



CTT – Correios de Portugal, S.A.

Investor presentation

May / June 2016

DISCLAIMER

This document has been prepared by CTT – Correios de Portugal, S.A. (the “Company” or “CTT”) exclusively for use during the presentation of the 1st quarter 2016 results. As a consequence thereof, this document may not be disclosed or published, nor used by any other person or entity, for any other reason or purpose without the express and prior written consent of CTT. This document (i) may contain summarised information and be subject to amendments and supplements, and (ii) the information contained herein has not been verified, reviewed nor audited by any of the Company's advisors or auditors. Except as required by applicable law, CTT does not undertake any obligation to publicly update or revise any of the information contained in this document. Consequently, the Company does not assume liability for this document if it is used for a purpose other than the above. No express or implied representation, warranty or undertaking is made as to, and no reliance shall be placed on, the accuracy, completeness or correctness of the information or the opinions or statements expressed herein. Neither the Company nor its subsidiaries, affiliates, directors, employees or advisors assume liability of any kind, whether for negligence or any other reason, for any damage or loss arising from any use of this document or its contents. Neither this document nor any part of it constitutes a contract, nor may it be used for incorporation into or construction of any contract or agreement.

This document has an informative nature and does not constitute, nor must it be interpreted as, an offer to sell, issue, exchange or buy any financial instruments (namely any securities issued by CTT or by any of its subsidiaries or affiliates), nor a solicitation of any kind by CTT, its subsidiaries or affiliates. Distribution of this document in certain jurisdictions may be prohibited, and recipients into whose possession this document comes shall be solely responsible for informing themselves about, and observing any such restrictions. Moreover, the recipients of this document are invited and advised to consult the public information disclosed by CTT on its website (www.ctt.pt) as well as on the Portuguese Securities Exchange Commission's website (www.cmvm.pt). In particular, the contents of this presentation shall be read and understood in light of the financial information disclosed by CTT, through such means, which prevail in regard to any data presented in this document. By attending the meeting where this presentation is made and reading this document, you agree to be bound by the foregoing restrictions.

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements. All the statements herein which are not historical facts, including, but not limited to, statements expressing our current opinion or, as applicable, those of our directors regarding the financial performance, the business strategy, the management plans and objectives concerning future operations and investments are forward-looking statements. Statements that include the words “expects”, “estimates”, “foresees”, “predicts”, “intends”, “plans”, “believes”, “anticipates”, “will”, “targets”, “may”, “would”, “could”, “continues” and similar statements of a future or forward-looking nature identify forward-looking statements.

All forward-looking statements included herein involve known and unknown risks and uncertainties. Accordingly, there are or will be important factors that could cause our actual results, performance or achievements to differ materially from those indicated in these statements. Any forward-looking statements in this document reflect our current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the results of our operations, growth strategy and liquidity, and the wider environment (specifically, market developments, investment opportunities and regulatory conditions).

Although CTT believes that the assumptions beyond such forward-looking statements are reasonable when made, any third parties are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of CTT, what could cause the models, objectives, plans, estimates and/or projections to be materially reviewed and/or actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements.

Forward-looking statements (in particular, the objectives, estimates and projections as well as the corresponding assumptions) do neither represent a commitment regarding the models and plans to be implemented, nor are they guarantees of future performance, nor have they been reviewed by the auditors of CTT. You are cautioned not to place undue reliance on the forward-looking statements herein.

All forward-looking statements included herein speak only as at the date of this presentation. Except as required by applicable law, CTT does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

I. Postal sector overview

II. CTT overview

III. CTT strategy

IV. Banco CTT as an extension of CTT's strategy

V. 1Q16 highlights



I. Postal sector overview



POSTAL SECTOR OVERVIEW: THE GLOBAL POSTAL SECTOR IS NOW WELL DIVERSIFIED AND DRIVES THE FULFILMENT OF THE “INTERNET OF THINGS”



€435.6bn postal industry revenues

+2.8% postal industry revenues growth

44.8% mail share of industry revenues

-3.9% decrease in mail volumes

+1.5% mail revenues growth

+6.3% growth in parcels volumes

+6.7% parcels revenues growth

POSTAL SECTOR OVERVIEW: GOING THROUGH A SIGNIFICANT TRANSFORMATION PHASE IN ORDER TO ADAPT TO NEW MARKET TRENDS



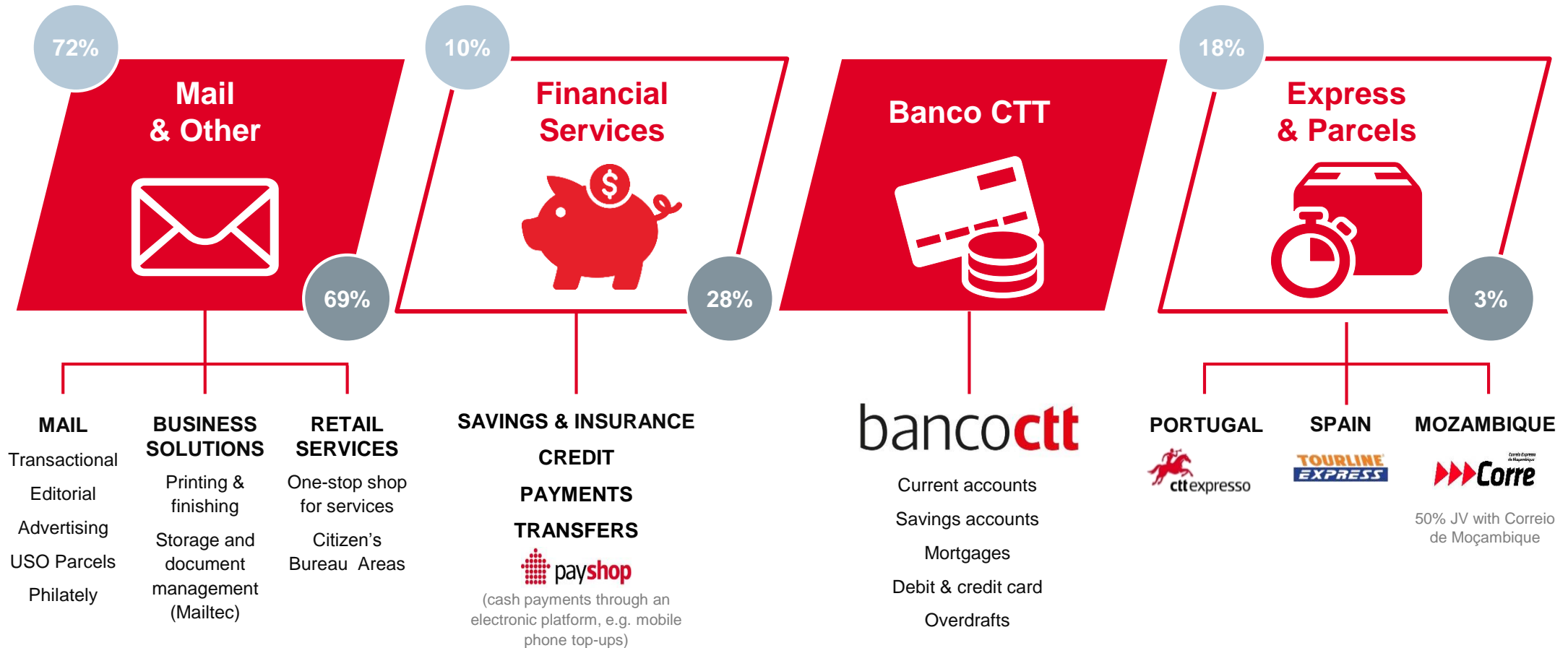
PEOPLE
AND THINGS
STILL NEED
TO BE
PHYSICALLY
CONNECTED



II. CTT overview



CTT OVERVIEW: A MODERN AND DYNAMIC POSTAL SERVICES OPERATOR WITH A DIVERSIFIED PORTFOLIO OF BUSINESSES



Indisputable market leader with industry-leading margins

Leveraging on a strong brand name, a historical track record and a Retail Network comparable in size to those of the major Portuguese banks

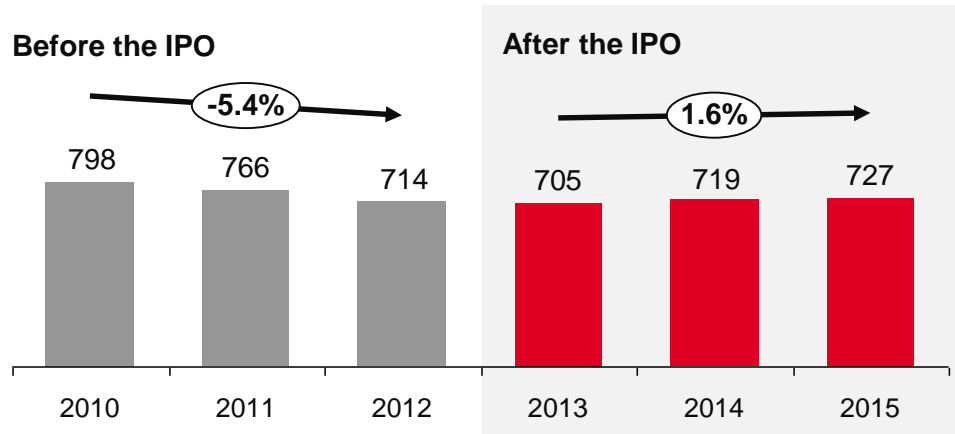
Economies of scale and market-leading position in Portugal; relevant operation in Spain based on a franchisee model

% of 2015 Recurring revenues¹ (€727m) % of 2015 Recurring EBITDA (€144m)

CTT OVERVIEW: DELIVERING ON THE PROMISE OF THE IPO AND REPORTING CONSISTENTLY STRONG RESULTS

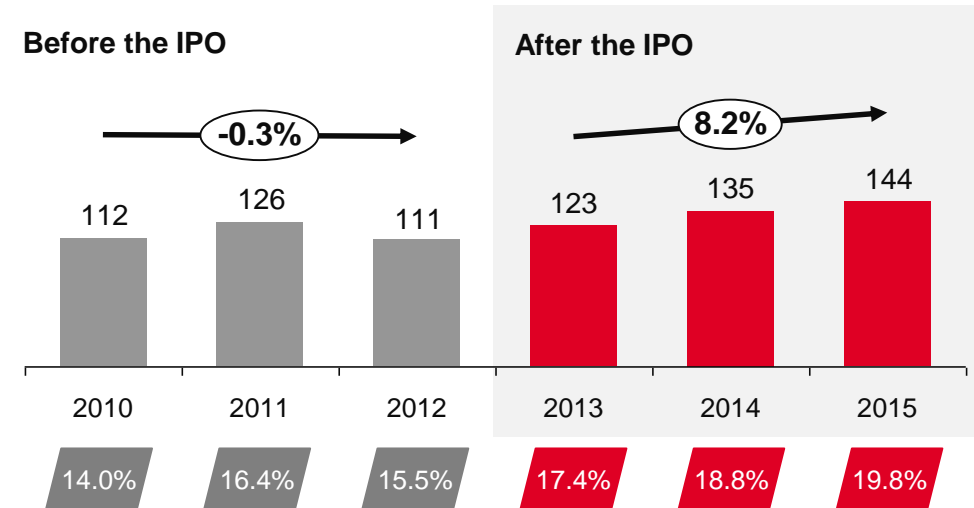


Reversing the revenues ¹ declining trend (€ million)

