CTT Correios de Portugal
12 March 2014

Full Year 2013 Results Presentation
“Privatisation year”

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Agenda

I	2013 key highlights
II	Financial performance
III	Business units overview
IV	2014 initiatives and optimisation of portfolio

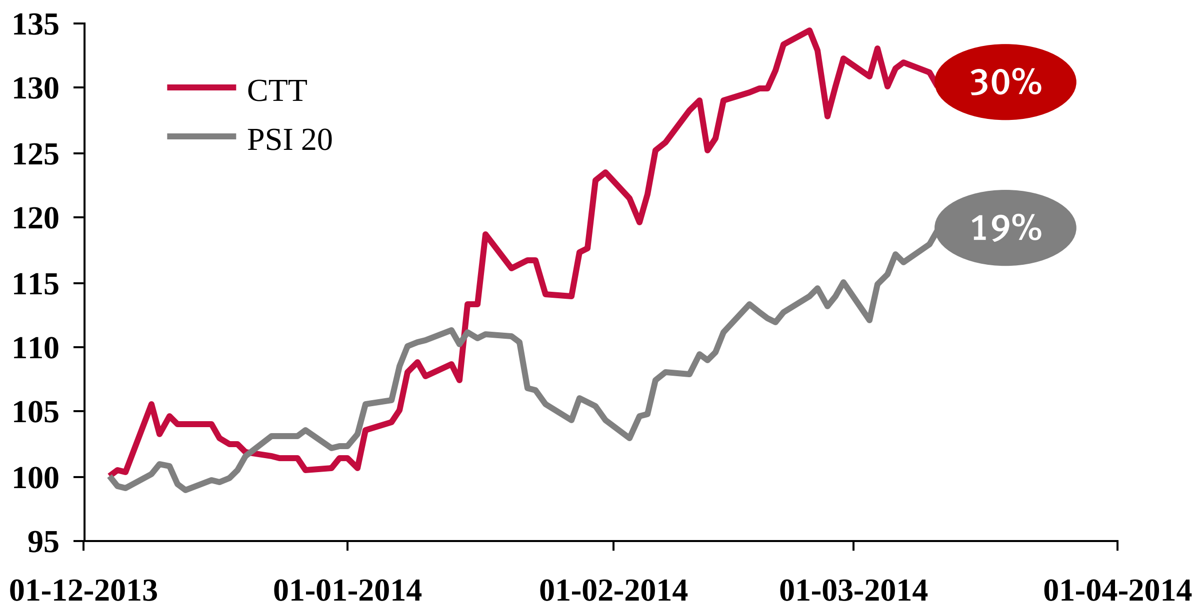
CTT in 2013

1. Privatisation implemented through a successful IPO of 70% of share capital
2. Delivering profitability: earnings grow at double-digit rate, withstanding the effects of the adverse economic environment
3. The rate of decline of revenues slows down significantly despite the structural trends in mail
4. Strategy chosen and set in motion with a set of Transformation Programme initiatives, with significant impact on EBITDA
5. Solid financial position & strong cash flow generation allow €60m [€0.40 per share] dividend payment

① Successful privatisation sets the stage for a new governance model

- ✓ IPO price set at the high-end of the range [€4.10-€5.52] due to the strong institutional and retail investor demand
- ✓ Strong share performance since the IPO:

CTT share price performance vs. PSI 20 (local index)
Rebased at 100 as at 4 December, 2013 (IPO date)

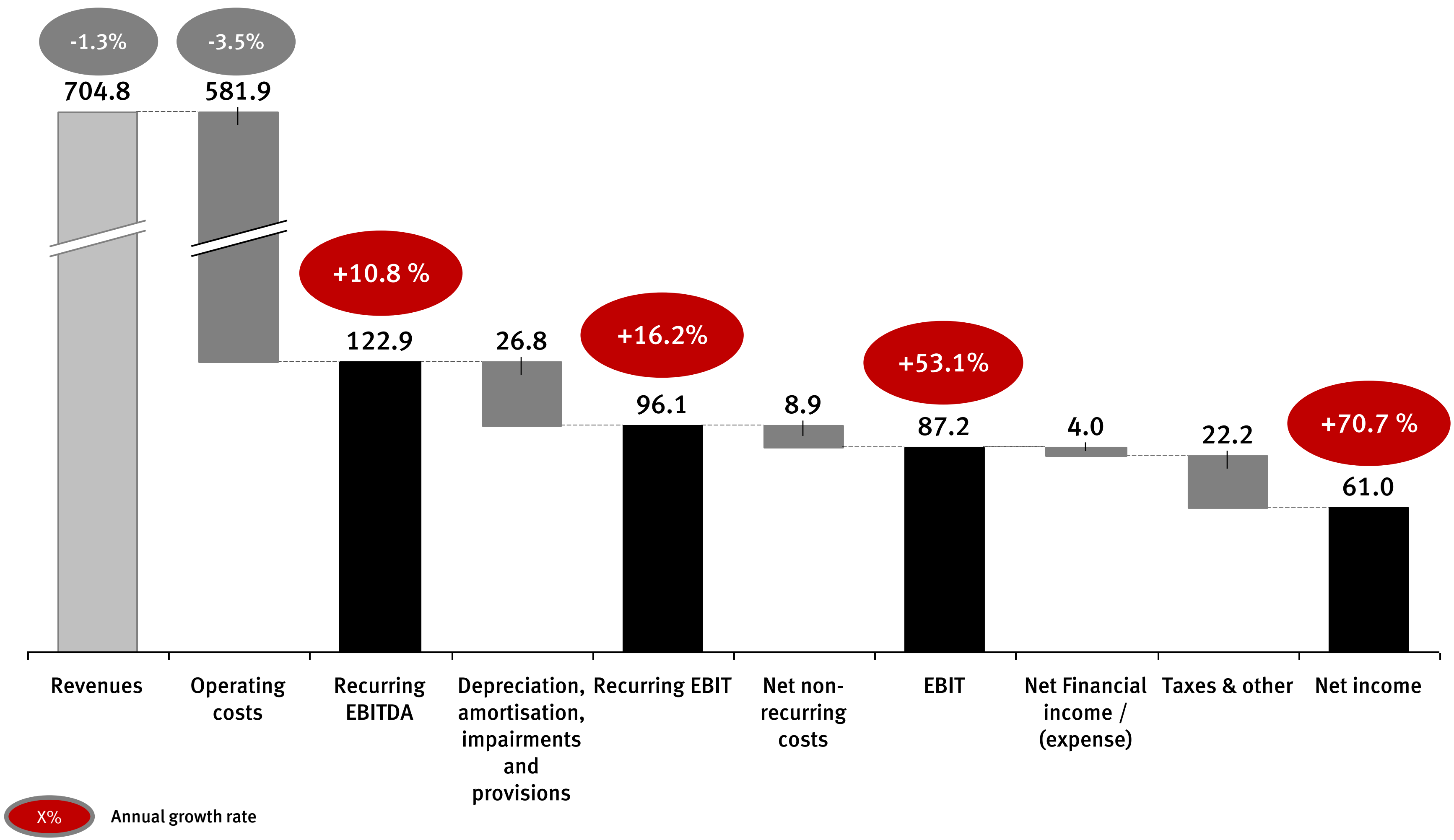


- ✓ Diversified (geographically and by type) investor base supporting a free float of around 70%
- ✓ Shareholders called a meeting for 24 March 2014 to reaffirm new Anglo-Saxon model of governance, to confirm the management team and to elect Non-executive Directors, as committed to in the prospectus

