion systems.

No further risks and opportunities are currently discernible.

FORECAST

As the course of business was in line with expectations in the first half of 2010, with stable revenue and an improvement in cost structures, the FP Group has confirmed its forecast for the full year: the company is anticipating revenue of EUR 130 million to EUR 135 million and EBITDA of EUR 22 million to EUR 24 million for 2010, comparable to the EBITDA before the restructuring measures in the previous year. In a challenging market environment, the FP Group will continue to focus on high-margin products and services with the aim of being able to improve earnings power in the medium and long term.

With mailOne™, the company launched a newly developed software platform for franking machines in the USA in the second quarter. The solution is an electronic postal adviser that automatically shows possible discounts offered by the US postal system and helps to fulfil all the conditions for such a discount. This means that companies can save costs automatically and immediately. The US subsidiary will present the advantages of this solution to new and existing customers in the next few months. The company estimates that it has good opportunities on this market.

The FP Group sees significant growth potential in the Asia region. Certification of ultimail for the Indian market at the beginning of the year is an important step in the planned expansion of business in Asia. The internationalisation of the software business also opens up new sales markets. The hybrid mail product FP webpost was launched on the market in Great Britain in May 2010. This will be followed in the future by the US, Canadian, Belgian, Italian and Dutch markets.

Consolidated Interim Financial Statements as of 30 June 2010

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2010

in EUR thousand	1 Jan–30 June 2010	1 Jan–30 June 2009	1 Apr–30 June 2010	1 Apr–30 June 2009
Revenue	**65,974**	**66,840**	**32,400**	**32,607**
Increase/decrease in work in progress and finished goods	551	-794	-426	-733
	66,525	**66,046**	**31,974**	**31,874**
Other capitalised own work	2,997	2,732	1,129	1,665
Other income	1,336	1,380	944	815
Cost of materials				
a) Expenses for raw materials, consumables and supplies	12,965	12,470	5,948	5,865
b) Cost of services purchased	4,032	5,080	1,852	2,871
	16,997	**17,550**	**7,800**	**8,736**
Personalaufwand				
a) Wages and salaries	21,267	22,710	10,677	11,283
b) Social security contributions	3,732	3,825	1,903	1,872
c) Pensions and other benefits	483	336	246	144
	25,482	**26,871**	**12,826**	**13,299**
Depreciation and amortisation	9,958	11,904	4,364	5,845
Other expenses	15,593	16,193	7,726	8,039
Net interest income/expense				
a) Interest and similar income	589	808	272	371
b) Interest and similar expenses	2,328	2,687	1,017	1,237
	-1,739	**-1,879**	**-745**	**-866**
Other financial results				
a) Other financial income	466	569	-1,669	153
b) Other financial expenses	1,909	572	-773	-385
	-1,443	**-3**	**-896**	**538**
Net taxes				
a) Tax income	2,707	2,294	1,387	912
b) Tax expenses	3,136	2,881	1,174	1,825
	-429	**-587**	**213**	**-913**
Consolidated net income	**-783**	**-4,829**	**-97**	**-2,806**
Other results				
Translation of financial statements of foreign entities	4,115	783	2,406	-750
Cash flow hedges	-803	193	-557	509
Other result after tax	3,312	976	1,849	-241
Comprehensive income	**2,529**	**-3,853**	**1,752**	**-3,047**
Consolidated net income, of which:	-783	-4,829	-97	-2,806
– consolidated net income attributable to shareholders of FP Holding	-476	-4,526	46	-2,637
– consolidated net income attributable to minority interests	-307	-303	-143	-169
Comprehensive income, of which:	2,529	-3,853	1,752	3,047
– comprehensive income attributable to shareholders of FP Holding	2,836	-3,550	1,895	2,878
– comprehensive income attributable to minority interests	-307	-303	-143	-169
Earnings per share in EUR (basic and diluted):	**-0.03**	**-0.32**	**0.00**	**-0.18**