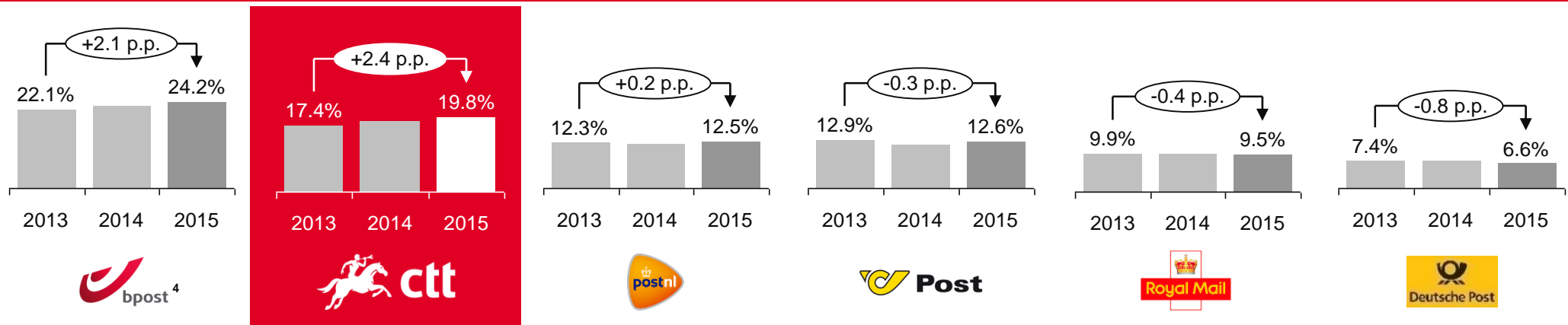


○ CAGR □ Recurring EBITDA margin

Strong recurring EBITDA ² growth (since 2012) (€ million)



Industry-leading EBITDA margins ³



¹ Reported revenues including income related to CTT Central Structure and Intragroup Eliminations; ² Excluding amortisation, depreciation, provisions, impairment losses, non-recurring revenues and non-recurring costs;

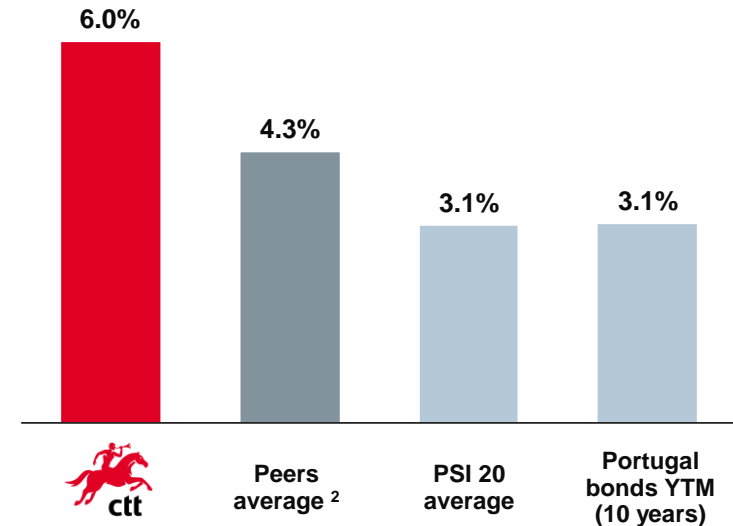
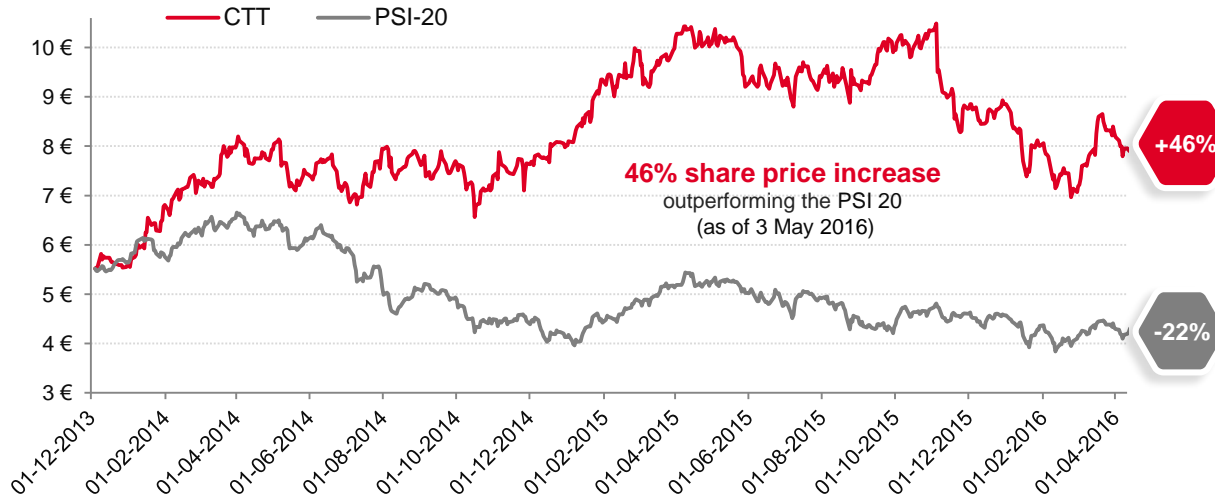
³ Source: Annual Reports – excluding non-recurring items. Royal Mail fiscal year ends in March (e.g. 2015 refers to the period between Apr-14 and Mar-15); ⁴ Receives government subsidies.

CTT OVERVIEW: DELIVERING SIGNIFICANT VALUE TO ITS SHAREHOLDERS BOTH IN SHARE PRICE APPRECIATION AND HIGH DIVIDENDS DISTRIBUTION



Share price significantly outperforming the Portuguese stock market index ¹

Offering an attractive dividend yield ^{1, 2}



Value creation story

IPO

€579m

for the Portuguese Government in the IPO of ~70% of capital (excluding greenshoe)

ABB

€343m

in 45 minutes and 7% discount in the biggest ABB ever in Portugal (~30%) (in terms of % offered)

Free Float

93%

Stable and well diversified institutional investor base

Dividends

>€200m

paid in dividends since the IPO (€60m in 2014, €69.75m in 2015 and €70.5m in 2016)

¹ Euronext, 3 May 2016; PSI20 rebased to CTT IPO share price; ² Peers included are: Austrian Post, Bpost, Deutsche Post, Royal Mail Group, Poste Italiane and Post NL.

III. CTT strategy



CTT STRATEGY: CTT HAS A WELL-DEFINED STRATEGY LEVERAGING ON ITS COMPETITIVE SKILLS AND ADVANTAGES



PRESERVE THE VALUE OF THE MAIL BUSINESS



- I. Regulatory management (pricing & other)
- II. Develop specialised segments (e.g. Direct Mail)
- III. Physical / digital mail transition

CAPTURE THE GROWTH TREND IN PARCELS



- I. Offer upgrade
- II. E-commerce initiatives
- III. Monitor growth opportunities (e.g. logistics)
- IV. Spain: turnaround

GUARANTEE THE SUCCESS OF BANCO CTT TO EXPAND THE FINANCIAL SERVICES BUSINESS



- I. Success of Banco CTT
- II. Reinforce and widen the Financial Services offer (e.g. CTT payments & Payshop)



OPERATIONAL EFFICIENCY

Continuous improvement of processes and operations in order to promote CTT's profitability



COMMERCIAL EXCELLENCE

Integrated and customer-centric commercial approach in order to identify and meet customers' needs and preferences

Financial strength

Strong Balance Sheet and capacity to generate cash flow

Proximity (network & brand)

Leverage on the scalability of the CTT core assets and brand

Cultural transformation

Build an increasingly efficient and effective human capital structure

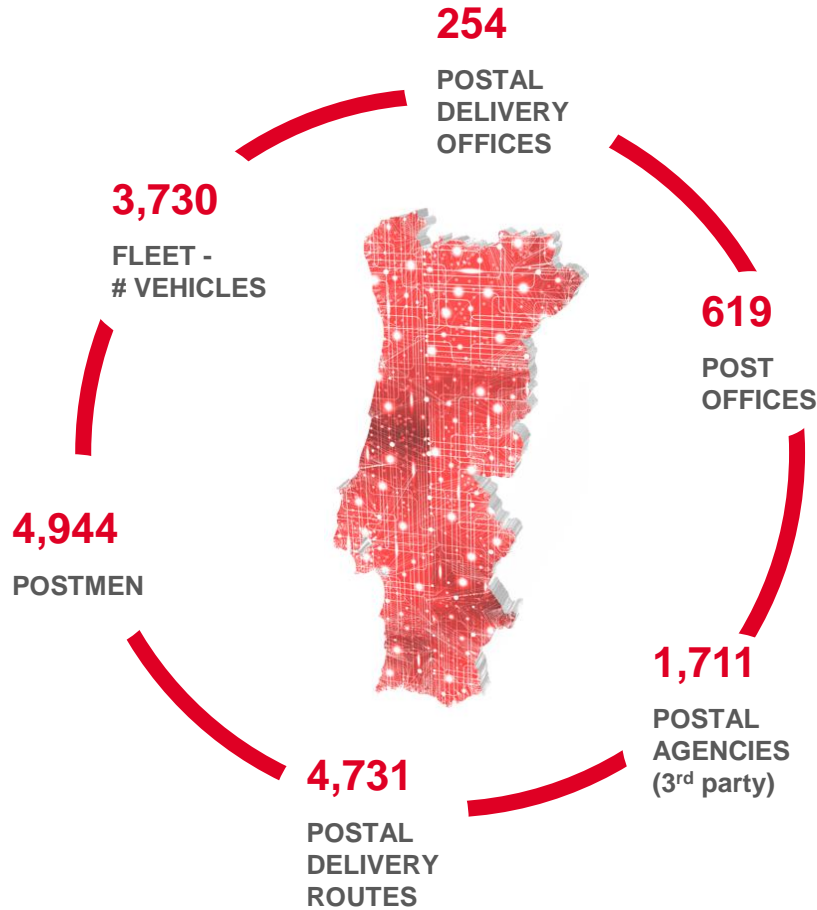
IT & Digital

Critical enabler of the business growth, modernisation and the decision-making process

Innovation

New approach to innovation based on the wisdom of the crowds allowing every employee to contribute

CTT STRATEGY: TWO INDEPENDENT GROWTH LEVERS SHARING COSTS WITH MAIL – EXPRESS & PARCELS AND FINANCIAL SERVICES / BANCO CTT



Two unique networks with high capillarity (Distribution and Retail)

Two independent growth levers sharing costs with Mail

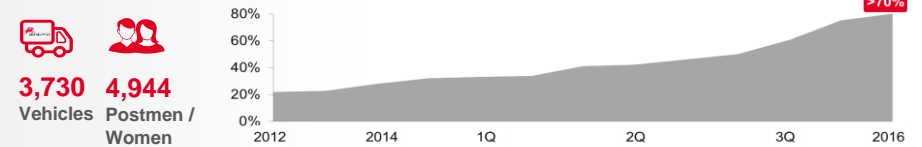
Strong profitability and cash generation

Visible and trusted brand

EXPRESS & PARCELS

- ✓ Mail and Express & Parcels distribution networks integration

% of CTT Expresso volumes delivered by the Mail network:



FINANCIAL SERVICES

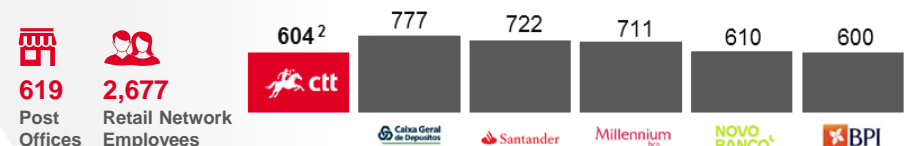
- ✓ Use of the Retail Network to sell financial (non-banking) products



BANCO CTT

- ✓ Leveraging on the Retail Network, the recognition & awareness of CTT brand and 50 years of track record selling financial products

Portuguese banks' retail networks (# of branches 1):



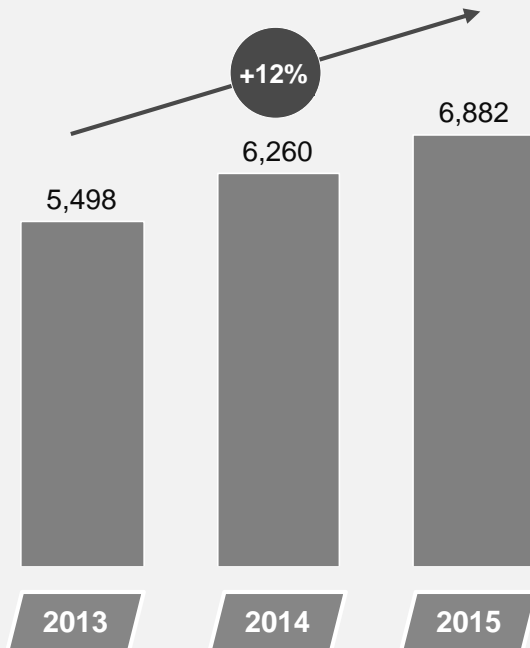
¹ Information of Bank of Portugal, extracted as at 6 April 2016 (Santander includes acquisition of Banif branches); ² Ramp-up of Banco CTT up to 603 CTT post offices in the first 3 years and 1 head branch. Note: CTT data as at 31 December 2015.

