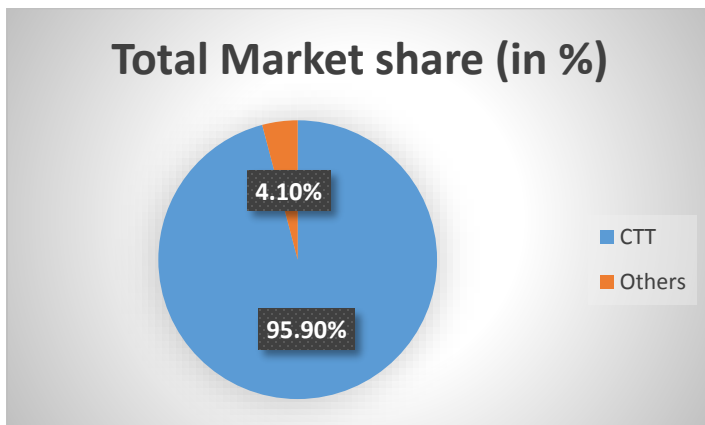


Exhibit 1 - Group CTT: subsidiaries and respective ownership stakes

PostContacto – Correio Publicitário, Lda	100%
CTT Expresso – Serviços Postais e Logística, SA	100%
Tourline Express Mensajería, SU	100%
PayShop (Portugal), SA	100%
CORRE – Correio Expresso de Moçambique, SA	50%
CTT GEST – Gestão de Serviços e Equipamentos Postais, SA	100%
Grupo Malltec	100%
EAD – Empresa de Arquivo de Documentação, SA	51%
TI-Post – Prestação de serviços Informáticos, ACE	49%
Postal Network – Prestação de Serviços de Gestão de Infraestruturas de Comunicações, ACE	49%

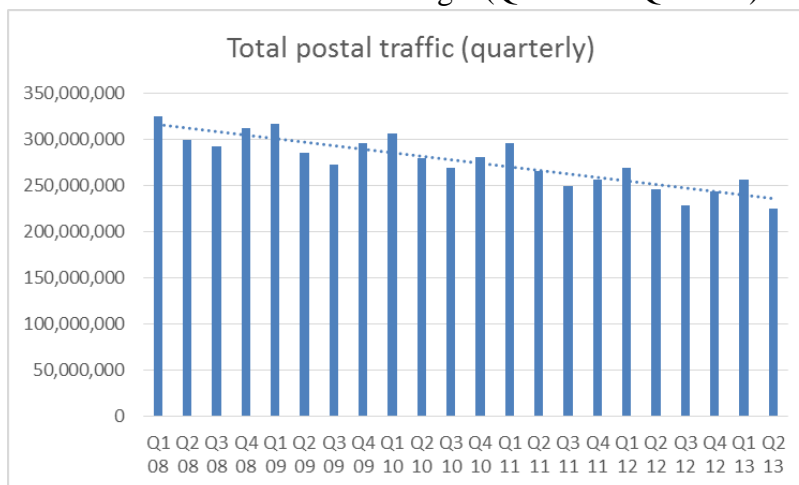
Source: Annual Report 2012

Exhibit 2 - Total market share (2012, end of the period)



Source: IPC-Anacom

Exhibit 3 - Postal Traffic in Portugal (Q1 2008 – Q2 2013)



Source: ANACOM

#### Exhibit 4 – CTT's management team (profiles)

Francisco Lacerda, CEO and President



Mr Lacerda had an extensive experience in running big corporations, in Portugal. He had previously been Cimpor's (Cimentos de Portugal, SGPS) CEO, a company with an export-oriented culture. Prior to that, he had assumed various positions in the banking sector. In the late XXth century, he was appointed CEO of Banco Mello, which was later integrated in Millenium bcp. Mr Lacerda also worked in Millenium bank, in Poland and was a non-executive member of the Board of Directors at EDP Renováveis.