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2010

ASSETS

EUR thousand	30 June 2010	31 Dec 2009
Non-current assets		
Immaterielle Vermögenswerte		
Intangible assets including customer lists	18,903	19,104
Goodwill	8,494	8,494
Development projects in progress	5,727	5,069
	33,124	**32,667**
Property, plant and equipment		
Land, land rights and buildings	32	34
Technical equipment and machinery	1,340	1,473
Other equipment, operating and office equipment	3,718	3,485
Leased products	10,820	10,316
Payments made on account and assets under construction	28	0
Assets under finance leases	4,206	4,406
	20,144	**19,714**
Other assets		
Equity investments	209	318
Finance lease receivables	2,978	3,748
Other non-current assets	313	295
	3,500	**4,361**
Deferred tax assets	**15,102**	**12,815**
	71,870	**69,557**
Current assets		
Inventories		
Raw materials, consumables and supplies	4,656	4,733
Work in progress	1,421	1,392
Finished products and merchandise	6,481	4,907
	12,558	**11,032**
Trade receivables	**14,165**	**13,883**
Securities	**671**	**670**
Cash and cash equivalents	**30,885**	**29,587**
Other assets		
Finance lease receivables	2,090	2,085
Income tax assets	357	617
Derivative financial instruments	1	9
Other current assets	8,127	6,874
	10,575	**9,585**
	68,854	**64,757**
	140,724	**134,314**

EQUITY AND LIABILITIES

EUR thousand	30 June 2010	31 Dec 2009
Equity		
Equity attributable to shareholders of the parent company		
Subscribed capital	14,700	14,700
Capital reserves	45,708	45,708
Treasury shares	-1,829	-1,829
Loss carried forward	-43,200	-27,176
Consolidated net income after minority interests	-476	-16,024
Other comprehensive income	1,138	-2,174
	16,041	**13,205**
Minority interests	**1,774**	**2,081**
	17,815	**15,286**
Non-current liabilities		
Provisions for pensions and similar obligations	12,304	12,265
Other provisions	1,173	1,152
Financial liabilities	46,250	51,256
Other liabilities	0	41
Deferred tax liabilities	2,499	1,165
	62,226	**65,879**
Current liabilities		
Tax liabilities	1,313	881
Provisions	8,488	8,479
Financial liabilities	5,638	3,935
Trade payables	5,443	4,829
Other liabilities	39,801	35,025
	60,683	**53,149**
	140,724	**134,314**

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2010

EUR thousand	1 Jan – 30 June 2010	1 Jan – 30 June 2009
Cash flow from operating activities		
Consolidated net income	-783	-4,829
Income tax income recognised in income	429	587
Net interest income recognised in income	1,739	1,879
Depreciation and amortisation of non-current assets	9,958	11,904
Changes in provisions	-694	-322
Losses on the disposal of non-current assets	237	297
Changes in inventories, trade receivables and other assets not attributable to investment or financing activities	-1,588	-588
Changes in trade payables and other liabilities * not attributable to investment or financing activities	4,399	1,505
Other non-cash expenses and income	2,236	-7
Public grants	-273	-70
Interest received	589	808
Interest paid	-1,969	-2,219
Income tax paid	-1,782	-1,630
Cash flow from operating activities	***12,498***	***7,315***
Cash flow from investing activities		
Cash paid for internally generated intangible assets	-27	-9
Cash paid for the capitalisation of development costs	-1,834	-1,135
Proceeds from the disposal of non-current assets	125	39
Cash paid for investments in intangible assets	-164	-248
Cash paid for investments in property, plant and equipment	-2,223	-2,242
Cash paid for company acquisitions	-3,500	-400
Cash flow from investing activities	***-7,623***	***-3,995***
Cash flow from financing activities		
Cash paid to repay bank loans	-4,149	0
Cash paid to repay finance leases	-518	-482
Cash flow from financing activities	***-4,667***	***-482***
Cash and cash equivalents*		
Change in cash and cash equivalents	208	2,838
Change in cash and cash equivalents due to currency translation	332	93
Cash and cash equivalents at beginning of period	12,377	6,998
Cash and cash equivalents at end of period	**12,917**	**9,929**