CTT STRATEGY: FOCUSING ON GROWTH SEGMENTS, SUCH AS DIRECT MAIL, TO DIVERSIFY AND CAPTURE THE FULL MARKET POTENTIAL



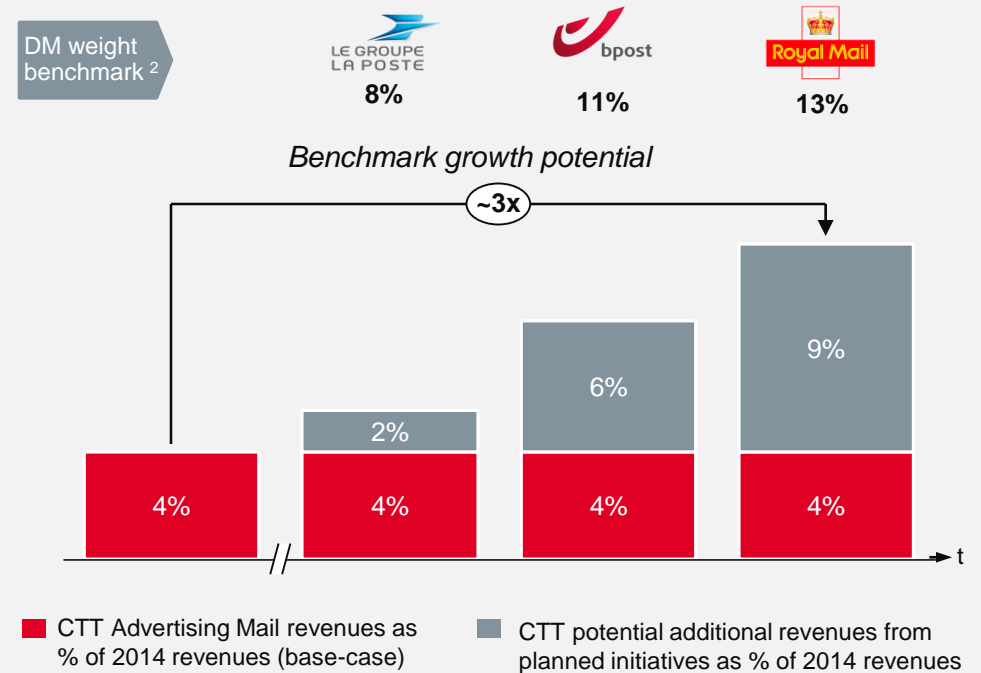
Advertising is a growing sector in Portugal

Domestic advertising spending (€ million)



● CAGR

Target weight of Direct (Advertising) Mail in CTT revenues ¹



Key initiatives to implement

CREATION OF AN ONLINE PLATFORM (allowing SMEs to create and manage Advertising Mail campaigns)

DIGITAL MARKETING INTEGRATED OFFER

REBRAND THE ADVERTISING MAIL PRODUCT OFFER

APPROACH TO CREATIVE AND MEDIA AGENCIES

¹ Calculated based on CTT 2014 reported revenues; ² Advertising Mail revenues as % of 2014 reported revenues (Annual Reports).

CTT STRATEGY: AUTOMATING AND MODERNISING CURRENT INFRASTRUCTURE TO ADAPT TO NEW MARKET TRENDS, NAMELY E-COMMERCE



E-commerce parcels – “Restmail” machine

Context: significant increase in parcels volumes



- E-commerce development both locally and internationally

Type of items: small and medium packages (up to 15kg)



- Current capacity: 6K items per hour
- Maximum capacity: 12K items per hour
- Total investment: ~€2m

Results: competitive advantage in e-commerce business



- Increase automation levels to 90% (vs. 80% previously)
- Better quality of service and lower processing times

12K/h
ITEMS

90%
AUTOMATION
LEVEL

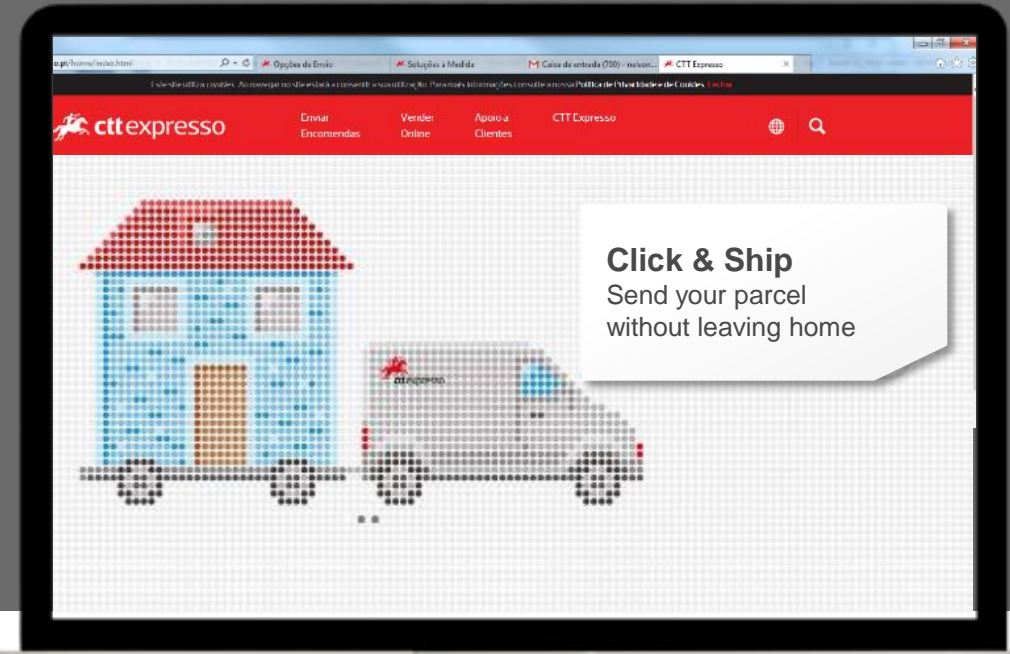


PIONEERING AND LEADING-EDGE TECHNOLOGY (by Siemens)

CTT STRATEGY: UPGRADING DIGITAL CHANNELS AND EXTENDING PU DO NETWORK IN PARCELS TO IMPROVE THE INTERACTION WITH CUSTOMERS



New CTT Expresso digital channels strategy



Extended PuDo network (>1,000 points)





Keep up with technological trends and improve customer experience



CTT STRATEGY: INCREASING VALUE ADDED SERVICES BY WIDENING THE DISTRIBUTION / RETAIL PARTNERSHIPS



EXAMPLES OF CTT PARTNERSHIPS

<p>Citizen's Bureau Areas</p> 	<ul style="list-style-type: none"> E-government services
<p>PT Portugal</p> 	<ul style="list-style-type: none"> Sale of PT Portugal products and services
<p>EDP</p> 	<ul style="list-style-type: none"> Integrated payment offer for utilities Client capture and contract signature
<p>BRISA</p> 	<ul style="list-style-type: none"> Toll payments

CITIZEN'S BUREAU AREAS – SERVICES PROVIDED



Examples:

- Driving license renewal
- Residence permit scheduling renewal
- Registering intellectual property
- Notarial or judiciary certificates requests
- Real Estate, Civil or Commercial certificates requests

IMPLEMENTATION TIMELINE

CTT RETAIL NETWORK

24

2014
Phase 1

Pilot

+200

2015
Phase 2

Opportunity: mainly cross-selling

+100

2016
Phase 3

DIGITAL ECONOMY MAKES RETAIL NETWORKS MORE OF A SERVICING CHANNEL THAN A SELLING ONE

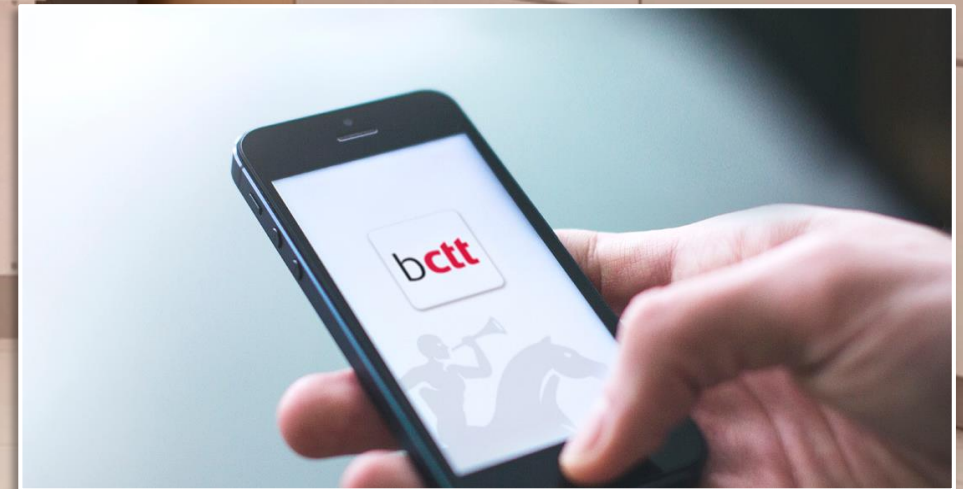
IV. Banco CTT as an extension of CTT's strategy



Banco CTT



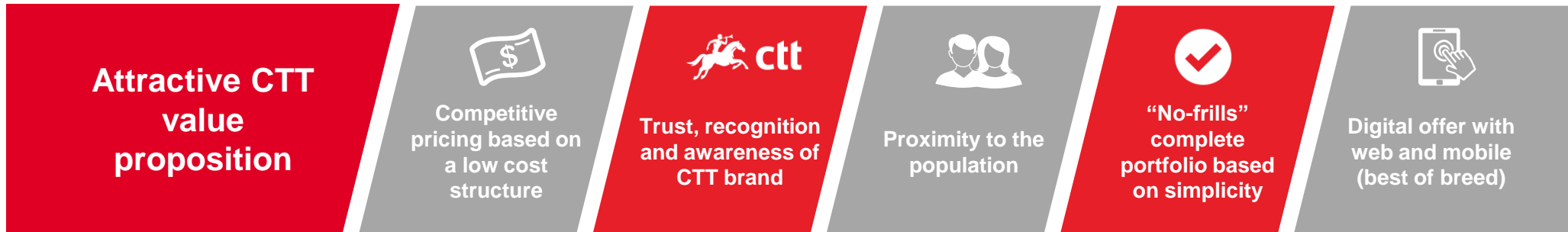
- € Maintenance fee
- € Annual debit card fee
- € Fee for national transfers via homebanking



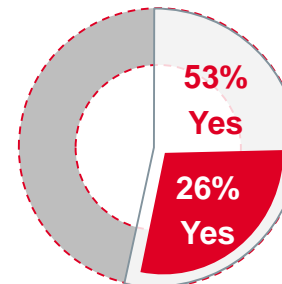
BANCO CTT: CTT HAS IDENTIFIED AN OPPORTUNITY TO LAUNCH A BANKING OPERATION BASED ON A NO-FRILLS CONCEPT AND STRONG DIGITAL PRESENCE



Why launch a banking operation in the current interest rate environment?