② Delivering profitability: earnings grow at high double-digit rate

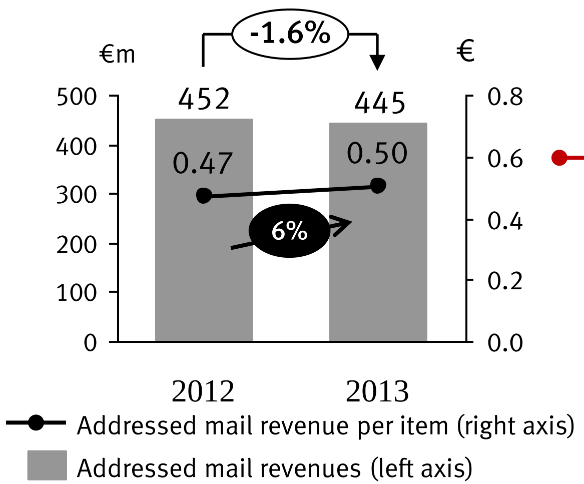
Consolidated results

€ million

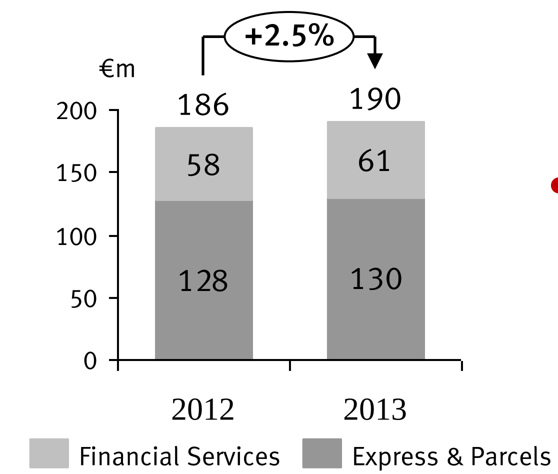


③ The rate of decline of revenues slows down significantly

1. Pricing lever used to mitigate mail volume decline

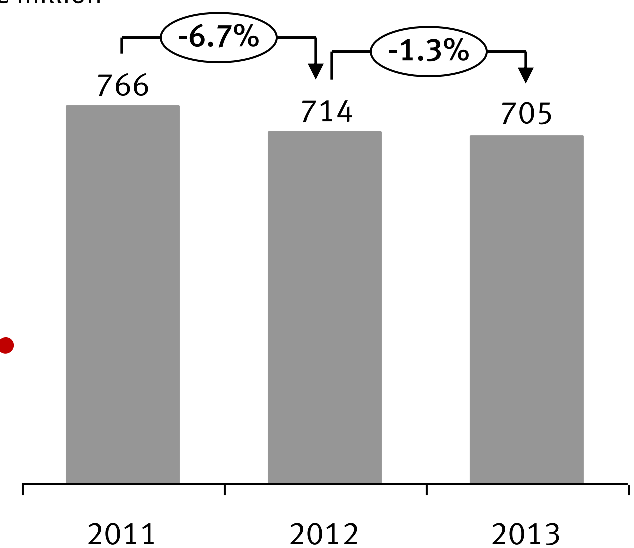


2. FS & Express & Parcels revenues grow



Total Revenues

€ million



- 2013 revenues only -1.3% below 2012 figures due to:
  - ✓ Mail revenues decline at a slower rate (-2.1%) vs. previous years as price increase mitigates the impact of volume declines;
  - ✓ Financial Services revenues increase 5.5%;
  - ✓ Express & Parcels posts 1.2% revenue growth, reverting the declining trend since 2006

④ Strategy chosen and set in motion

Strategic topic		Key events	Impact
Focus on value in Mail business	Price lever	▪ The price of services comprising the USO increased by an average of 4.2% ▪ Creation of two price zones for bulk mail sent by business customers	▪ Price increase and mix effect mitigate the impact of addressed mail volume decline (-7.3%) on revenues
	Efficiency	▪ Continuous efficiency management process underpinned by 3 pillars: ✓ Improvements of operations ✓ Right-sizing of the retail network ✓ HR optimisation	▪ The initiatives included in the Transformation Plan drive €13.4m positive impact on Mail EBITDA ▪ Productivity (average revenue per employee in Mail & Business solutions) grows by 4.1%
Expand Financial Services	Fee structure New products	▪ Renegotiation of the existing partnerships for savings, insurance and transfer products, with improved fees ▪ CTT retail network - the channel for selling IGCP treasury certificates, a new 5 year saving product	▪ Financial Services business area income grows by +5.5% with growth accelerating in 4Q13 (+19.1%) ▪ EBITDA growth even more relevant due to higher fees / value added product and new agreements
Build on leadership to capture growth trend in parcels		▪ Reorganisation of commercial activity, promoting effectiveness ▪ Expansion of the PuDo network through a partnership with Worten ▪ Design of competitive products suited to B2B and B2C segments and greater integration of an Iberian offer	▪ Express & Parcels revenues revert the historic declining trend in 2H13: 1% growth in Portugal and 2.3% in Spain ▪ In Portugal, CTT grows leadership in the Express & Parcels market (market share of 28.6% by year-end, up 2.8 p.p. from 1Q13)

④ Transformation programme – an ongoing process

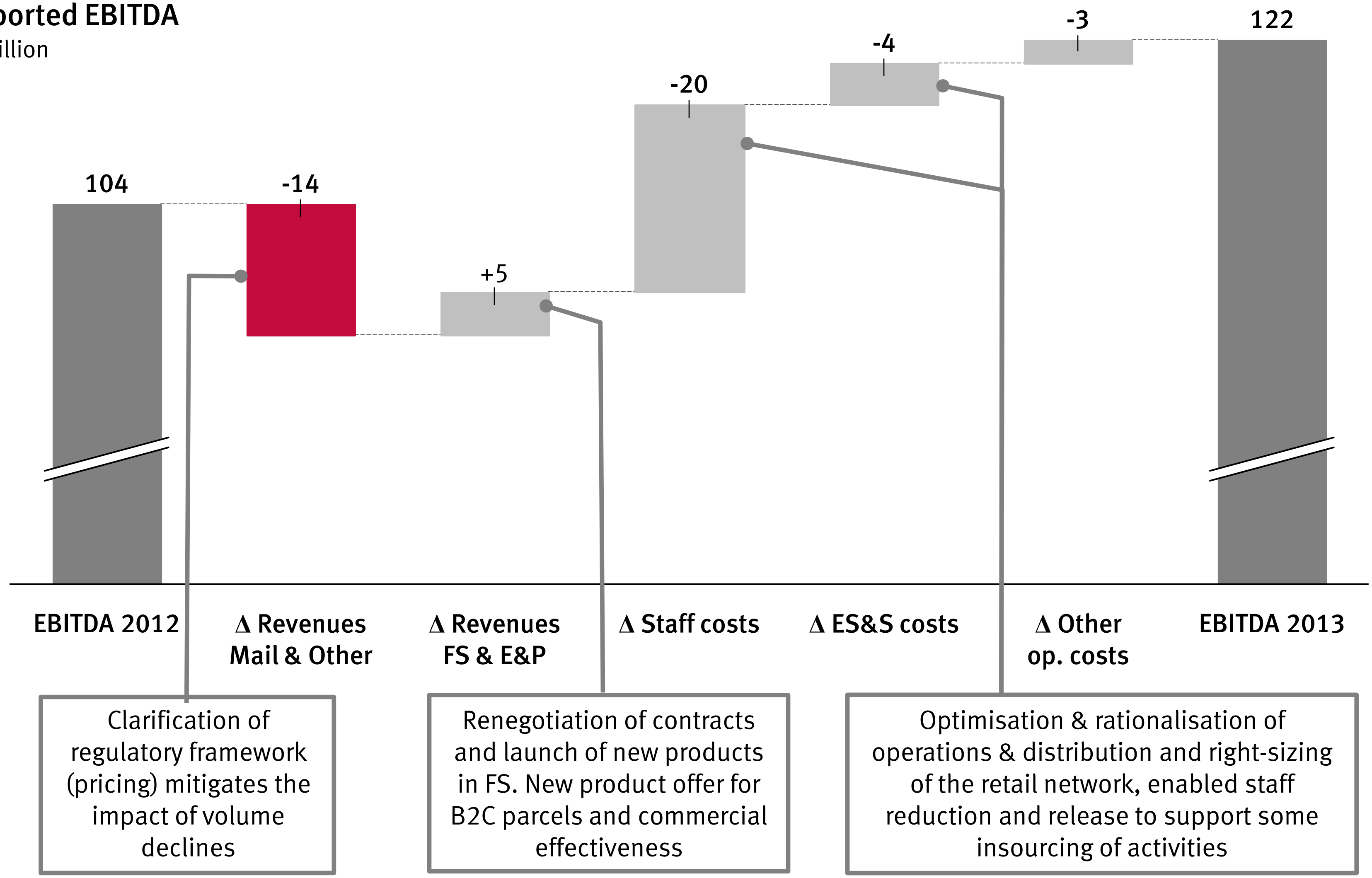
Initiatives	Revenue growth	Cost saving
Clarification of the regulatory framework (pricing flexibility and SGEI)	(+)	
Optimisation & rationalisation of operations & delivery		(+)
Optimisation of the retail network	(-)	(+)
Develop and strengthen the Express & Parcels business	(+)	(+) & (-)*
Financial Services development	(+)	
Other (Central Services & IT)		(+)