* The postage credit balances managed by the FP Group (EUR 18,639 thousand; in Q2/2009 EUR 17,699 thousand) have been deducted from cash and cash equivalents and other liabilities. Cash and cash equivalents include current securities in the amount of EUR 671 (previous year EUR 670).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2010

in TEUR	Subscribed capital	Capital reserves	Treasury shares	Net income/ loss	Other compre-hensive income	Equity attribut-able to FP Holding	Minority interests	Total
Balance on 1 January 2009	**14,700**	**45,708**	**-1,829**	**-27,176**	**-3,027**	**28,376**	**2,650**	**31,026**
Consolidated net income 1.1.–30.6.2009	**0**	**0**	**0**	**-4,526**	**0**	**-4,526**	**-303**	**-4,829**
Translation of financial state-ments of foreign entites	0	0	0	0	783	783	0	783
Cash flow hedges	0	0	0	0	193	193	0	193
Other income 1.1.–30.6.2009	**0**	**0**	**0**	**0**	**976**	**976**	**0**	**976**
Comprehensive income 1.1.–30.6.2009	**0**	**0**	**0**	**-4,526**	**976**	**-3,550**	**-303**	**-3,853**
Balance on 30 June 2009	**14,700**	**45,708**	**-1,829**	**-31,702**	**-2,051**	**24,826**	**2,347**	**27,173**
Balance on 1 January 2010	**14,700**	**45,708**	**-1,829**	**-43,200**	**-2,174**	**13,205**	**2,081**	**15,286**
Consolidated net income 1.1.–30.6.2010	**0**	**0**	**0**	**-476**	**0**	**-476**	**-307**	**-783**
Translation of financial state-ments of foreign entities	0	0	0	0	4,115	4,115	0	4,115
Cash flow hedges	0	0	0	0	-803	-803	0	-803
Other income 1.1.–30.6.2010	**0**	**0**	**0**	**0**	**3,312**	**3,312**	**0**	**3,312**
Comprehensive income 1.1.–30.6.2010	**0**	**0**	**0**	**-476**	**3,312**	**2,836**	**-307**	**2,529**
Balance on 30 June 2010	**14,700**	**45,708**	**-1,829**	**-43,676**	**1,138**	**16,041**	**1,774**	**17,815**

Notes to the consolidated financial statements

I. GENERAL PRINCIPLES

GENERAL INFORMATION

Francotyp-Postalia Holding AG, Birkenwerder (also referred to hereafter as FP Holding), is a German stock corporation (Aktiengesellschaft) registered under HRB 7649 of the Commercial Register at Neuruppin District Court. The company's registered office is at Triftweg 21–26, 16547 Birkenwerder, Germany. The interim consolidated financial statements for FP Holding for the reporting period ending on 30 June 2010 include FP Holding and its subsidiaries (also referred to hereafter as the FP Group).

Francotyp-Postalia is an international company in the outbound mail processing sector, with a heritage going back over 85 years. 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. The FP Group also offers its customers in Germany sorting and consolidation services and hybrid mail products via its subsidiary freesort and its majority shareholding in iab.

The Management Board of Francotyp-Postalia Holding AG approved the 2009 consolidated financial statements for forwarding to the Supervisory Board on 17 March 2010. The responsibility of the Supervisory Board is to examine the consolidated financial statements and declare whether it adopts them. The 2009 consolidated financial statements of Francotyp-Postalia Holding AG were published on 29 April 2010.

ACCOUNTING PRINCIPLES

Principles for the preparation of the financial statements

The interim consolidated financial statements – comprising the balance sheet, statement of recognised income and expense, cash flow statement, statement of changes in equity and selected explanatory notes – of FP Holding for the period from 1 January to 30 June 2010 have been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable and binding in the EU on the reporting date and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). These are abbreviated interim consolidated financial statements in accordance with IAS 34 (interim financial reporting) for the interim period from 1 January to 30 June 2010. The same accounting methods were applied in preparing these interim financial statements as in the preparation of the 2009 consolidated financial statements. The interim financial statements should be read together with these audited financial statements.

The interim consolidated financial statements have been prepared in euros (EUR). For greater clarity and to facilitate comparison, all amounts are presented in thousands of euros (EUR thousand) unless otherwise stated. The rounding of figures may result in minor arithmetical differences.

The interim consolidated financial statements and the group interim management report have not been audited or reviewed in accordance with section 317 of the German Commercial Code (HGB).