Manuel Castelo Branco, Vice-President



Mr. Castelo-Branco worked for several years in the Commercial & Marketing departments of retail companies, such as Unilever and Reckitt Beckinser. At CTT, he was in charge of the Big Clients and IT systems. The latter is also an area in which he had a proven expertise, having worked in the Communications sector for some years. He was general manager at Media Capital as well as executive member of the BoD at Reditus, a publicly listed company.

André Gorjão Costa, Chief Financial Officer



Mr. Gorjão Costa joined in from Santander group, where he had been working since graduating from NOVA SBE in 1996. With a career exclusively dedicated to the financial services industry, he was responsible for a variety of areas within the bank, both in the Retail segment and in Investment Banking. He joined the Corporate Finance department of the bank, where he focused on M&A transactions. In 2000, was appointed director of the Corporate Banking department and was, later, director of Credit Markets.

Dionízia Ferreira, Member of the Board



Mrs Ferreira had under his responsibility the management of the retail network as well as the Mail, Express and Parcels business units. She had worked for several years in the commercial banking industry, at Barclays, Banco Mello and Millennium bcp. In 2003, she joined CTT and took the position of Director in Commercial and Marketing areas, where was responsible, among other things, for the strategic marketing policy.

Ana Maria Jordão, Member of the Board



Mrs Jordão was responsible for Human Resources, Legal Services and Litigation, Logistics and Physical Resources. Her career was dedicated to public service. She served as chief of staff to the Secretary of State for fiscal affairs and assistant to the Budget Secretary and the Defence Secretary. Basically, she had a vast experience in the Public Administration, having worked at various departments within the public sphere.

Source: CTT's corporate website

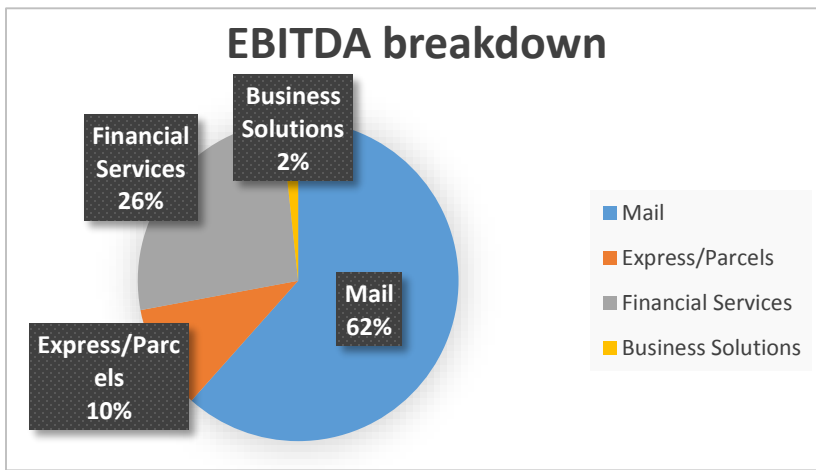
Exhibit 5 – Supplement to the IPO prospectus (28/11/2013)

- “Bank of Portugal’s Board of Directors decided, on November 27, to authorize the constitution of **Postal Bank, SA** under the terms of the project presented by the issuer on August 5 and based on certain conditions that ought to be verified”
- “... the issuer, with this authorization, will not have the obligation to constitute the Postal Bank, but an option, that may or may not be developed...”

Source: Supplement to the IPO prospectus (Case author’s translation)