Market research – Banco CTT acceptance



"Do you consider Banco CTT proposal interesting?"

"Would you subscribe to the Banco CTT product offer?"

BANCO CTT: LEVERAGING ON A TRUSTED BRAND PRESENT IN PORTUGAL FOR CLOSE TO 500 YEARS



**POSTAL MONEY ORDERS:
1ST CHANNEL OF MONEY
TRANSFER IN PORTUGAL**



**CTT SUCCESSFULLY
BECOMES A PUBLICLY LISTED
COMPANY** on the Lisbon stock
exchange (70% privatised)



**BANCO CTT
LAUNCH**



1520

1912

1961

2013

2014

2015



**APPOINTMENT OF THE
1ST POSTMASTER**

King D. Manuel I creates the
first public mail service in
Portugal



**ONLY NETWORK IN
PORTUGAL DISTRIBUTING
PUBLIC DEBT
CERTIFICATES**



CTT 100% PRIVATISED

BANCO CTT: UTILISING THE EXISTING CTT RETAIL NETWORK WHICH COMPARES WELL WITH THE LARGEST BANKING NETWORKS IN PORTUGAL



Operational delivery model

83

Post offices with Banco CTT dedicated space



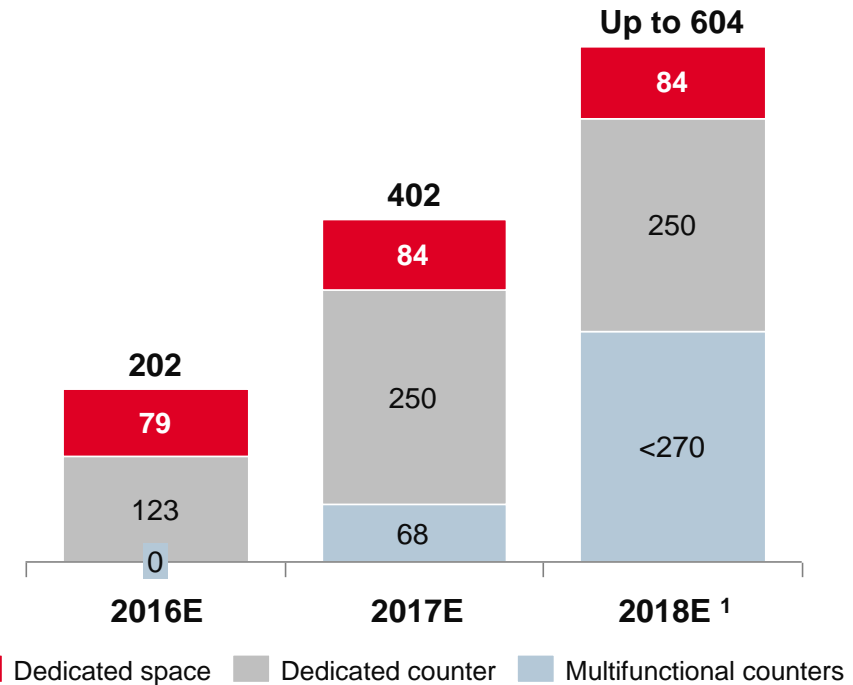
250

Post offices with Banco CTT dedicated counter



Up to 270

Post offices with multi-functional counters



Portuguese banks' retail networks | # of branches¹

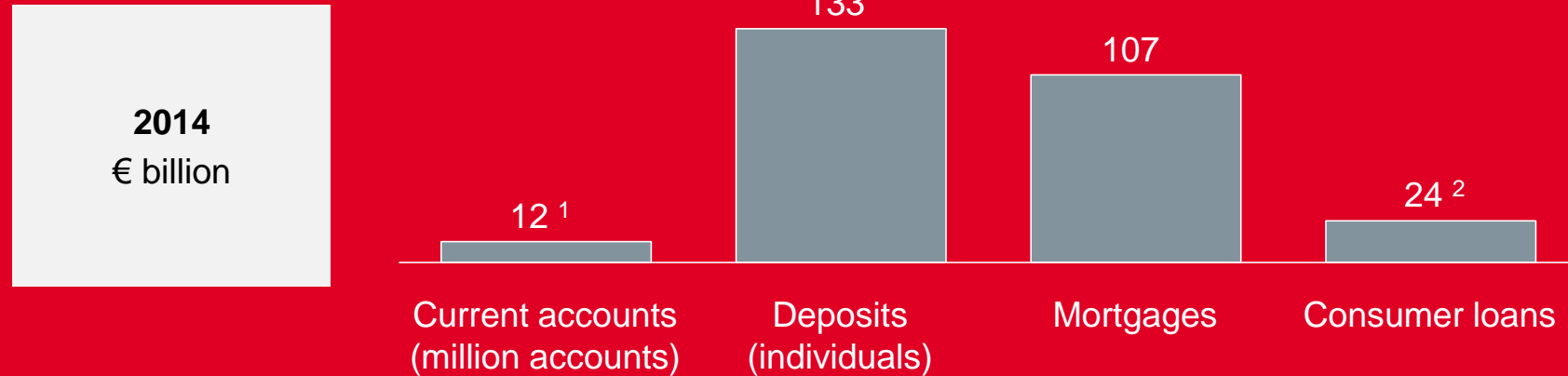


¹ Information of Bank of Portugal, extracted as at 6 April 2016 (Santander includes acquisition of Banif branches); ² Ramp-up of Banco CTT up to 603 CTT post offices in the first 3 years and 1 own branch; ³ USO obligation for density of network.

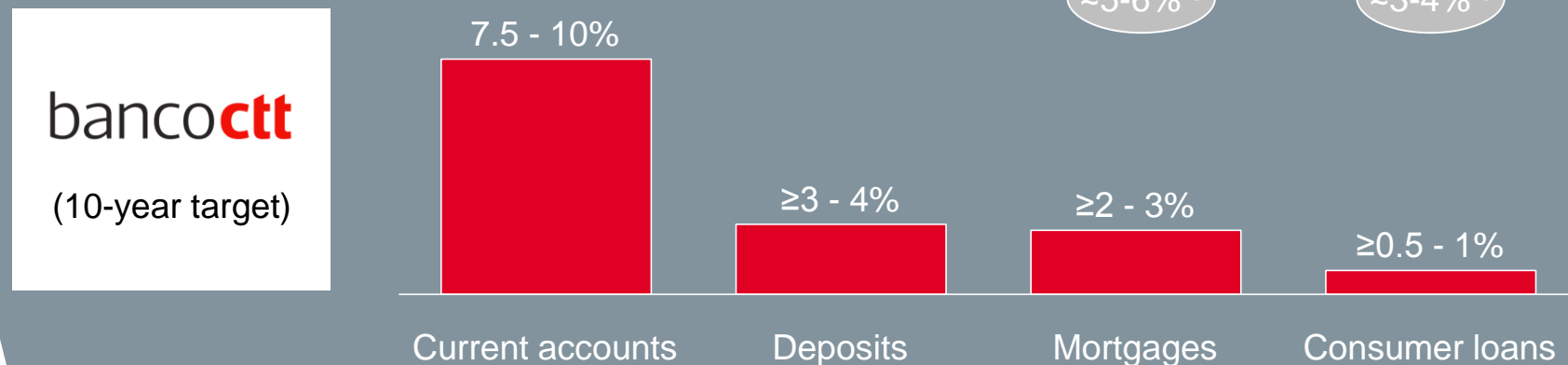
BANCO CTT: EXPECTED TO HAVE A HIGHER MARKET SHARE IN ACCOUNTS THAN IN DEPOSITS



OVERALL MARKET



MARKET SHARE TARGETS



● New production

¹ Excluding estimated 1 million enterprise accounts from "Associação Portuguesa de Bancos" (APB – Portuguese Banking Association) reported figure 12.6 million active accounts in 2014;

² Including consumer and other loans; ³ Market share estimates based on the assumption that in the long run the credit market will progressively recover to historical levels.

Source: Bank of Portugal; Associação Portuguesa de Bancos.

BANCO CTT: SUSTAINED IMPROVEMENT IN VALUE CREATION OVER TIME IS ANCHORED IN FOUR KEY SUCCESS FACTORS



Banco CTT's financials ambition

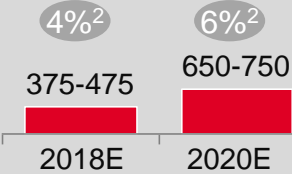
Key success factors

Remarks

Revenues¹
€ million

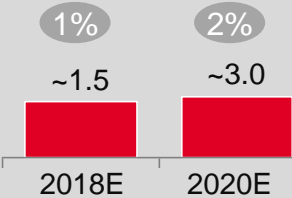


1 Number of accounts
Thousand



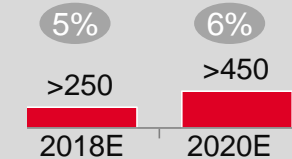
- Long-term aspiration of one million clients aligned with European postal banks' market share benchmark

3 Deposits
€ billion



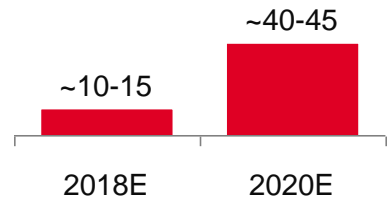
- Lower market share than in accounts, given bias towards mass market (but still capturing a significant volume by building primary banking relationships)

4 Mortgages (new production)
€ million

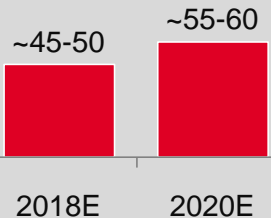


- Implied market share in new credit origination of 5-6% (assuming credit market recovers to pre-crisis levels)

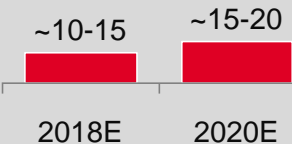
Operating result³
(before shared costs)
€ million



Operating costs³
(before shared costs)
€ million



2 Shared costs
€ million



- Value generation for CTT
- Low operating cost given:
 - Network cost advantage due to shared costs
 - Simple product offering
 - No legacy in IT and processes allowing for a lean operation

● Market share

¹ Including net interest income (both from credit operation and financial investments) and net commission income.

² Market share calculated as a percentage of active bank accounts in Portugal (12.6m according to Associação Portuguesa de Bancos).

³ Excluding shared costs with CTT, impairments, provisions and taxes.