The requirements of all IFRSs applicable as at 30 June 2010 and of their interpretations by IFRIC were met without exception and give a true and fair view of the net assets, financial position and results of operations of the Group.

The interim consolidated financial statements were approved for publication by the Management Board on 26 August 2010.

Group of consolidated companies

Francotyp-Postalia Holding AG acts as parent company for the Group, under which FP Group companies are consolidated. The interim consolidated financial statements for FP Holding include all companies where the opportunity exists to govern the financial and operating policies in such a way that companies in the FP Group derive benefits from the activities of these companies (subsidiaries).

Subsidiaries are included in the interim consolidated financial statements from the time FP Holding gains the power of control. The companies are deconsolidated if this power no longer exists.

In February 2010, Francotyp-Postalia GmbH acquired all shares in Aktiebolag Grundstenen 122257, Stockholm/Sweden, a company with virtually no assets. Immediately after the acquisition, this company was renamed "Francotyp-Postalia Sverige AB". On 31 March 2010, this new subsidiary acquired all shares in Franco Frankerings Intressenter AB (formerly Carl Lamm Personal AB), Stockholm/Sweden, from Ricoh Sverige AB, Stockholm/Sweden. The reason for both acquisitions was the FP Group's involvement in the Swedish market. In connection with this, immediately before the acquisition of the shares in Franco Frankerings Intressenter AB, Ricoh Sverige AB had transferred its existing customer relationships in the franking business in Sweden to Franco Frankerings Intressenter AB, together with certain assets and liabilities. With the acquisition of Franco Frankerings Intressenter AB, the FP Group has therefore taken over Ricoh's franking machine business in Sweden. The transaction means that the FP Group now has around 10,000 franking machines in Sweden, which represents a market share of approximately 20%.

The identifiable assets and liabilities of Franco Frankerings Intressenter AB as at the time of acquisition are immaterial, apart from the identifiable customer relationships. The customer relationships have been assigned a fair value (at the time of acquisition) of EUR 4,751 thousand (carrying amount immediately before the business combination: EUR 0 thousand). The carrying amounts of the identifiable assets and liabilities otherwise corresponded to their fair values.

The equity investments acquired during the interim period lead in each case to immediate control by Francotyp-Postalia GmbH or by Francotyp-Postalia Sverige AB. In both cases, all voting rights were acquired. Both new companies were included in the group of consolidated companies of the FP Group for the first time on 31 March 2010.

The purchase price allocation in accordance with IFRS 3 required in connection with the acquisition of the shares in Franco Frankerings Intressenter AB has not yet been completed on the basis of the available information, particularly with regard to the valuation of customer relationships. According to current calculations, the acquisition of the shares results in a gain as defined by IFRS 3.34 that is immaterial in terms of its amount; this is reported in the statement of recognised income and expense under the item 'Other income'.

The purchase price for the shares in Franco Frankerings Intressenter AB amounts to EUR 3.5 million (= fair value of the entire consideration transferred that was identified at the time of acquisition) and, in accordance with the contract, was to be paid entirely in cash by 1 July 2010. The purchase price was paid in full by 30 June 2010. Accordingly, EUR 3,500 thousand is shown in the consolidated cash flow statement as cash outflows for business combinations and investing activities.

The information required in accordance with IFRS 3.B64 (q) (ii) can not be provided as the data is not available.

No other changes in the group of consolidated companies or business combinations were recorded in the first half of the 2010 financial year.

Currency translation
Currencies have been translated at the following rates:

EUR 1 =	Spot rate			Average rate	
	30 June 2010	31 Dec 2009	30 June 2009	H1 2010	H1 2009
US dollar (USD)	1.2287	1.4333	1.4048	1.32920	1.33517
Pound sterling (GBP)	0.8175	0.9000	0.8506	0.87100	0.89548
Canadian dollar (CAD)	1.2284	1.5041	1.6240	1.37430	1.60749
Swedish krona (SEK)	9.5210	10.3165	10.9055	9.63560*	10.78592*
Singapore dollar (SGD)	1.7137	2.0144	2.0431	1.85700	1.99104

* This is the average rate for the period from 1 April to 30 June of the relevant year.