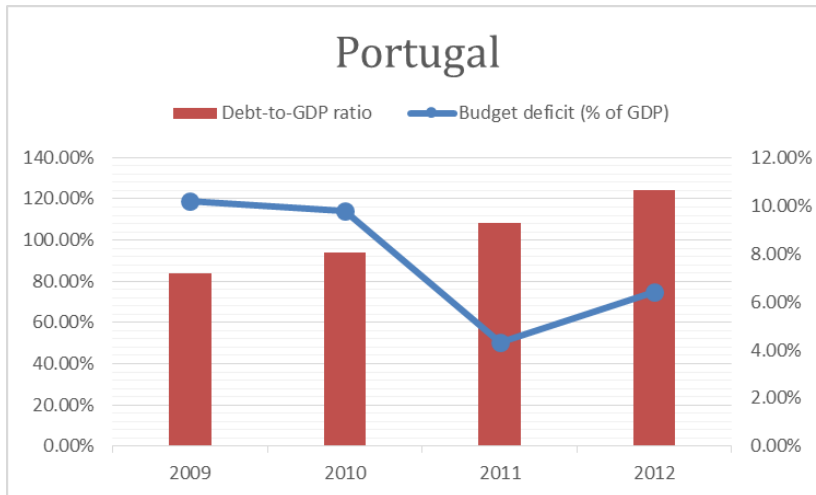
Exhibit 6 - EBITDA breakdown and EBITDA margin by segments

	Mail	Express/Parcels	Financial Services	Business Solutions
EBITDA margin	10.60%	7.60%	41.10%	6.80%



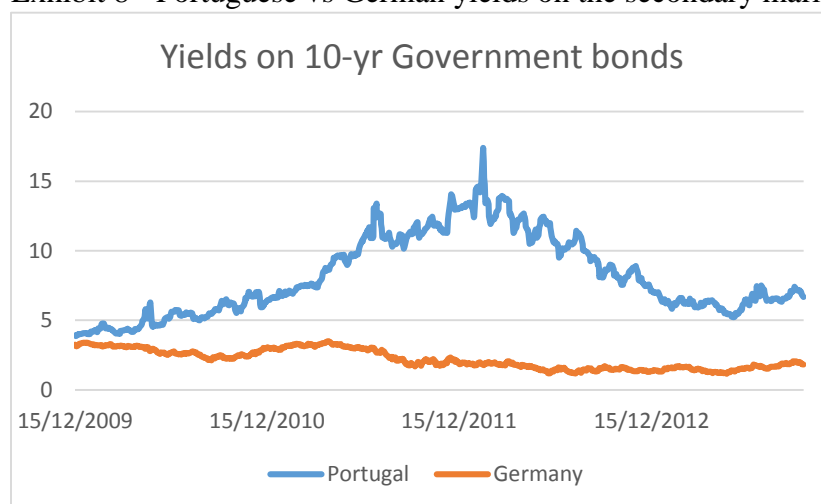
Source: Annual Report 2012

Exhibit 7 - Deficit and Debt-to GDP



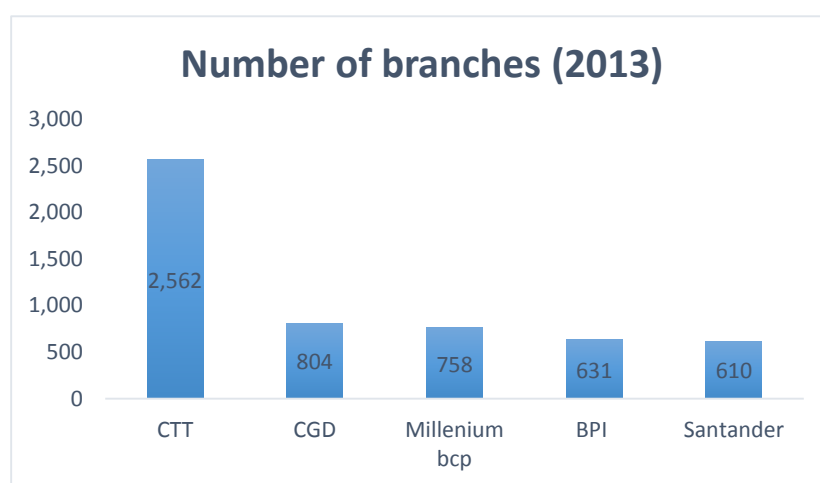
Source: INE, Bank of Portugal

Exhibit 8 - Portuguese vs German yields on the secondary market



Source: Bloomberg

Exhibit 9 - Comparison between CTT and the main banks operating in Portugal



Source: CTT and Associação Portuguesa de Bancos (APB)