€21m positive recurring and €2m negative non-recurring ** impact on EBITDA

* Adjustment of the network.
** €4.3m total (non-recurring) restructuring costs, €2.0m of which impacting EBITDA.

④ EBITDA grows at double digit rates, due to the Transformation Programme

Reported EBITDA
€ million



⑤ Solid financial position & strong cash flow generation support dividend

Solid financial position

€ million	2012	2013	Δ%
Financial debt	11.4	7.0	-38.7%
Cash & equivalents, net of payables	240.2	236.8	-1.4%
Net financial debt (cash)	**(228.8)**	**(229.8)**	**0.5%**

Strong cash flow generation

€ million	2012	2013	Δ%
Cash flow from operating activities	130.6	109.4	-16.2%
Cash flow from investment activities	-12.7	1.0	107.9%
Operating free cash flow	**117.9**	**110.4**	**-6.3%**

Working capital: 2012 exceptional year due to decrease of €29m in receivables through a more active credit management (days of receivables)

Strong dividend payout

	Cash-flow		
€ million	2012	2013	Δ%
Operating Free cash flow	117.9	110.4	-6.3%
Net profit (reported)	35.7	61.0	70.7%
Dividend *	50.0	60.0	20.0%
Dividend payout	**139.9%**	**98.3%**	**-41.6 p.p.**
Dividend / Operating free cash flow	**42.4%**	**54.3%**	**11.9 p.p.**

* CTT Board of Directors to propose a €60m [€0.40 per share] dividend in relation to year 2013.

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Summary of key financials – FY2013

€ million	Reported				Recurring *			
	2012	2013	Δ	Δ%	2012	2013	Δ	Δ%
Revenues	714.2	704.8	-9.4	-1.3%	714.2	704.8	-9.4	-1.3%
Operating costs	609.9	582.7	-27.2	-4.5%	603.2	581.9	-21.3	-3.5%
EBITDA	**104.3**	**122.1**	**17.8**	**17.1%**	**111.0**	**122.9**	**11.9**	**10.8%**
EBITDA margin	**14.6%**	**17.3%**	**2.7 p.p.**		**15.5%**	**17.4%**	**1.9 p.p.**	
Depreciation / amortisation, impairments and provisions	47.4	34.9	-12.5	-26.3%	28.3	26.8	-1.5	-5.2%
EBIT	**57.0**	**87.2**	**30.3**	**53.1%**	**82.7**	**96.1**	**13.4**	**16.2%**
EBIT Margin	**8.0%**	**12.4%**	**4.4 p.p.**		**11.6%**	**13.6%**	**2.0 p.p.**	
Financial income, net	-4.4	-4.0	0.4	8.6%	-4.4	-4.0	0.4	8.6%
Gains / (losses) in associated companies	0.2	0.0	-0.2	-91.5%	0.2	0.0	-0.2	-91.5%
Earnings before taxes (EBT)	**52.8**	**83.3**	**30.4**	**57.6%**	**78.6**	**92.1**	**13.6**	**17.3%**
Income tax for the year	16.9	22.1	5.3	31.3%	25.1	24.5	-0.6	-2.3%
Gains / (losses) attributable to non-controlling interests	0.2	0.1	-0.1	-61.5%	0.2	0.1	-0.1	-61.5%
Net profit attributable to equity holders	**35.7**	**61.0**	**25.3**	**70.7%**	**53.3**	**67.5**	**14.3**	**26.8%**

* Recurring net profit excludes non-recurring costs and considers the effective income tax rate from reported accounts. Recurring results are not audited or revised by auditors.

- **Reported EBITDA increases 17.1% to €122.1m (10.8% excluding non-recurring items,** which affected more the 2012 accounts)
- **Recurring EBITDA margin reaches 17.4%** due to a lower decline in revenues (1.3%) and important operating cost reductions (3.5%) from the continuous Transformation Program initiatives
- **Net profit up to €61.0m including non- recurring items, of which €4.4m directly related to the privatisation process.** Net profit excluding non-recurring items equals €67.5m

Recurring EBITDA and EBIT grow strongly

€ million

	2012	2013	Δ	Δ%
Reported EBITDA	**104.3**	**122.1**	**17.8**	**17.1%**
Non recurring costs affecting EBITDA and EBIT	**6.7**	**0.8**	**-5.9**	**-88.0%**
Staff costs	6.7	-4.4	-11.1	-166.3%
Privatisation process	0.0	4.4	4.4	-
Strategic studies & other	0.0	0.8	0.8	-
Recurring EBITDA	**111.0**	**122.9**	**11.9**	**10.8%**
Reported EBIT	**57.0**	**87.2**	**30.3**	**53.1%**
Non recurring costs affecting only EBIT	**19.1**	**8.1**	**-11.0**	**-57.7%**
Provisions (net movement)	19.1	5.8	-13.3	-69.8%
Labour contingences	11.3	3.9	-7.4	-65.4%
Onerous contracts *	7.7	1.8	-5.9	-76.1%
Impairment of investments	0.0	1.1	1.1	-
Restructuring for network optimisation (impairments)	0.0	1.2	1.2	-
Non recurring costs affecting EBITDA and EBIT	**6.7**	**0.8**	**-5.9**	**-88.0%**
Recurring EBIT	**82.7**	**96.1**	**13.4**	**16.2%**

* Rents from vacant / non-operational real estate with long-term leases (present value of future rents).

The telephone subscription benefit paid to retired employees was revised, resulting in €8.2m savings which compensated costs related to the privatisation process (€4.4m) and staff exits