Management estimates and discretions
Preparing the interim consolidated financial statements requires a certain number of assumptions and estimates to be made which affect the amount and the recognition of assets and liabilities in the balance sheet as well as income and expenses for the reporting period. The assumptions and estimates are based on premises which rely on current knowledge. The expected future business performance in particular is based on the conditions present at the time the interim consolidated financial statements were prepared and the future development of the global and sectoral environment considered to be realistic. The actual amounts may differ from the estimates originally expected as a result of changes in these underlying conditions which diverge from the assumptions and are beyond the influence of management. If actual performance differs from that expected, the premises and, if necessary, the carrying amounts of the assets and liabilities concerned are adjusted accordingly.

No significant changes were made to the estimated amounts presented in the consolidated financial statements as of 31 December 2009.

II. DEVELOPMENTS IN THE REPORTING PERIOD

As a matter of principle, the activities of the FP Group are not affected by seasonal influences.

With regard to economic influences of relevance to the activities of the FP Group in the interim period, please refer to our remarks in the group interim management report.

In addition, we would like to comment at this point in our reporting on the following developments in the balance sheet and statement of recognised income and expense:

The change in **other comprehensive income** as at 30 June 2010 (compared with 31 December 2009), EUR 4,115 thousand is the result of the translation of financial statements of foreign entities, with a contrary effect on equity in the amount of EUR 803 thousand from hedge accounting.

The decline in **non-current financial liabilities** is primarily the result of a special payment (EUR 4,149 thousand) made by Francotyp-Postalia GmbH, Birkenwerder, at the end of June 2010 to BNP Paribas S.A., Frankfurt am Main branch.

The main reason for the increase in **current financial liabilities** was a rise in current liabilities to banks (30 June 2010: EUR 4,736 thousand; 31 December 2009: EUR 3,044 thousand). As on 31 December 2009, these related primarily to Francotyp-Postalia GmbH, Birkenwerder, on 30 June 2010.

Of the **other current liabilities** of EUR 39,801 thousand reported on 30 June 2010 (31 December 2009: EUR 35,025 thousand), the majority related to prepaid income in the amount of EUR 14,421 thousand (31 December 2009: EUR 11,156 thousand) and other miscellaneous liabilities in the amount of EUR 22,421 thousand (31 December 2009: EUR 21,807 thousand).

Depreciation and amortisation in the first half of 2010 fell compared with the first half of 2009, largely owing to smaller write-downs on intangible assets (first half of 2010: EUR 6,516 thousand; first half of 2009: EUR 8,453 thousand).

The deterioration in the **other financial income** in the first half of 2010 compared with the first six months of the 2009 financial year was mainly due to an increase in other financial expenses. Of the **other financial expenses** of EUR 1,909 thousand for the first half of 2010, EUR 1,267 thousand related to foreign currency expenses recognised at Francotyp-Postalia GmbH, Birkenwerder.

III. EXPLANATORY NOTES

NOTES TO THE CASH FLOW STATEMENT

The cash flow statement of the FP Group shows cash inflows and outflows from ongoing operating, investing and financing activities.

The cash and cash equivalents were calculated as follows:

EUR thousand	30 June 2010	30 June 2009
Cash and cash equivalents	30,885	26,958
Securities held as current assets	671	670
Less postage credit balances managed	-18,639	-17,699
Total	**12,917**	**9,929**

Postage credit balances are deducted when cash and cash equivalents are calculated because the funds in question can be drawn down by customers at any time. The corresponding offsetting item is included in other current liabilities.

EMPLOYEES

The employees of the FP Group are distributed as follows across regions and functions:

Regional distribution

	30 June 2010	30 June 2009
Germany	688	691
USA	108	105
United Kingdom	84	78
The Netherlands	62	68
Canada	33	35
Belgium	26	16
Austria	20	19
Singapore	18	21
Italy	14	15
Sweden	11	0
Total	**1,064**	**1,048**

Functional distribution

	30 June 2010	30 June 2009
Production	261	270
Domestic Sales	437	435
International Sales	358	336
Head Office Functions	8	7
Total	**1,064**	**1,048**

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

No significant events occurred after the balance sheet date of 30 June 2010 other than those reflected in the financial statements for the interim period.