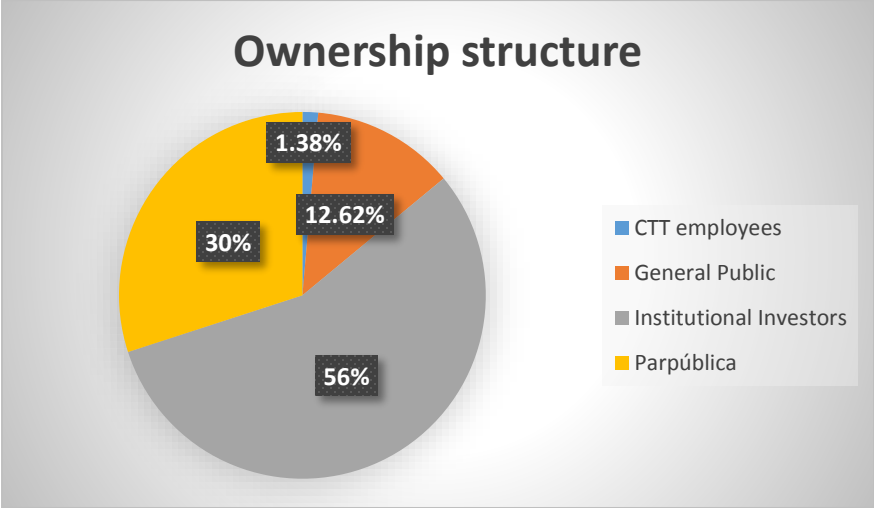
Exhibit 10 - Dividends paid (2010-2012)

( 000's of €)	2010	2011	2012
Dividends	36,100	53,877	38,554
Payout ratio	64.11%	96.52%	100.00%

Note: The IPO prospectus states the intention of the company to “declare and pay dividends, in 2014 and in subsequent years, representing, at least, 90% of the profit for the period”

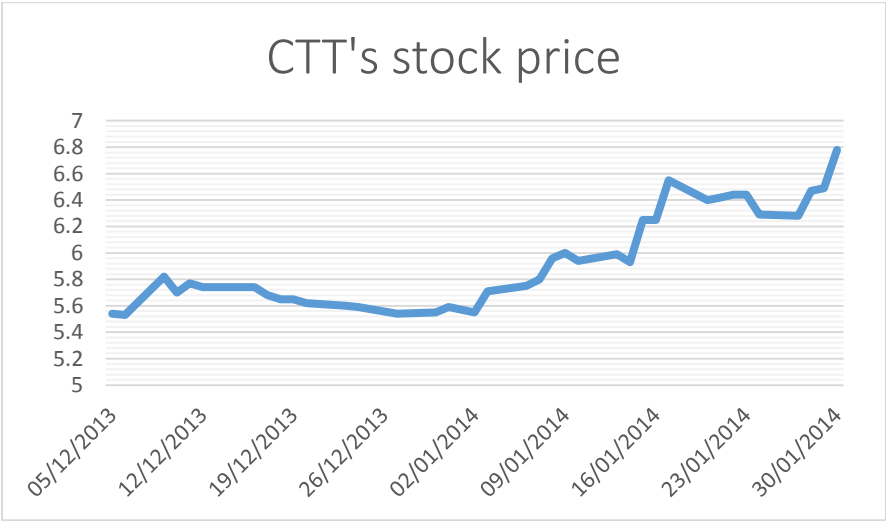
Source: IPO prospectus (Case author's translation)

Exhibit 11 - Ownership structure, after the 1<sup>st</sup> phase of the privatisation



Source: Euronext

Exhibit 12 – Evolution of the stock price over the first two months



Source: Bloomberg

Exhibit 13 – Income Statement (2010-2012)