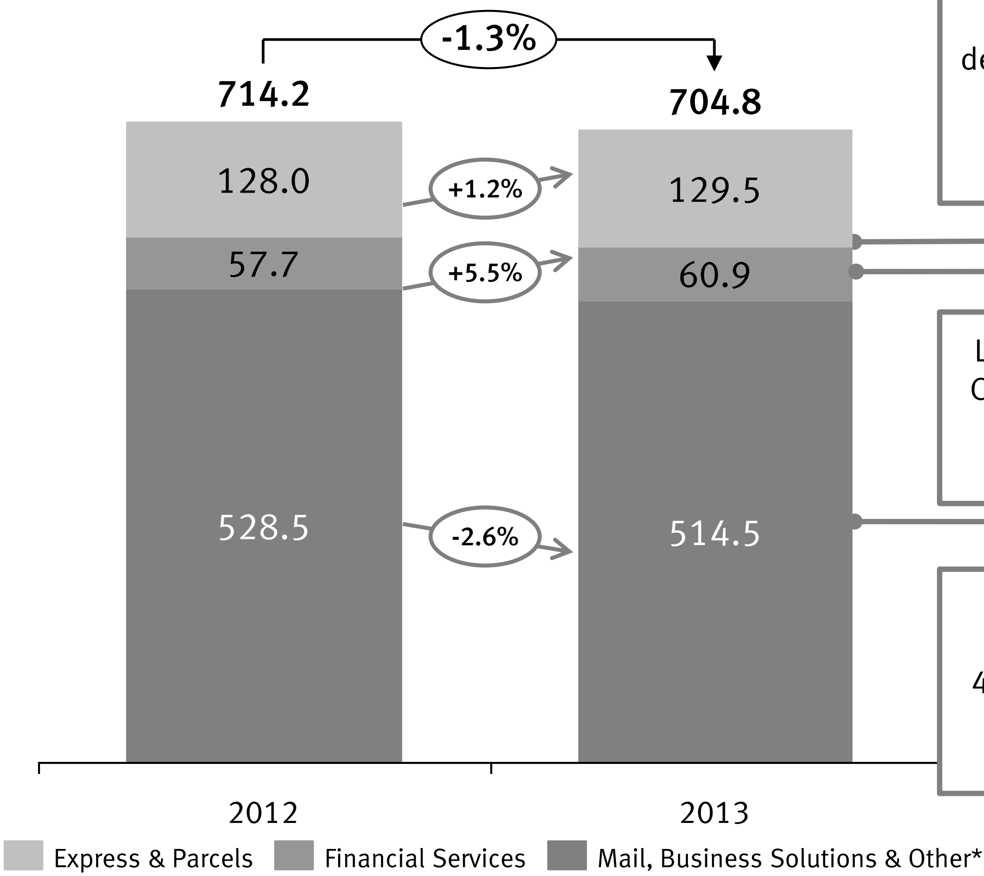
Provisions for employment litigation and onerous contracts were increased to cover all future costs not related to operational activities.
Impairments are related to network optimisation at Tourline and the CTT retail network coming from the closure of stores/franchisees

- **Without the privatisation costs, the non-recurring costs would have had a positive impact on EBITDA** due to the active management of liabilities in place

Financial Services and Express & Parcels revenues increase

Revenues

€ million



Express & Parcels revenue grows 1.2%, reverting the declining trend, as a result of pick up in sales in3Q13, accelerating in 4Q13 (up 3.7% yoy)

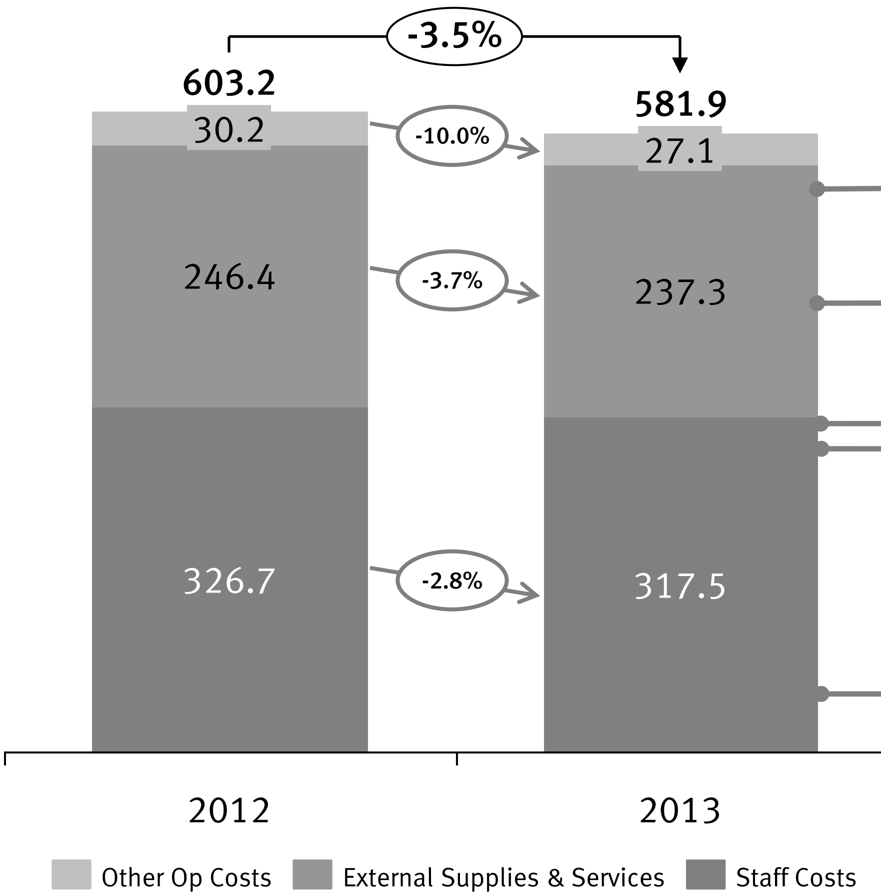
Launch of the new Treasury Certificates product, as well as revised partnership agreements

Addressed mail volumes decline 7.3% (-7.1% in 4Q13), better than in 2012 (-8.8%). Average price increase of 4.2%

* Other includes income related to CTT Central Structure and intragroup eliminations amounting to -€32.7m in 2013 and -€30.4m in 2012.

Staff and ES&S costs reduce significantly

Operating costs *
€ million



Integration and optimisation of the sorting, transportation and distribution networks, with a reduction in the level of outsourcing

Right-sizing of the retail network with the reduction of 125 own branches

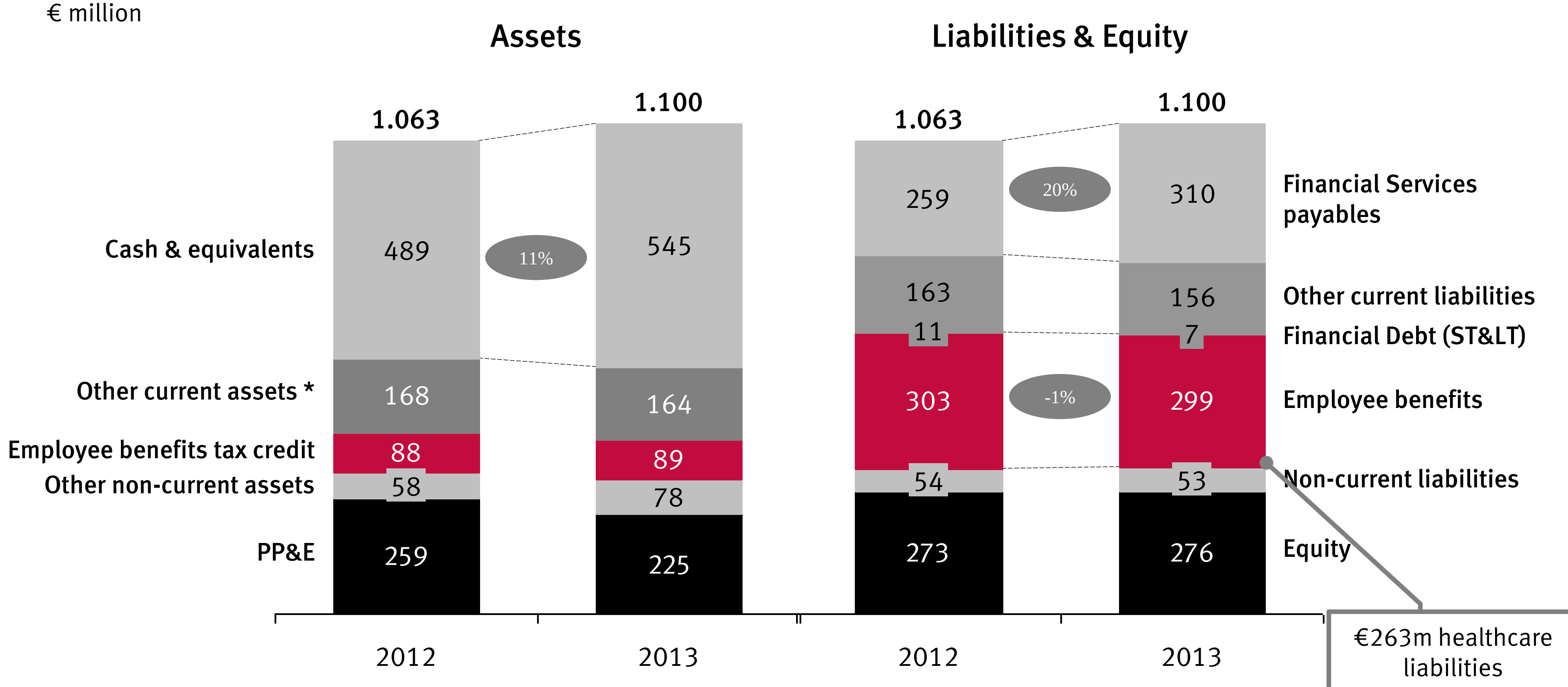
Total staff were reduced by 6.0% to 12,383. The number of permanent staff was reduced by 4.7% to 11,730, largely as a result of voluntary retirements. Fixed-term contracts were down by 24%