BANCO CTT: STRONG INVESTMENT IN THE INITIAL YEARS NEEDED TO SUPPORT THE BANK'S LAUNCH

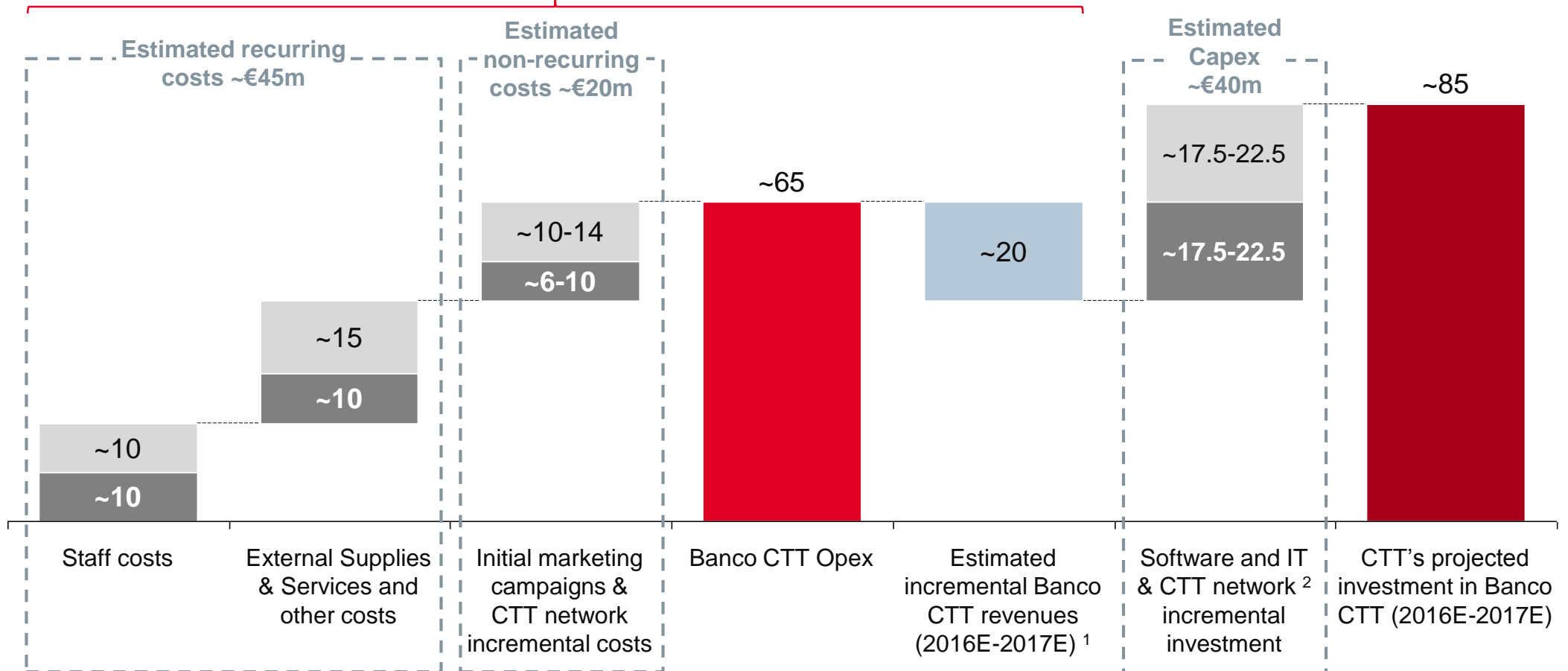


CTT's projected investment in Banco CTT (2016E-2017E)

€ million

■ 2016E ■ 2017E

Impacting reported EBITDA



Alignment between CTT and Banco CTT to successfully deliver the project

¹ Excluding revenues that migrate from CTT; ² Incremental spending related with the implementation of the bank in the CTT post offices.

V. 1Q16 highlights

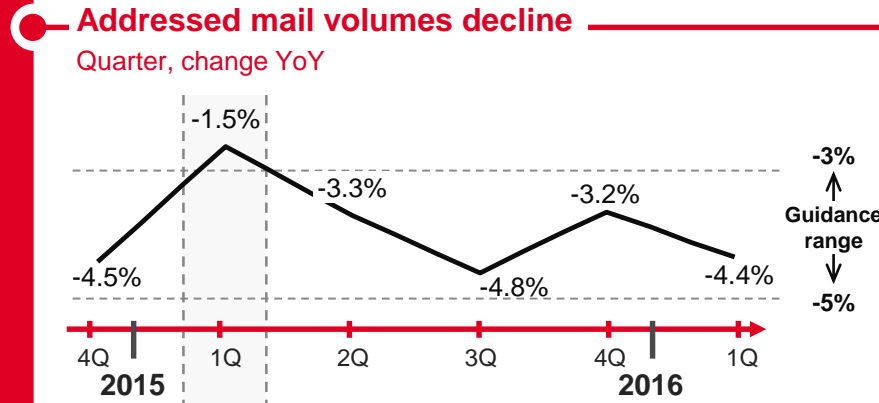


1Q16 HIGHLIGHTS: ANOTHER YEAR WITH OVER-PRONOUNCED 1ST QUARTER EFFECTS; FULL YEAR GUIDANCE CONFIRMED



MAIL

Addressed mail volumes decline (-4.4%) normalises in 1Q16 within the guidance range (-3% / -5%), contrary to the much better than normal level in 1Q15 (-1.5%); FY15 decline was -3.2%



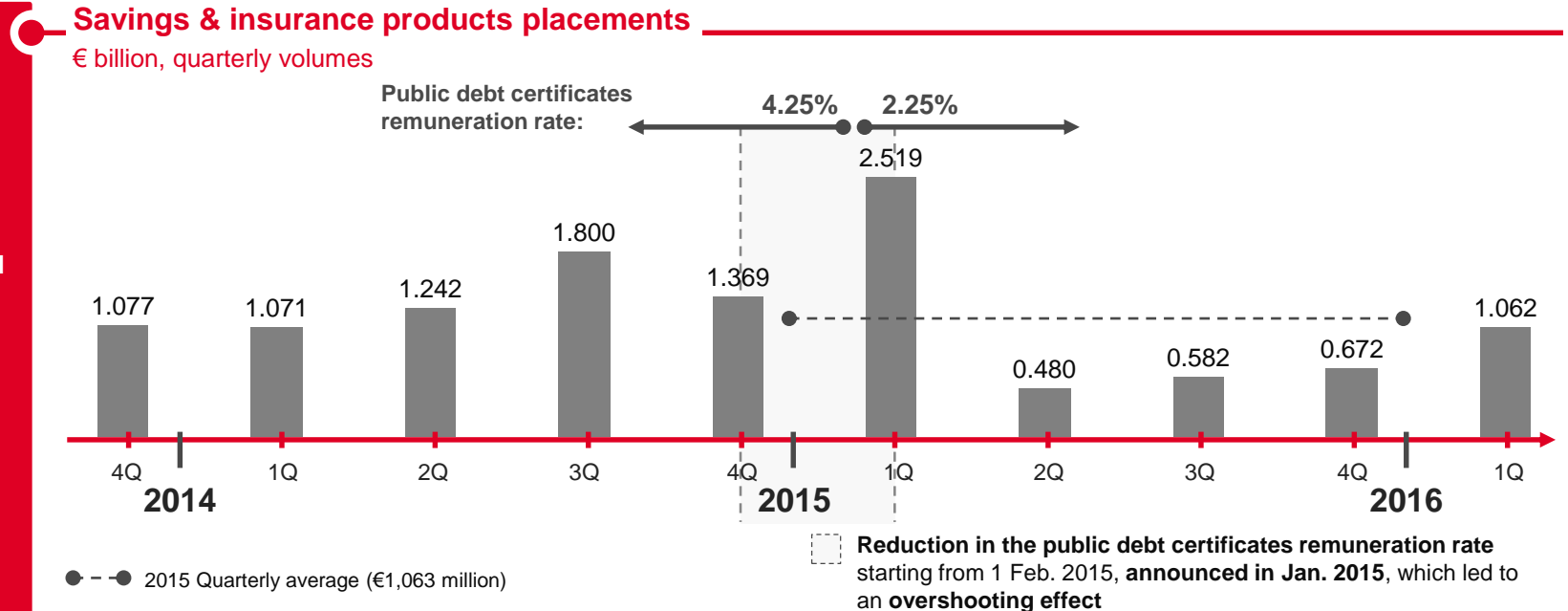
EXPRESS & PARCELS

Volumes and revenues impacted by:

- In Portugal, continuous negative pressure on the “Banking documents delivery network”¹ and termination of service to a large low-margin client in 4Q15 whose volumes are being replaced by smaller but higher-margin clients
- In Spain, initial effects of the termination of service to large loss-making clients in recent turnaround initiative with positive impact on EBITDA

FINANCIAL SERVICES

- Extraordinarily strong level of placements of savings products in 1Q15 drives a negative comparison with 1Q16
- 1Q16 performance in fact a solid one: >€1bn of savings & insurance products inflows, exactly in line with the 2015 average quarterly placements
- Comparison effect in both revenues and EBITDA expected to normalise along the year



Several effects put downward pressure on the results when looking at just one quarter, normalisation expected to occur along the year

¹ Service that CTT provides for banks – delivery of documents between branches and central offices.

1Q16 HIGHLIGHTS: DESCRIBED OVER-PRONOUNCED 1ST QUARTER EFFECTS & BANCO CTT



COSTS IN 1Q16 IMPACT THE QUARTERLY COMPARISON

Financial and operational performance

€ million, except when indicated otherwise

Financial indicators:	1Q15	Including Banco CTT		Excluding Banco CTT ⁴	
		1Q16	Δ%	1Q16	Δ%
Recurring revenues ¹	191.2	177.9	-7.0%	177.7	-7.1%
Recurring operating costs ²	149.5	142.7	-4.5%	139.4	-6.7%
Recurring EBITDA ^{1, 2}	41.7	35.1	-15.8%	38.3	-8.5%
Recurring net profit ³	25.5	20.4	-19.9%	22.9	-10.7%
Reported net profit	22.3	20.7	-7.3%	24.4 ⁵	+3.9%

Metric	Addressed mail (million items)	Unaddressed mail (million items)	Parcels (million items)	FS savings flows ⁶ (€ billion)	Banco CTT current accounts (thousand)
1Q16 volumes	211.2	103.4	6.6	1.3	3.2
1Q16 vs. 1Q15	-4.4%	-6.3%	-4.0%	-54.4%	N/A

¹ Excluding non-recurring other revenues of €1.7m recognised in 1Q16 as a result of an early termination of a vacant building lease contract.

² Excluding amortisation, depreciation, provisions, impairment losses and non-recurring costs affecting EBITDA of €2.3m in 1Q15 (€1.4m related to Banco CTT) and €2.7m in 1Q16 (€1.4m related to Banco CTT – €1.2m booked in Banco CTT business unit and €0.2m booked in Mail business unit).

³ Considers the nominal tax rate of CTT.

⁴ Excluding Banco CTT business unit revenues and costs booked in Banco CTT and Mail business units.

⁵ Considers the effective tax rate of the period of CTT and Banco CTT.

⁶ Includes savings & insurance products placements and redemptions.

1Q16 HIGHLIGHTS: TWO RELEVANT EVENTS IN 1Q16 – BANCO CTT LAUNCH TO THE PUBLIC AND THE EARLY TERMINATION OF A LEASE CONTRACT



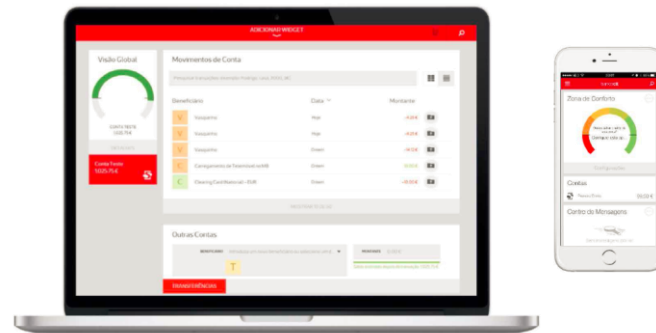
Banco CTT initiated its activity with a simple and competitive offer and state-of-the-art digital solutions

Competitive offer

€0 maintenance fee

€0 annual debit card fee

€0 fee for national transfers via homebanking



Balance Sheet optimisation measures

Early termination of vacant building lease contract as real estate market recovers

- EBITDA impact: +€1.7m from recognised deferred gain (non-recurring)
- EBIT impact: +€2.9m from reversal of provision for onerous contracts (non-recurring)
- Future cash impacts:
 - Early termination clause of €6.0m
 - Future cash flow to benefit from lower rents payable (€1.5m p.a.)