IV. SEGMENT INFORMATION

In the following, segment information is provided for the first six months of the 2010 financial year (with information from the corresponding period of the previous year) and for the second quarter of 2010 (April to June 2010; with information from the corresponding period of the previous year).

The reporting format for segment information has been adapted to the reporting format presented in the consolidated financial statements for 2009. The adaptation also relates to segment information as at 30 June 2009, for the first half of the 2009 financial year and for the second quarter of the 2009 financial year.

EUR thousand	Segment A		Segment B		Segment C	
	Production		Domestic Sales		International Sales	
	H1 2010	H1 2009	H1 2010	H1 2009	H1 2010	H1 2009
Revenue	27,314	21,260	32,607	31,620	33,408	34,082
– with external third parties	2,846	2,895	31,011	29,987	33,208	34,060
– intersegment revenue	24,468	18,365	1,596	1,633	200	22
EBITDA	**2,075**	**-3,712**	**4,784**	**3,774**	**8,713**	**10,247**
Depreciation and amortisation	1,466	1,532	1,855	1,874	3,902	3,673
Net interest income/ expense	-2,671	-2,591	265	-87	44	42
– of which interest expense	3,227	2,990	542	663	308	397
– of which interest income	556	399	807	576	352	440
Other financial results	874	530	-109	0	69	10
Net taxes	-97	83	-60	-899	-1,779	-2,551
Net income	-1,286	-7,220	3,025	914	3,146	4,075
Segment assets (30 June)	117,881	109,761	60,539	51,250	89,496	83,607
Capital expenditure	307	340	581	1,038	2,366	2,582
Segment liabilities (30 June)	118,102	115,877	50,840	42,245	63,208	54,471

EUR thousand	Segment D					
	Central Functions		Reconciliation to Group		FP Group	
	H1 2010	H1 2009	H1 2010	H1 2009	H1 2010	H1 2009
Revenue	834	431	-28,189	-20,553	65,974	66,840
– with external third parties	0	0	-1,091	-102	65,974	66,840
– intersegment revenue	834	431	-27,098	-20,451	0	0
EBITDA	**-475**	**-1,512**	**-2,311**	**747**	**12,786**	**9,544**
Depreciation and amortisation	14	0	2,721	4,825	9,958	11,904
Net interest income/ expense	451	647	170	110	-1,739	-1,879
– of which interest expense	182	46	-1,931	-1,409	2,328	2,687
– of which interest income	633	692	-1,761	-1,299	589	808
Other financial results	0	0	-2,277	-543	-1,443	-3
Net taxes	-148	861	1,655	1,919	-429	-587
Net income	-186	-5	-5,482	-2,593	-783	-4,827
Segment assets (30 June)	66,675	75,828	-193,867	-158,196	140,724	162,250
Capital expenditure	18	0	5,746	-326	9,018	3,634
Segment liabilities (30 June)	19,017	16,813	-128,257	-96,869	122,910	132,537

EUR thousand	Segment A		Segment B		Segment C	
	Production		Domestic Sales		International Sales	
	Q2 2010	Q2 2009	Q2 2010	Q2 2009	Q2 2010	Q2 2009
Revenue	14,675	10,155	15,427	15,193	16,837	16,706
– with external third parties	1,590	1,338	14,619	14,660	16,779	16,704
– intersegment revenue	13,085	8,817	808	533	58	2
EBITDA	**1,293**	**-2,286**	**2,327**	**1,391**	**3,797**	**5,111**
Depreciation and amortisation	731	765	927	893	2,012	1,837
Net interest income/ expense	-1,304	-1,203	132	-28	28	21
– of which interest expense	1,574	1,410	262	331	106	189
– of which interest income	270	207	394	303	134	210
Other financial results	-108	576	-109	0	52	7
Net taxes	-50	-40	-34	-323	-765	-1,370
Net income	-902	-3,718	1,388	147	1,100	1,932