Circa €17m of extra staff costs associated with the payment of Christmas subsidy (returning to 14 months of salary payments), were fully compensated by efficiency gains

* Do not include amortisations, depreciations, provisions, impairment losses and non-recurring costs.

The Balance Sheet shows solid net cash and liquidity position

Balance Sheet
€ million

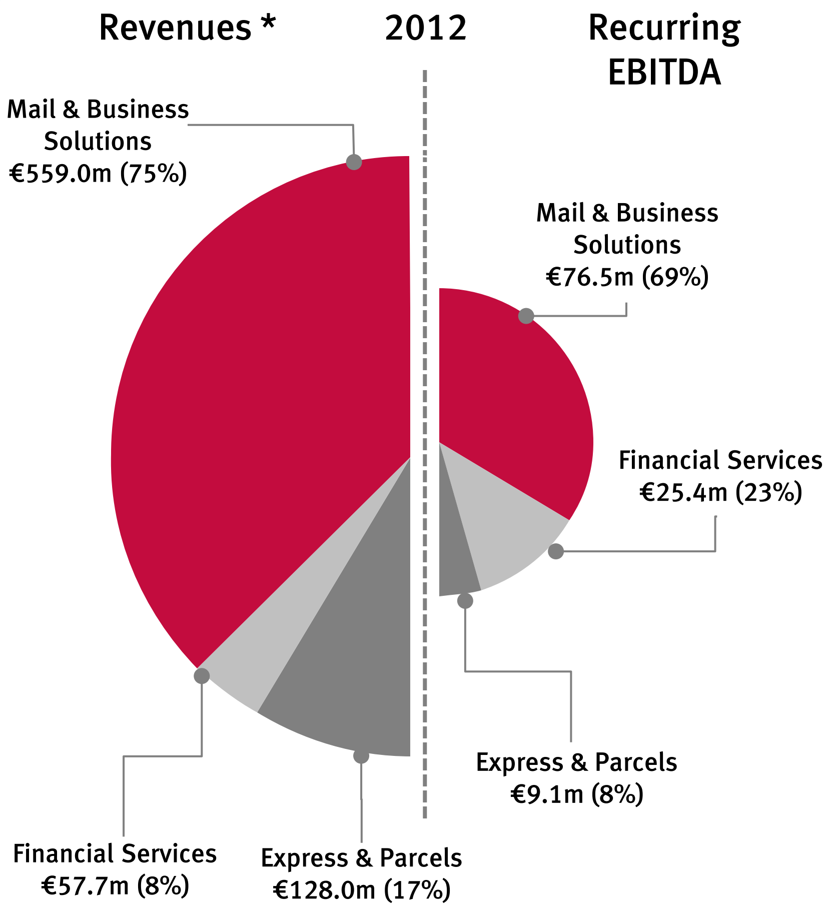


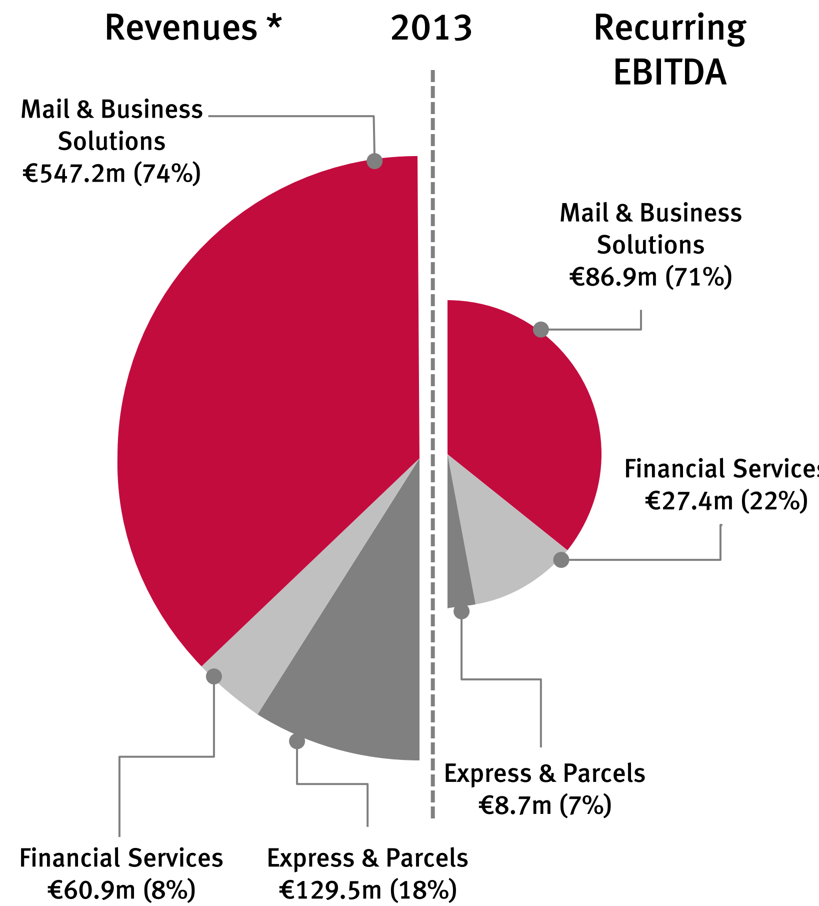
* Includes Financial Services receivables of €10m and €2m in 2012 and 2013 , respectively.

- **Net financial debt (cash)** = ST Debt of €4m + LT Debt of €3m + Net Financial Services payables of €308m - Cash and cash equivalents of €545m = **€(230)m**
- **Net debt (cash)** = Total employee benefits of €299m - Total employee benefits tax credit of €89m - Net cash of €230m = **€(20)m**
- Strong liquidity position: **Current assets / Current liabilities = 145%**

Agenda

Business units at a glance



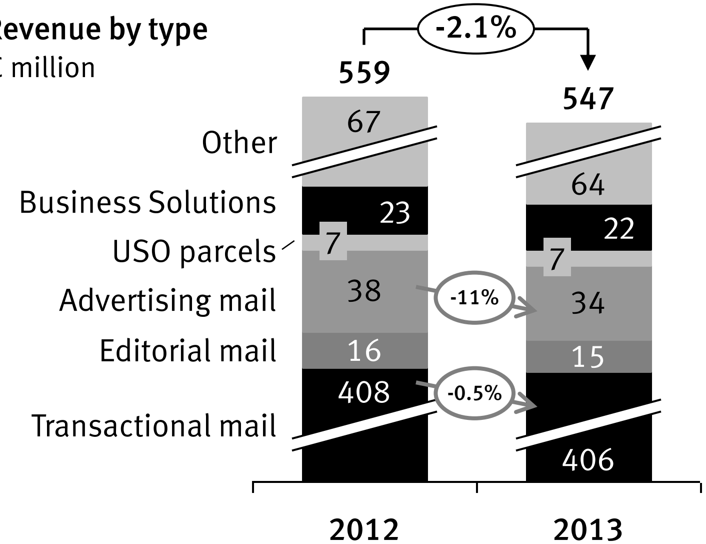


* Includes internal provision of services and intragroup transactions eliminated in the consolidation process; excludes income related to CTT Central Structure and intragroup eliminations.