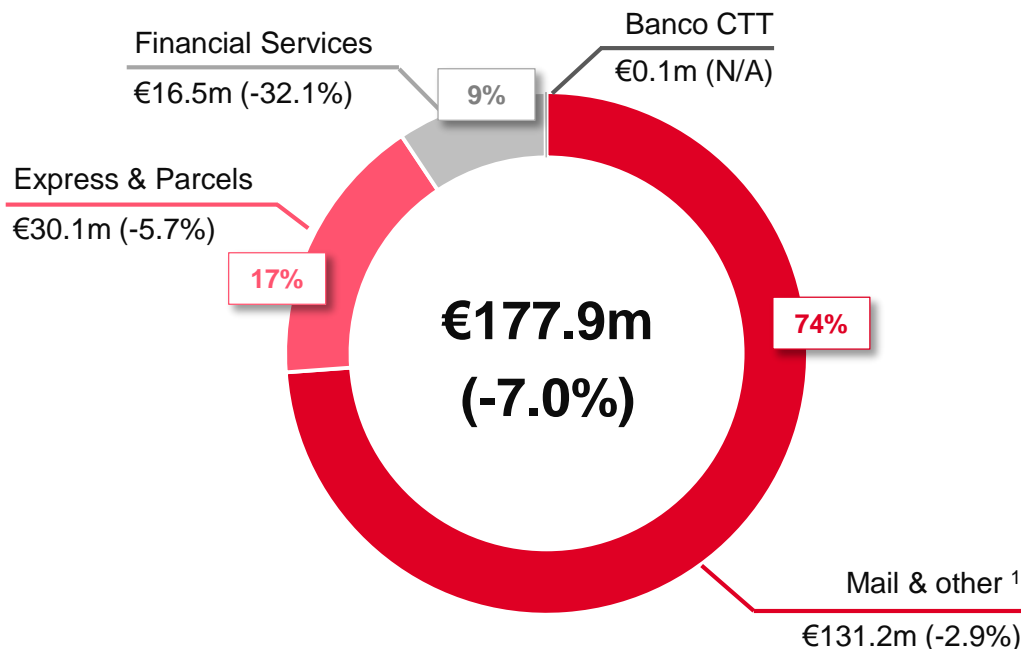


1Q16 HIGHLIGHTS: STRONG 1Q15 AND DECLINE IN E&P VOLUMES IMPACT THE REVENUES COMPARISON



1Q16 recurring revenues

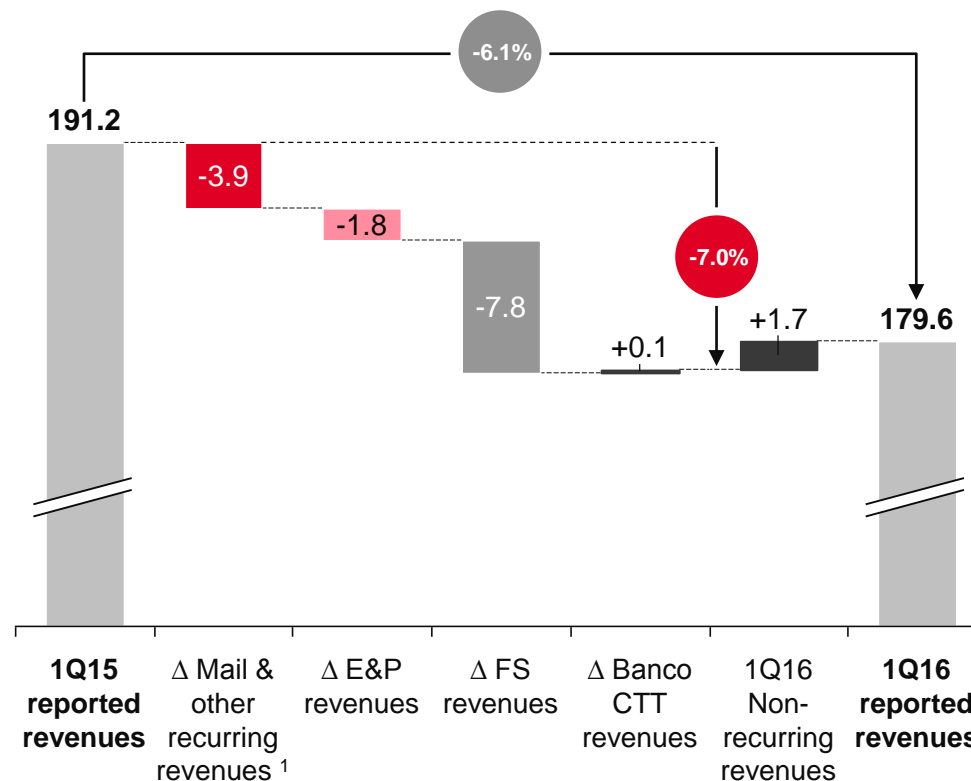
€ million; % change vs. prior year; % of total



X% % of total

Revenues breakdown

€ million



- **Financial Services revenues impacted by a challenging quarterly comparison in public debt certificates placements** (subscriptions down -57.8%, revenues down -€8.1m due to an exceptional January 2015, as a result of the downward revision of the remuneration rate on treasury & savings certificates)
- **Express & Parcels revenues affected by volumes decline in Portugal (-5.0%, due to the termination of service to a large low-margin client in 4Q15) and Spain (-3.9%, due to the termination of service to large loss-making clients in a recent turnaround initiative)**
- **Addressed mail volumes decline -4.4% (within -3% / -5% guidance)**, partially offset by 3.1% average price increase for the period

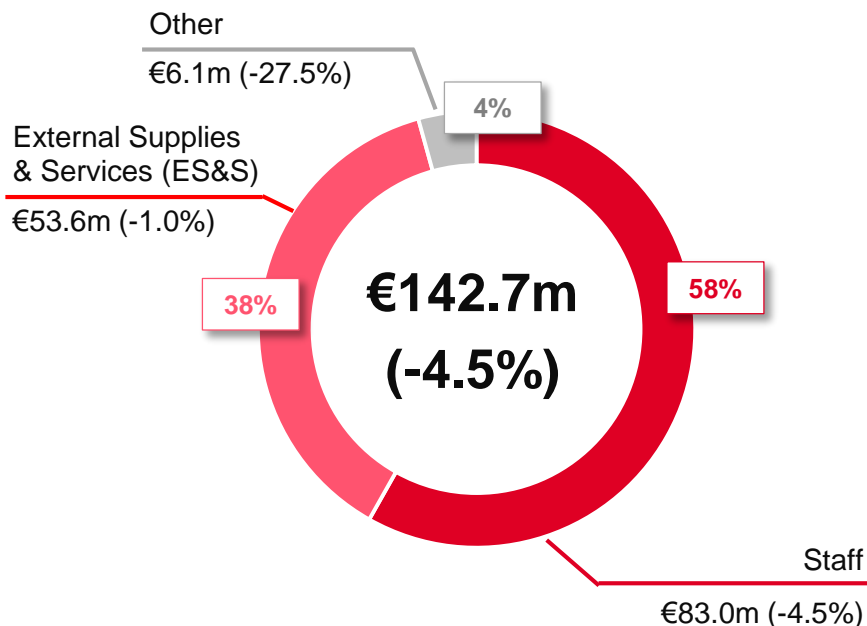
¹ Including income related to CTT Central Structure and Intragroup Eliminations amounting to -€8.7m in 1Q15 and -€7.8m in 1Q16.

1Q16 HIGHLIGHTS: RECURRING COSTS DECLINE BY 4.5%, OR 6.7% ON A LIKE-FOR-LIKE BASIS, EXCLUDING BANCO CTT



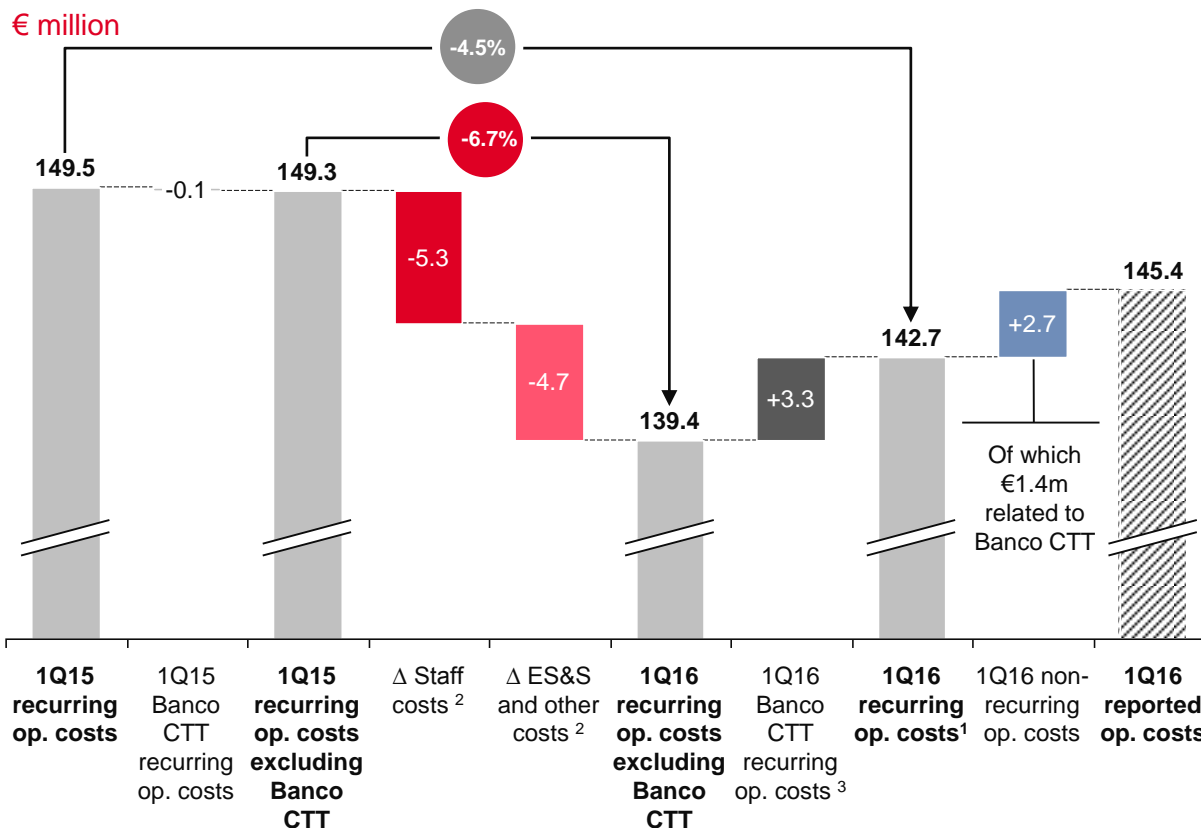
1Q16 recurring operating costs ¹

€ million; % change vs. prior year; % of total



Operating costs breakdown

€ million



X% % of total

- **Staff costs decrease** as a result of: **€2.3m reduction in remuneration**, partly due to the Company Agreement and partly to the implemented remuneration policy that connects the variable component to the company results; and **€1.5m reduction from the more balanced use of the Healthcare Plan and the telephone subscription fee employee benefit**
- **ES&S and other costs decline** mainly due to the impact of reduced distribution outsourcing due to **Mail and E&P networks integration (-€1.1m)** and **-€2.4m reduction resulting from international mail exchange rate differences**, the latter impacting mainly 1Q15

¹ Excluding amortisation, depreciation, provisions, impairment losses and non-recurring costs affecting EBITDA of €2.3m in 1Q15 (€1.4m related to Banco CTT) and €2.7m in 1Q16 (€1.4m related to Banco CTT).

² Excluding Banco CTT recurring op. costs: €0.1m in 1Q15 (booked in FS business unit) and €3.3m in 1Q16 (€3.0m booked in Banco CTT business unit, €0.3m in Mail business unit).