(in thousands of €)	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Operational Revenues</b>	794,361	761,074	711,691
Sales	24,614	24,523	24,300
Services	755,252	717,327	675,033
Other revenues	14,495	19,224	12,359
<b>Operating Costs</b>	-703,470	-657,329	-619,325
COGS	-17,005	-18,353	-18,543
Administrative costs	-273,333	-256,464	-246,416
Personnel costs	-399,357	-363,570	-342,758
Other operational costs	-13,775	-18,942	-11,608
<b>EBITDA</b>	90,891	103,745	92,366
Depreciation/Amortization	-24,222	-22,252	-24,636
Provisions	-4,744	-5,856	-3,655
<b>EBIT</b>	61,925	75,637	64,075
Non-recurring expenses	-8,747	-16,456	-21,765
Gains/(losses) in associates	18	85	240
Financial gains (losses)	9,186	19,670	14,247
<b>EBT</b>	62,382	78,936	56,797
Taxes	-5,801	-22,693	-18,011
<b>Profit before minority interests</b>	56,581	56,243	38,786
Minority interests	-275	-423	-232
<b>Profit for the period</b>	56,306	55,820	38,554

Exhibit 14– Balance Sheet (2010-2012)

(in €)	2010	2011	2012
<b>ASSETS</b>			
Fixed Assets	265,484,227	269,246,885	259,077,634
Investment properties	3,562,552	2,728,373	1,368,943
Intangible assets	14,097,499	15,080,232	14,355,060
Goodwill	27,471,058	25,528,608	25,528,608
Investments in Associates	585,645	552,824	690,215
Assets available for sale	130,829	130,829	130,829
Other non-current assets	851,723	6,004,988	2,018,619
Deferred taxes	100,819,205	103,614,097	102,228,537
<b>Total Non-Current Assets</b>	<b>413,002,738</b>	<b>422,886,836</b>	<b>405,398,445</b>
Inventories	6,512,659	6,305,998	6,710,739
Receivables	166,489,760	164,395,448	135,212,754
Income taxes	2,121,798	3	
Deferrals	5,977,849	5,494,827	5,600,261
Other current assets	21,907,679	27,214,044	20,992,404
Cash and equivalents	480,073,674	426,259,362	489,510,078
<b>Total Current Assets</b>	<b>683,083,419</b>	<b>629,669,682</b>	<b>658,026,236</b>
<b>TOTAL ASSETS</b>	<b>1,096,086,157</b>	<b>1,052,556,518</b>	<b>1,063,424,681</b>
<b>EQUITY AND LIABILITIES</b>			
Capital	87,325,000	87,325,000	87,325,000
Reserves	47,593,690	50,657,421	53,946,165
Retained Earnings	-17,432,756	2,408,870	3,586,704
Revaluation	61,266,929	58,625,232	32,372,942
Other changes in Equity	11,605,660	15,144,300	56,088,705
Profit for the period	56,304,948	55,818,305	38,554,129
Non-controlling interests	1,406,989	1,627,958	1,607,508
<b>Total Stockholders' Equity</b>	<b>248,070,460</b>	<b>271,607,086</b>	<b>273,481,153</b>
Long-term Debt	7,253,904	5,943,942	4,565,411
Employee Benefits	285,190,208	300,975,316	282,065,364
Provisions	20,180,460	20,440,943	36,596,189
Deferrals	19,570,206	13,704,951	11,322,625
Deferred taxes	6,365,777	6,165,433	5,740,234
<b>Total Non-current liabilities</b>	<b>338,560,555</b>	<b>347,230,585</b>	<b>340,289,823</b>
Payables	403,880,097	346,905,448	349,292,545
Employee benefits	23,065,599	20,455,430	21,250,996
Income taxes	0	7,381,234	864,909
Short-term debt	7,025,423	5,165,248	6,857,361
Deferrals	6,140,690	4,675,943	4,368,966
Other current liabilities	69,343,333	49,135,544	67,018,928
<b>Total Current Liabilities</b>	<b>509,455,142</b>	<b>433,718,847</b>	<b>449,653,705</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,096,086,157</b>	<b>1,052,556,518</b>	<b>1,063,424,681</b>