- Revenues from non-Mail business units increasing in importance, **driven by acceleration of growth in 4Q13.** Mail & Business Solutions gains weight in EBITDA, primarily due to **the reduction in staff and external supplies and services (insourcing)**
- Express & Parcels EBITDA affected by restructuring (non-recurring) costs **to address growth market segments and optimise network (Spain). Network optimisation to B2C distribution model puts pressure on recurring EBITDA margin**

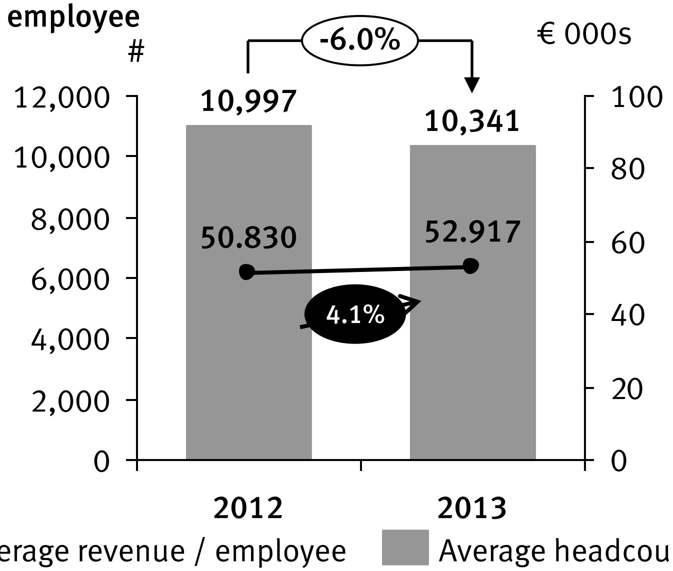
① Mail & Business Solutions EBITDA margin grows to 16%

Revenue by type
€ million



	Units	2012	2013	Δ	Δ%
Addressed mail volumes	m items	962.4	892.3	-70.0	-7.3%
Unaddressed mail volumes	m items	519.7	528.7	9.0	1.7%
Revenues	**€m**	**559.0**	**547.2**	**-11.8**	**-2.1%**
Operating Costs	€m	489.1	459.8	-29.2	-6.0%
EBITDA	**€m**	**69.9**	**87.4**	**17.5**	**25.0%**
EBITDA Margin	**%**	**12.5%**	**16.0%**	**+3.5 p.p.**	
Recurring EBITDA	**€m**	**76.5**	**86.9**	**10.4**	**13.6%**

Average headcount & revenue / employee



- **Marginal decline (-0.5%) in transactional mail,** the segment more impacted by price increase and the introduction of zonal pricing
- **Advertising mail still suffering from economic downturn** and lower spending on advertising. Customers choose unaddressed advertising mail due to its price
- Headcount reduction fully absorbs revenue decline, enabling **productivity gains.** Revenue per employee rises 4.1%
- Operating costs reduce by 6.0%, as a result the **EBITDA margin rises to 16%. Non-recurring saving with positive impact on Mail EBITDA in 2013**

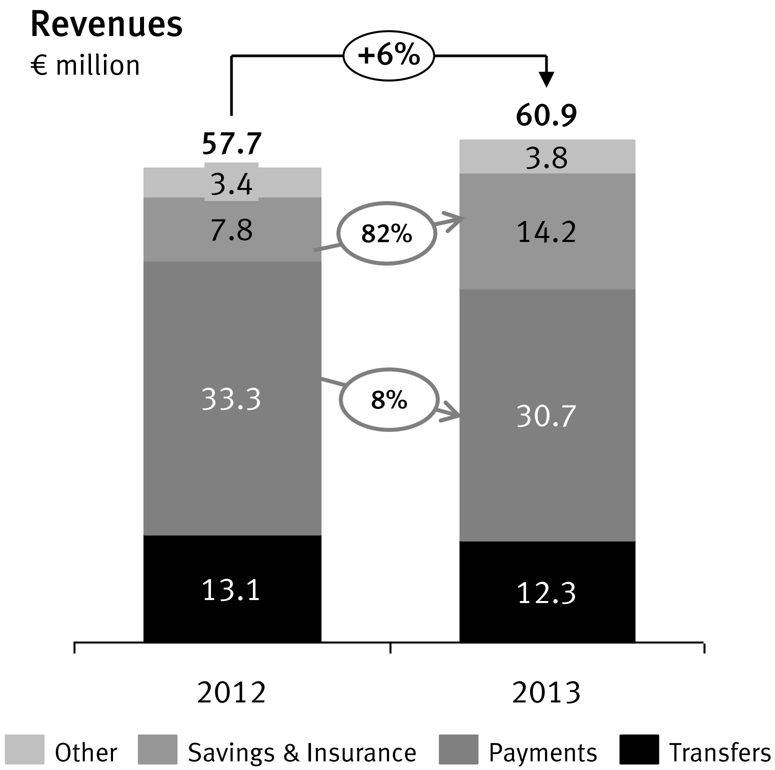
① Mail & Business Solutions – 4Q13 performance

Recurring	January-September			4Q13			FY13		
€ million	2012	2013	Δ%	2012	2013	Δ%	2012	2013	Δ%
Revenues	**416.7**	**403.6**	**-3.2%**	**142.2**	**143.6**	**1.0%**	**559.0**	**547.2**	**-2.1%**
Sales and services rendered	388.8	377.7	-2.9%	132.5	132.9	0.3%	521.4	510.6	-2.1%
Other operating income	13.0	12.8	-1.4%	4.8	5.5	16.1%	17.8	18.4	3.3%
Intragroup revenues	14.9	13.1	-11.9%	5.0	5.1	3.8%	19.8	18.2	-8.0%
Operating costs *	**363.7**	**342.5**	**-5.8%**	**118.8**	**117.8**	**-0.9%**	**482.5**	**460.3**	**-4.6%**
External supplies and services	88.4	80.9	-8.4%	27.8	28.3	1.8%	116.2	109.2	-6.0%
Staff costs	185.6	178.7	-3.7%	58.6	60.9	4.0%	244.2	239.6	-1.9%
Other costs	15.1	15.3	1.6%	7.4	7.2	-3.4%	22.5	22.5	-0.1%
Intragoup costs	74.6	67.6	-9.4%	25.0	21.4	-14.5%	99.5	88.9	-10.6%
EBITDA **	**53.1**	**61.0**	**15.0%**	**23.4**	**25.8**	**10.2%**	**76.5**	**86.9**	**13.6%**
EBITDA margin	**12.7%**	**15.1%**	**2.4 p.p.**	**16.5%**	**18.0%**	**1.5 p.p.**	**13.7%**	**15.9%**	**2.2 p.p.**

* Excluding impairments, provisions, depreciation and non recurring costs.
** Excluding non-recurring costs.