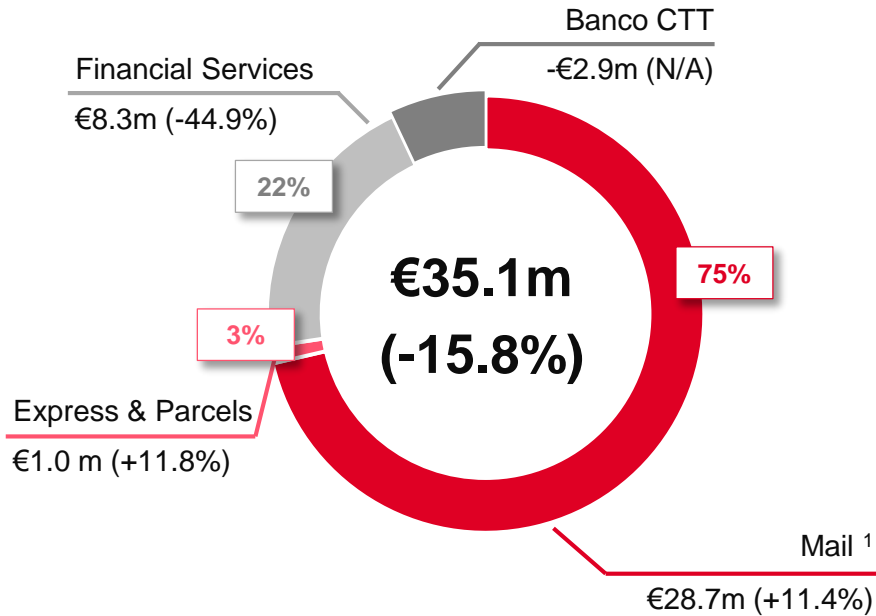
³ Booked in Banco CTT business unit (€3.0m, of which €1.5m Staff costs and €1.5m ES&S and other costs) and in Mail business unit (€0.3m of ES&S costs).

1Q16 HIGHLIGHTS: RECURRING EBITDA PERFORMANCE IN 1Q16 SERVES TO CONFIRM THE FULL YEAR GUIDANCE



1Q16 recurring EBITDA

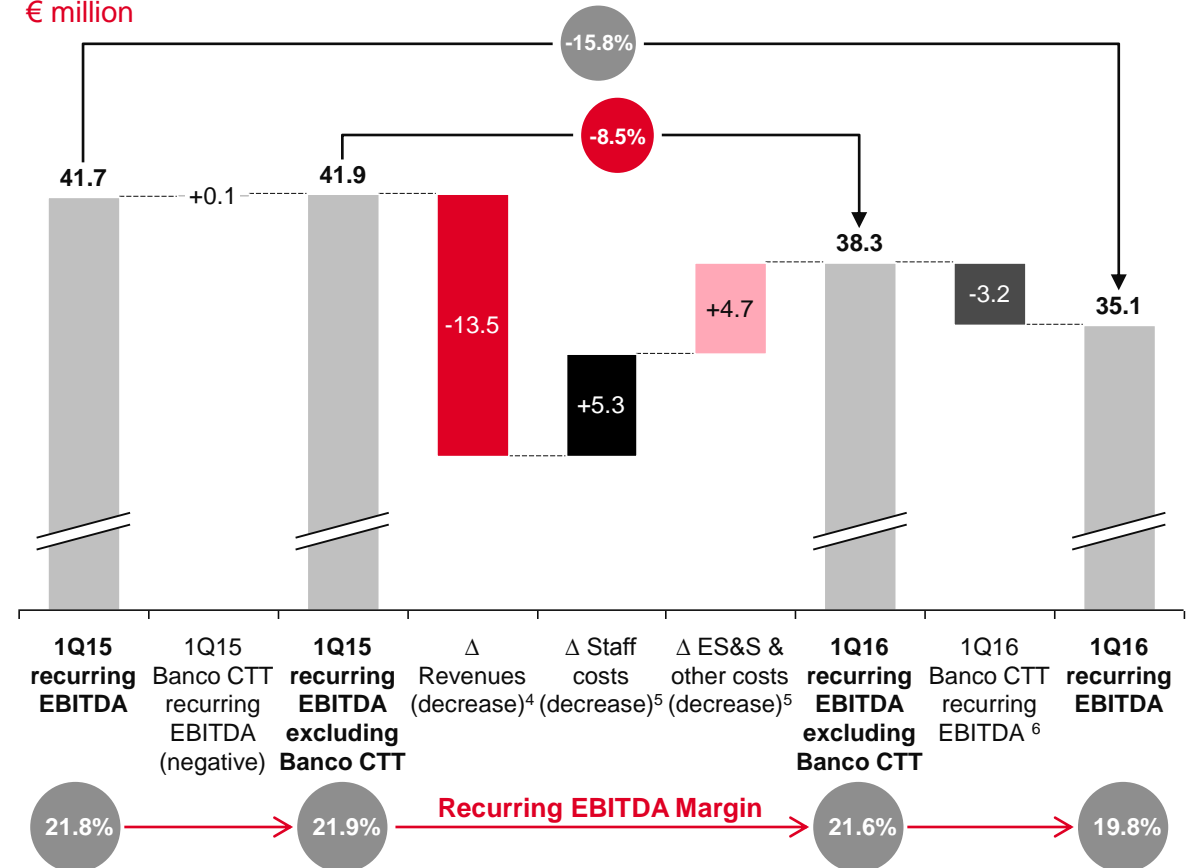
€ million; % change vs. prior year; % of total



X% % of total²

Recurring EBITDA³ breakdown

€ million



Recurring EBITDA declines by 8.5% (-€3.5m) on a like-for-like basis, as €3.3m increase in Mail EBITDA partially offsets the €6.9m decline in FS EBITDA

¹ Including €0.3m Banco CTT recurring operating costs booked in Mail business unit.

² Excluding -€2.9m Banco CTT business unit recurring EBITDA.

³ Excluding total non-recurring revenues of €1.7m in 1Q16 and non-recurring operating costs affecting EBITDA of €2.3m in 1Q15 (€1.4m related to Banco CTT) and €2.7m in 1Q16 (€1.4m related to Banco CTT).

⁴ Excluding Banco CTT recurring revenues: €0.1m in 1Q16.

⁵ Excluding Banco CTT recurring op. costs: €0.1m in 1Q15 (booked in FS business unit) and €3.3m in 1Q16 (€3.0m booked in Banco CTT business unit and €0.3m in Mail business unit).

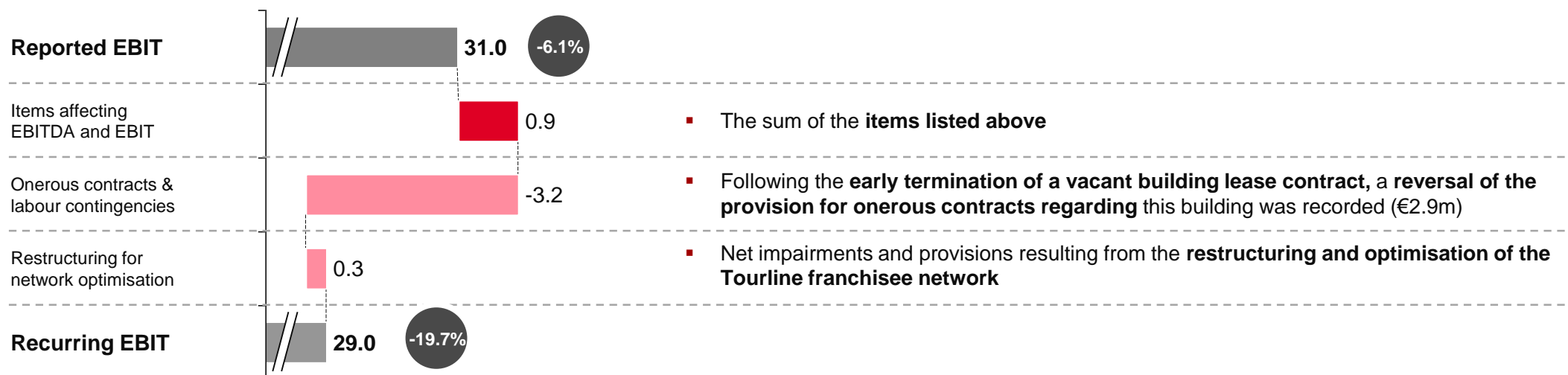
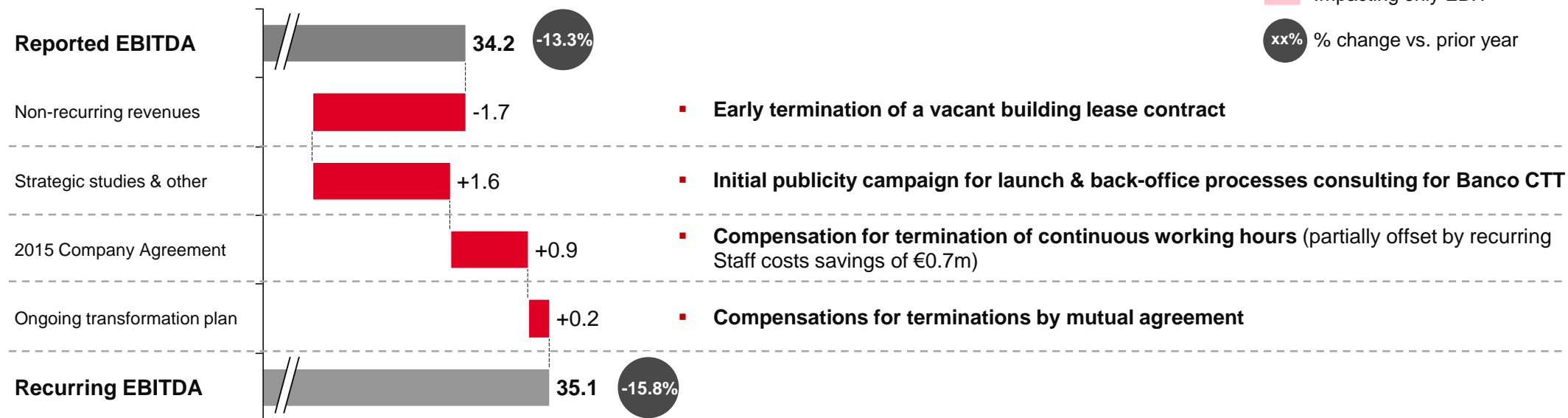
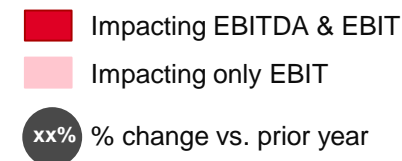
⁶ Booked in Banco CTT business unit (€2.9m) and in Mail business unit (€0.3m).