EUR thousand	Segment D					
	Central Functions		Reconciliation to Group		FP Group	
	Q2 2010	Q2 2009	Q2 2010	Q2 2009	Q2 2010	Q2 2009
Revenue	549	224	-15,088	-9,671	32,400	32,607
– with external third parties	0	0	-588	-95	32,400	32,607
– intersegment revenue	549	224	-14,500	-9,576	0	0
EBITDA	**-244**	**-779**	**-1,478**	**843**	**5,695**	**4,280**
Depreciation and amortisation	7	0	686	2,350	4,364	5,845
Net interest income/ expense	256	279	143	65	-745	-866
– of which interest expense	60	38	-985	-731	1,017	1,237
– of which interest income	316	317	-842	-666	272	371
Other financial results	0	0	-731	-45	-896	538
Net taxes	-90	355	1,152	465	213	-913
Net income	-84	-145	-1,600	-1,022	-97	-2,806

RECONCILLIATIONS

EUR thousand	H1 2010	H1 2009
Revenue		
Revenues of segments A – C	93,329	86,962
Revenues of "Head Office Functions" segment	834	431
Effects of finance lease adjustment	-1,091	-202
Other adjustments to IFRSs	0	100
	93,072	**87,291**
Less intersegment revenue	27,098	20,451
Revenues according to financial statements	**65,974**	**66,840**
EBITDA		
EBITDA of segments A – C	15,572	10,309
EBITDA of "Central Functions" segment	-475	-1,512
	15,097	**8,797**
Effects at consolidation level	-2,630	-315
Measurement effects of reconciliation (IFRS)	319	1,062
Consolidated EBITDA	**12,786**	**9,544**
Depreciation and amortisation	-9,958	-11,904
Net interest income/expense	-1,739	-1,879
Other financial results	-1,443	-3
Consolidated net profit before taxes	**-354**	**-4,242**
Net taxes	-429	-587
Consolidated net income	**-783**	**-4,829**
Assets		
Assets of segments A – C	267,916	244,618
Assets of "Head Office Functions" segment	66,675	75,828
Capitalisation of development costs under IFRSs	12,667	12,282
Effects of goodwill remeasurement	3,995	3,160
Effects of customer list amortisation	-2,991	-4,280
Effects of amortisation of internally generated software	-984	-983
Other reconciliations to IFRSs	6,045	5,635
	353,323	**336,260**
Effects at consolidation level (including elimination of intragroup balances)	-212,599	-174,010
Assets according to financial statements	**140,724**	**162,250**

EUR thousand	H1 2010	H1 2009
Assets by region		
Germany	237,125	232,716
USA and Canada	43,065	40,021
Europe (except Germany)	46,431	43,586
Other regions	7,970	4,123
	334,591	**320,446**
Effects of IFRS remeasurement	22,707	21,077
Effects of customer list amortisation	-2,991	-4,280
Effects of amortisation of internally generated software	-984	-983
Effects at consolidation level (including elimination of intragroup balances)	-212,599	-174,010
Assets according to financial statements	**140,724**	**162,250**

EUR thousand	Q2 2010	Q2 2009
Revenue		
Revenues of segments A – C	46,939	42,054
Revenues of “Head Office Functions” segment	549	224
Effects of finance lease adjustment	-588	-95
Other adjustments to IFRSs	0	0
	46,900	**42,184**
Less intersegment revenue	14,500	9,576
Revenues according to financial statements	**32,400**	**32,607**
EBITDA		
EBITDA of segments A – C	7,417	4,216
EBITDA of “Head Office Functions” segment	-244	-779
	7,173	**3,437**
Effects at consolidation level	-1,662	32
Measurement effects of reconciliation (IFRS)	184	811
Consolidated EBITDA	**5,695**	**4,280**
Depreciation and amortisation	-4,364	-5,845
Net interest income/expense	-745	-866
Other financial results	-896	538
Consolidated net profit before taxes	**-310**	**-1,893**
Net taxes	213	-913
Consolidated net income	**-97**	**-2,806**

V. RESPONSIBILITY STATEMENT

To the best of our knowledge and in accordance with the applicable reporting principles for interim consolidated financial reporting, the interim consolidated financial statements give a true and fair view of the net assets, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Birkenwerder, 26 August 2010