- Mail & Business Solutions **revenues grow 1.0% in 4Q13**, reducing the **2013 rate of decline to only 2.1%**
- This performance was partially due to the full impact of the **4.2% average price increase of mail products** (implemented in April and November), but also to growth in the Business Solutions business
- **Efficiency gains related to the Transformation Programme initiatives with higher than €13.4m impact on EBITDA** were and are crucial to absorb part of the increase in staff costs due to the privatisation (end of salary cuts) since December 2013

② FS EBITDA grows 8.3% on the back of strong growth in savings product sales



	Units	2012	2013	Δ	Δ%
Payments	m	77.9	71.5	-6.4	-8.1%
Money orders & transfers	m ops	21.4	20.0	-1.4	-6.6%
Savings & insurance flows *	€m	3,069	3,581	512	16.7%
Revenues	**€m**	**57.7**	**60.9**	**3.2**	**5.5%**
Operating Costs	€m	32.4	33.5	1.1	3.4%
EBITDA	**€m**	**25.3**	**27.4**	**2.1**	**8.3%**
EBITDA Margin	**%**	**43.9%**	**45.0%**	**+1.1 p.p.**	
Recurring EBITDA	**€m**	**25.4**	**27.4**	**2.0**	**8.1%**

* Amount of placements and redemptions.

- Strong position in the payments market, **processing more than 70 million payments,** but affected by economic downturn and electronic substitution
- **Strong growth in savings and insurance product flows, together with the increased fees from renegotiation of the agreements,** more than off-setting the decline in payments and money transfers
- **Postal bank license** obtained, an **option to consider in 2014** in order to leverage retail network and maximise efficiency

② Financial Services – 4Q13 performance

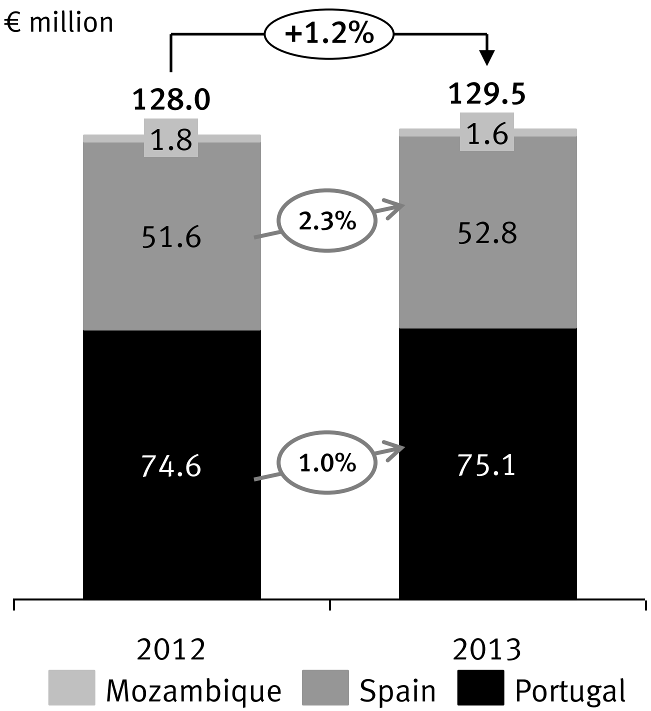
Recurring	January-September			4Q13			FY13		
€ million	2012	2013	Δ%	2012	2013	Δ%	2012	2013	Δ%
Revenues	**43.6**	**44.1**	**1.1%**	**14.1**	**16.8**	**19.1%**	**57.7**	**60.9**	**5.5%**
Sales and services rendered	41.3	41.8	1.1%	13.0	15.5	19.6%	54.3	57.3	5.5%
Other operating income	1.8	2.3	29.0%	0.9	1.2	22.3%	2.7	3.5	26.7%
Intragroup revenues	0.5	0.0	-97.6%	0.1	0.1	-48.8%	0.6	0.1	-86.5%
Operating costs *	**24.0**	**24.2**	**1.0%**	**8.4**	**9.2**	**10.5%**	**32.3**	**33.5**	**3.5%**
External supplies and services	6.6	7.8	17.8%	2.5	2.9	13.1%	9.2	10.7	16.5%
Staff costs	2.4	2.3	-2.0%	0.8	0.9	4.2%	3.2	3.2	-0.4%
Other costs	0.3	0.3	-10.6%	0.1	0.1	18.3%	0.4	0.4	-2.4%
Intragoup costs	14.7	13.8	-5.8%	4.9	5.4	10.1%	19.5	19.2	-1.9%
EBITDA **	**19.6**	**19.9**	**1.3%**	**5.7**	**7.5**	**31.7%**	**25.4**	**27.4**	**8.1%**
EBITDA margin	**45.0%**	**45.1%**	**0.1 p.p.**	**40.6%**	**44.9%**	**4.3 p.p.**	**44.0%**	**45.0%**	**1.0 p.p.**

* Excluding impairments, provisions, depreciation and non recurring costs.
** Excluding non recurring costs.

- The full impact of the revised partnership agreements and the launch of the new series of Treasury Certificates gave a **boost to the revenues from the savings & insurance product line in 4Q13**
- **Fidelidade revised agreements were fully in effect since January 2013** but the revised **IGCP agreement**, the one with a more relevant change (payment based in percentage of volume instead of per transaction), **only entered into effect in August 2013**
- **External supplies growth due to the sales incentive schemes** (directly related to revenues performance)

③ Express & Parcels back to revenue growth, inverting the historical trend

Revenues
€ million



	Units	2012	2013	Δ	Δ%
Volumes – Portugal	m items	11.6	12.1	0.5	4.4%
Volumes – Spain	m items	11.1	13.1	2.0	18.5%
Revenues	**€m**	**128.0**	**129.5**	**1.5**	**1.2%**
Operating Costs	€m	118.9	122.2	3.3	2.8%
EBITDA	**€m**	**9.1**	**7.4**	**-1.7**	**-19.4%**
EBITDA Margin	**%**	**7.1%**	**5.7%**	**-1.4 p.p.**	
Recurring EBITDA	**€m**	**9.1**	**8.7**	**-0.4**	**-5.3%**

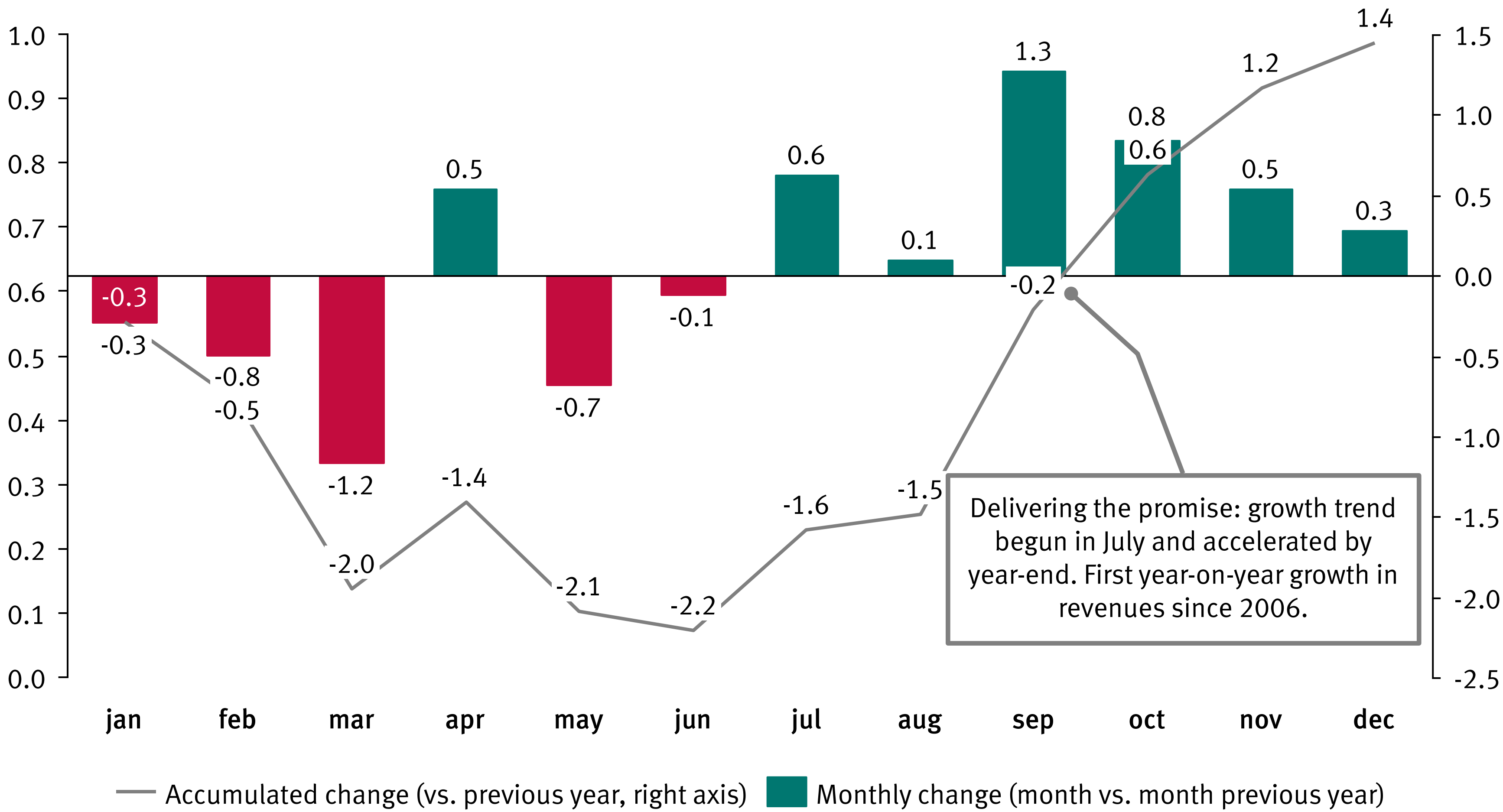
- Reorganisation of commercial activities and **increased integration of Iberian offer** drive revenue growth since start of 2H13
- Leadership in the domestic market: **25.8% market share at the end of 1Q13; 28.6% by year-end ***
- **Restructuring process ongoing** to better align product portfolio and network efficiency with customer needs and position it for expected growth in B2C in both Portugal and Spain