Exhibit 15– Case author’s projections

(in thousands of €)	2013 F	2014 F	2015 F	2016 F	2017 F
Op Revenues	673,971.4	660,491.9	667,096.9	670,432.4	673,784.5
Op Costs	-588,358.8	-582,475.2	-585,387.5	-591,241.4	-600,110.0
EBITDA	85,612.6	78,016.8	81,709.3	79,190.9	73,674.5
Depreciation	-23,703.3	-23,703.3	-23,703.3	-23,703.3	-23,703.3
EBIT	61,909.3	54,313.5	58,006.0	55,487.6	49,971.1
Tax rate	22.5%	22.5%	22.5%	22.5%	22.5%
EBIT(1-t)	47,979.7	42,092.9	44,954.6	43,002.9	38,727.6
CAPEX	-21,372.9	-20,945.5	-21,154.9	-21,260.7	-21,367.0
NWC	172,722.5	169,268.1	170,960.8	171,815.6	172,674.7
Change in NWC	-35,650.0	-3,454.5	1,692.7	854.8	859.1

**Notes on the forecasts:**

Both the Capital Expenditures and the Net Working Capital were projected as a % of Sales, based on the evolution of those components over the period 2010-2012. Given that the company’s activity does not imply significant investments other than the substitution of assets in deterioration, it seems a reasonable assumption. Similarly, as no significant change in the level of assets is expected, the depreciation is predicted to remain at the average level of the previous years.

As for the operational revenues, the expectation is a persistence of the reduction observed in the previous years, until 2014. From then onwards, revenues are expected to stabilize and increase slightly, coinciding with the recovery of the Portuguese economy.

Regarding the operational costs, the cost-cutting program had already led to a significant adjustment in the cost structure and the room for further reduction will be limited in the future. Consequently, the costs were projected to decrease marginally in the first two years and then start to rise at a slow pace as the cost-cutting opportunities get exhausted.

Exhibit 16– Valuation Metrics (2012, end of the period)

	EV/EBITDA	Country	Market Capitalisation (€)	Beta (levered)	Tax rate (%)	D/E
PostNL	4.66	Netherlands	1,283,000,000	1.20	10.55%	1.4981
Oesterreichische Post AG	6.37	Austria	2,107,600,000	0.526	18.73%	0.0323
Deutsche Post	5.56	Germany	20,069,700,000	0.989	20.24%	0.5092
TNT Express	12.73	Netherlands	4,579,800,000	0.935	56.64%	0.935
<b>Median</b>	<b>5.965</b>					

Yield on 10-year Germany's Government notes: 1.32%

Market Risk Premium: 6%<sup>1</sup>

Source: Bloomberg

## Annex A

The Free Cash Flows (FCF) for each year were estimated using the following formula:

$$\text{Free Cash Flow} = \text{EBIT}(1 - t) + \text{Depreciation} - \text{CAPEX} - \Delta \text{ in NWC}$$

In valuing the company, it was assumed that from 2018 onwards the company would grow perpetually at a rate of 0.5%. The value of the perpetuity is highly sensitive to the growth rate and that is always an issue. However, 0.5% seems to be a reasonable assumption, considering the prospects of sluggish growth for the postal sector and the Portuguese economy over the medium-term.

Having all the FCF, the next step was to discount those cash flows using the appropriate rate. The return of the unlevered firm was obtained using the CAPM. The average  $\beta_u$  of the comparable firms was used to compute the discount rate.

$$R_u = r_f + \beta_u * MRP = 1.32\% + 0.6312 * 6\% = 5.11\%$$

$$\text{Discount factor} = \frac{1}{(1+0.0511)^t}, \text{ where } t = \text{year} - 2012$$

Finally, one obtains the value of the unlevered firm – which in this case is assumed to be the same as the Enterprise Value, since the present value of the tax shields is negligible – by adding up all the discounted cash flows.

<sup>1</sup> Equity Market Risk Premium – Research Summary, KPMG, January 2013. See also, *Equity Risk Premiums*, Aswath Damodaran, Stern School of Business.