Management Board of Francotyp-Postalia Holding AG

Hans Szymanski
Member of the Management Board

Andreas Drechsler
Member of the Management Board

Financial Calendar

Half-yearly results 2010	26 August 2009
3rd Quarter Results 2010	18 November 2010
Consolidated financial statments 2010	April 2011

Imprint

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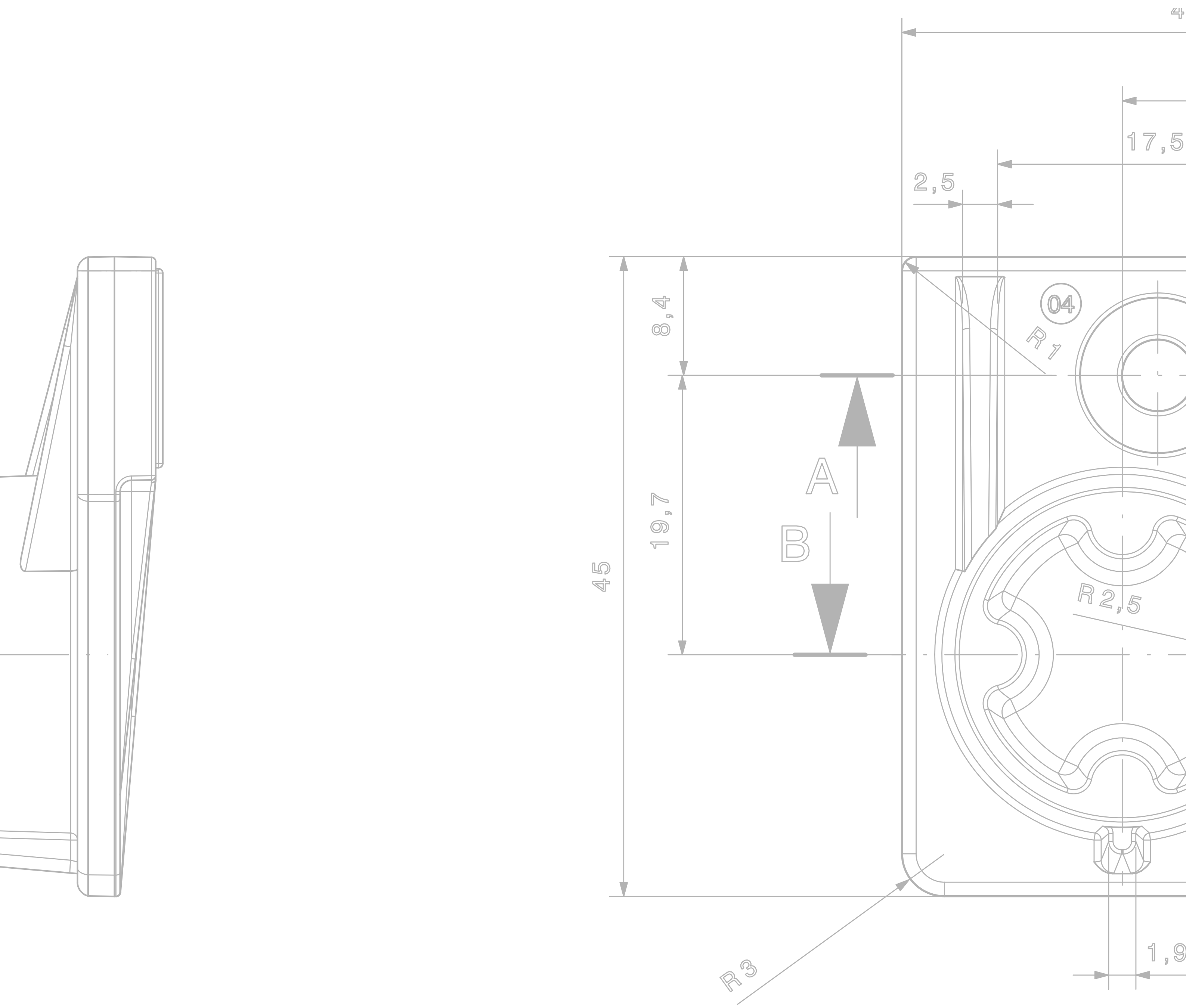

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