* Source: ICP-ANACOM.

③ Express & Parcels business back to growth in 2H13

CTT Expresso & Tourline Express change in revenues *

€ million



* Excluding transactions between both companies.

③ Express & Parcels – 4Q13 performance

Recurring	January-September			4Q13			FY13		
€ million	2012	2013	Δ%	2012	2013	Δ%	2012	2013	Δ%
Revenues	**94.8**	**95.1**	**0.3%**	**33.2**	**34.5**	**3.7%**	**128.0**	**129.5**	**1.2%**
Sales and services rendered	93.9	93.9	0.0%	32.8	34.1	3.9%	126.7	128.0	1.0%
Other operating income	0.9	1.2	27.3%	0.4	0.4	-7.7%	1.3	1.6	15.9%
Intragroup revenues	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
Operating costs *	**88.7**	**88.9**	**0.2%**	**30.1**	**32.0**	**6.1%**	**118.9**	**120.9**	**1.7%**
External supplies and services	69.4	70.0	0.8%	23.3	26.1	12.1%	92.7	96.1	3.7%
Staff costs	18.0	17.4	-3.6%	5.9	5.6	-5.8%	23.9	22.9	-4.1%
Other costs	1.3	1.5	16.7%	0.9	0.3	-70.6%	2.2	1.8	-18.4%
Intragoup costs	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
EBITDA **	**6.1**	**6.2**	**2.1%**	**3.1**	**2.5**	**-19.9%**	**9.1**	**8.7**	**-5.3%**
EBITDA margin	**6.4%**	**6.5%**	**0.1 p.p.**	**9.3%**	**7.2%**	**-2.1 p.p.**	**7.1%**	**6.7%**	**-0.5 p.p.**

* Excluding impairments, provisions, depreciation and non recurring costs.
** Excluding non recurring costs.

- 4Q13 revenues in Express & Parcels **confirmed the growth trend, with a 3.7% growth yoy**
- Higher costs driven partially by the implementation of new business model to address growth in the B2C market
- Part of the **Transformation Program initiatives** only started in **4Q13 having significant impact on costs mainly in Spain**, due to accelerated restructuring of the network. **They will continue to have relevant impact during 2014**
- **2013 EBITDA is still below target due to focus on sales,** to address growth segments
- **Cost efficiency in Portugal will be driven by higher integration with the mail distribution network,** marginally implemented in 2013

Summary of business units performance

€ million	January-September			4Q13			FY13		
	2012	2013	∆%	2012	2013	∆%	2012	2013	∆%
Mail & Business Solutions									
Recurring EBITDA	**53.1**	**61.0**	**15.0%**	**23.4**	**25.8**	**10.2%**	**76.5**	**86.9**	**13.6%**
Non-recurring costs	-4.0	-6.1	52.7%	10.6	5.6	-47.2%	6.6	-0.5	-107.6%
Reported EBITDA	**57.0**	**67.1**	**17.7%**	**12.8**	**20.2**	**57.6%**	**69.9**	**87.4**	**25.0%**
Financial Services									
Recurring EBITDA	**19.6**	**19.9**	**1.3%**	**5.7**	**7.5**	**31.7%**	**25.4**	**27.4**	**8.1%**
Non-recurring costs	0.0	-0.1	-	0.1	0.1	-	0.0	0.0	-
Reported EBITDA	**19.7**	**19.9**	**1.3%**	**5.6**	**7.5**	**32.5%**	**25.3**	**27.4**	**8.3%**
Express & Parcels									
Recurring EBITDA	**6.1**	**6.2**	**2.1%**	**3.1**	**2.5**	**-19.9%**	**9.1**	**8.7**	**-5.3%**
Non-recurring costs	0.0	0.0	-	0.0	1.3	-	0.0	1.3	-
Reported EBITDA	**6.1**	**6.2**	**2.1%**	**3.1**	**1.2**	**-61.6%**	**9.1**	**7.4**	**-19.4%**

- **Wrap-up (an overall picture):**
  1. **Active management of portfolio performance:** strong recurring 4Q13 in Mail and Financial Services enable CTT to **absorb the privatisation costs without significantly impacting the full year performance** and also accelerate the restructuring and optimisation in Express & Parcels, meaning non-recurrent restructuring costs
  2. **Two growth levers:** growth potential in Express & Parcels and in Financial Services provides a platform for future revenue expansion

Agenda

Optimisation of portfolio - Sale of EAD

Timing	• After approval by the board, CTT signed a MOU on 11 March 2014 and closing is estimated by early 2Q14
Strategic rationale of the sale	• EAD is a company which CTT holds a 51% stake • EAD is focused in archiving and mail-manager (digitalisation and filing), being this last activity also performed by other CTT units • Archiving is relevant to offer clients a "one-shop" solution in the mail business. CTT considers that with a partnership it can address this need without allocating equity and management
Economics of the sale	• **CTT bought 51% of EAD in 2006 for €2.4m** • It has received during this period dividends amounting to €0.92m, a dividend yield on the investment of around 5% a year • CTT has invested in the company not only in the equity but also through €1.5m of intercompany loans granted • CTT will receive **€2.75m from the sale**, of which €0.2m from a dividend payment prior to the sale, plus **€1.5m of intercompany loan** • The selling price will represent a **EV / EBITDA of 7.3x** (adjusted by internal services rendered to CTT)

CTT in 2014 – Deliver on the promise (key initiatives)

1. Manage price lever to mitigate structural declines in mail volumes (bulk mail prices increased on 1st Jan. 14)
2. Ongoing integration and optimisation of distribution networks and operations
3. Accelerate the growth in Financial Services with new product offer (e.g. consumer credit); decision on the Postal Bank
4. Accelerate the restructuring of Express & Parcels to take advantage of expected growth in the B2C market
5. Pursue new Balance Sheet optimisation opportunities (e.g. tax credit monetisation, working capital optimisation)
6. Focus on strong cash flow generation to allow the continuation of attractive dividend

CTT Correios de Portugal
12 March 2014

Full Year 2013 Results Presentation
“Privatisation year”

investors@ctt.pt