1Q16 HIGHLIGHTS: NON-RECURRING ITEMS WITH €2.0M POSITIVE IMPACT ON EBIT



1Q16 non-recurring items impacting EBITDA & EBIT

€ million



1Q16 HIGHLIGHTS: LAUNCH OF BANCO CTT SUPPORTED BY THE PARENT

COMPANY'S STRONG CASH POSITION



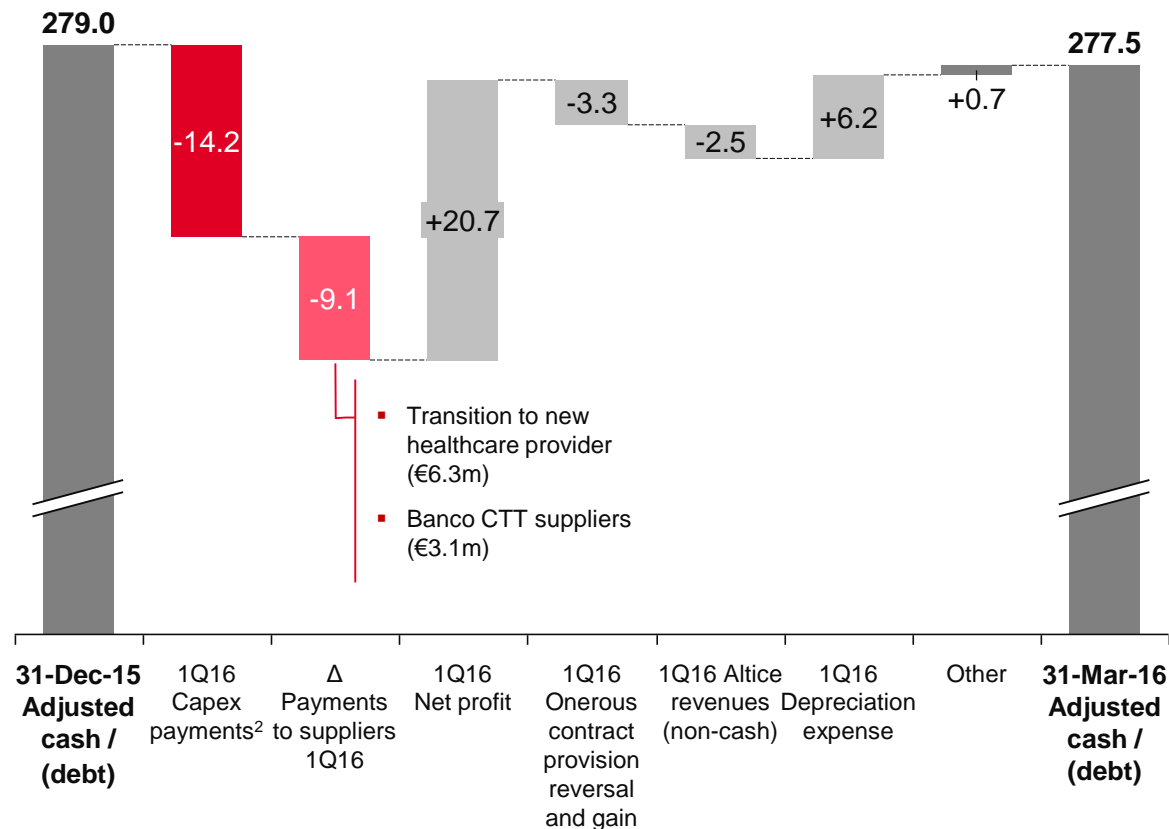
Cash flow

€ million, % change vs. 1Q15 ¹

	Reported		Adjusted ²	
	1Q16	Δ %	1Q16	Δ%
From operating activities	-15.4	+88.3%	12.1	-48.2%
From investing activities	-14.8	-37.9%	-13.3	-23.4%
Of which: Capex payments ³	-15.7	-35.9%	-14.2	-22.4%
Operating free cash flow	-30.3	+78.8%	-1.2	-109.4%
From financing activities	-0.3	-128.1%	-0.3	-128.1%
Net change in cash	-30.6	+78.4%	-1.5	-111.0%
Cash at end of period	573.0	-5.1%	277.5	-0.5%

Adjusted cash at the end of the period

€ million



Solid cash position preserved in a quarter of relevant investment in Banco CTT

¹ Except Cash at the end of the period (% change vs. Dec-15);

² Cash at the end of the period excluding net Financial Services payables of €324.7m (Dec-15) and €291.6m (Mar-16) and €4.0m net Banco CTT liabilities (Mar-16). Cash flow from operating and investing activities excluding changes in net Financial Services payables of -€155.6m (1Q15) and -€33.1m (1Q16), respectively, and change in net Banco CTT liabilities of €4.0m (1Q16).

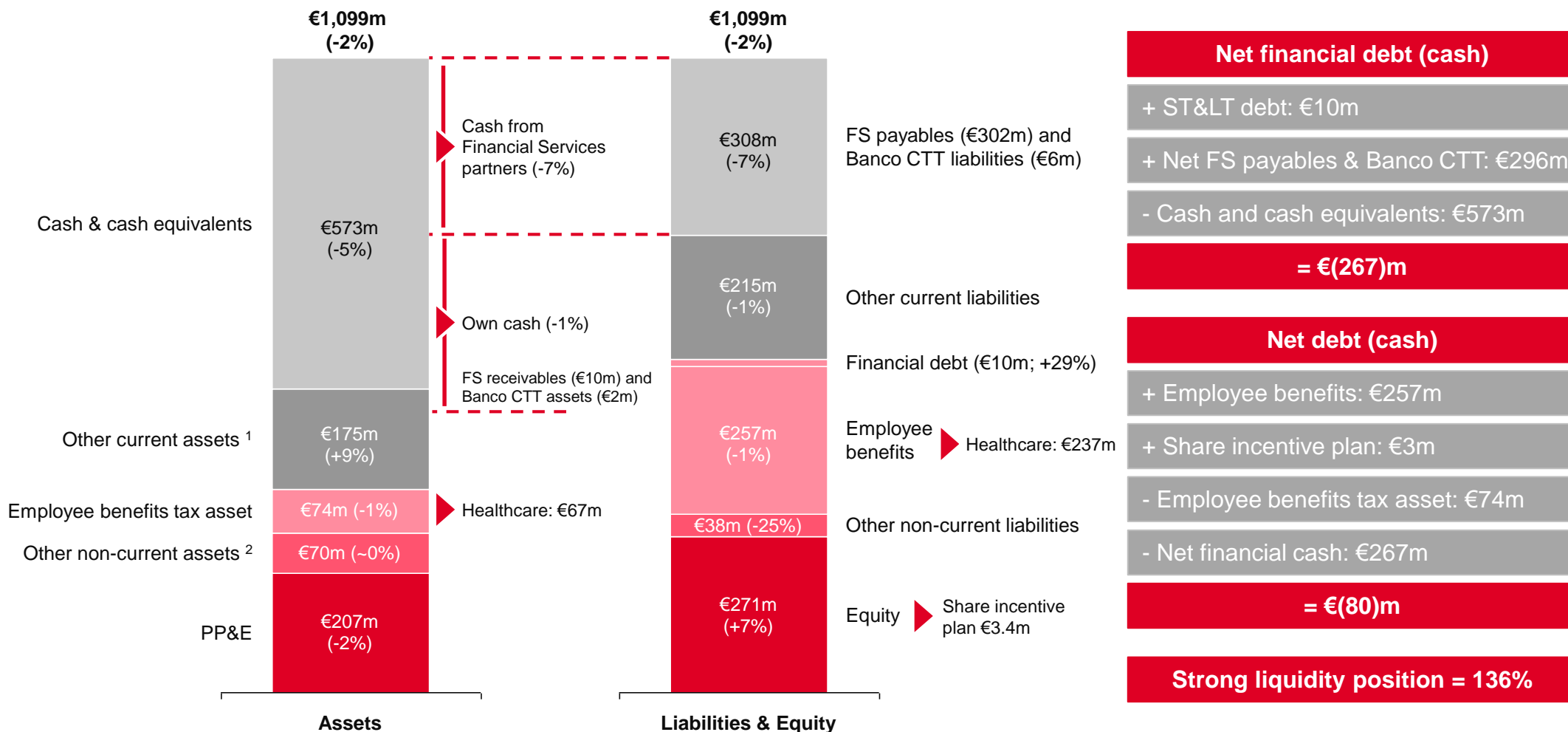
³ Cash capex presented in the table; capex was €4.7m in 1Q16 (€5.2m in 1Q15).

1Q16 HIGHLIGHTS: NET CASH STANDS AT €80M POST-EMPLOYMENT BENEFITS, NET



Balance Sheet – 31 March 2016

€ million; % change vs. 31 December 2015



Balance sheet optimisation initiatives to continue

¹ Including Financial Services receivables of €6.4m and €10.3m as at Dec-15 and Mar-16, respectively.

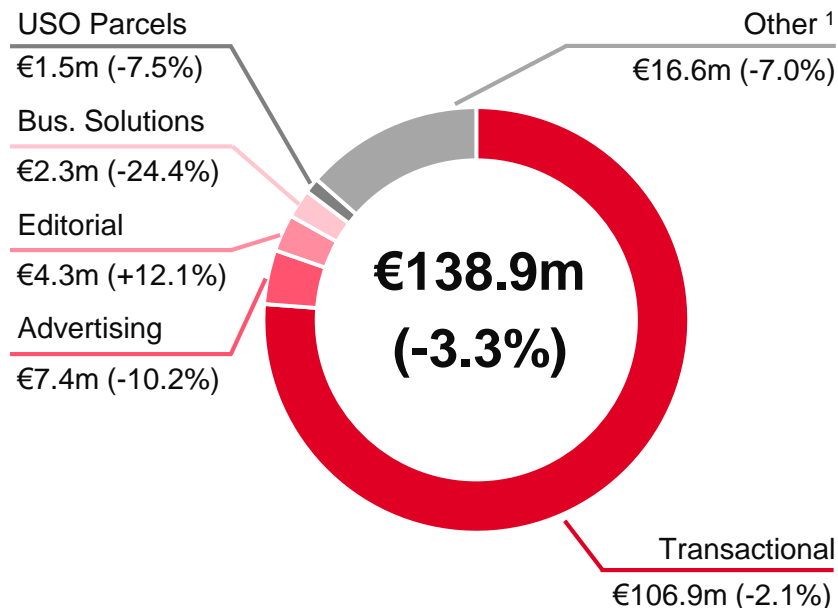
² Including Banco CTT assets of €2.0m as at Mar-16.

1Q16 HIGHLIGHTS: MAIL MARGIN EXPANDS DUE TO COST OPTIMISATION AND HIGHER UTILISATION OF ITS ASSETS BY OTHER BUSINESS UNITS



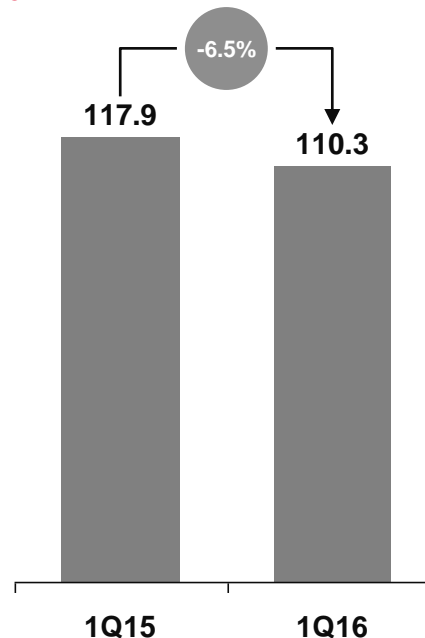
1Q16 Mail revenues by type

€ million, % change vs. prior year



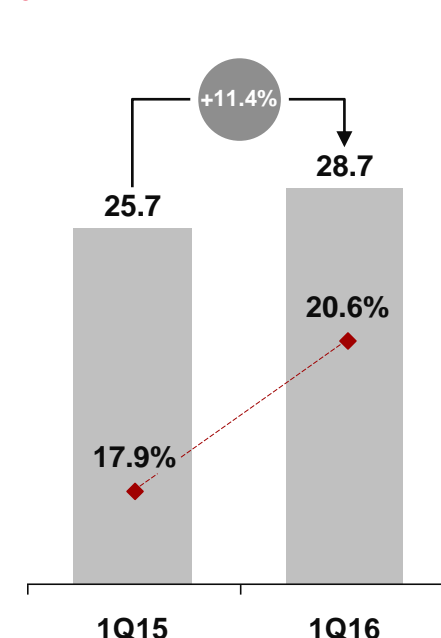
Recurring operating costs²

€ million



Recurring EBITDA²

€ million



■ Operating costs

◆ EBITDA Margin ■ EBITDA

Mail volumes by type

Metric	Avg. mail prices ⁴	Addressed mail	Transactional	Advertising	Editorial	Unaddressed mail
1Q16 volumes ³	N/A	211.2	180.5	19.3	11.4	103.4
1Q16 vs. 1Q15	+3.1%	-4.4%	-4.4%	-7.4%	+0.4%	-6.3%

¹ Including +€0.6m of revenues that result from the network integration with CTT Expresso, +€0.8m from the MoU with Altice terminating in Dec-16, +€1.3m from the improvements made in the VAT deduction methodology procedures and -€2.2m decline in revenues from international mail exchange rate differences.

² Excluding amortisation, depreciation, provisions, impairment losses & non-recurring costs. Including Banco CTT recurring operating costs booked in Mail business unit of €0.3m in 1Q16.

³ Million items.

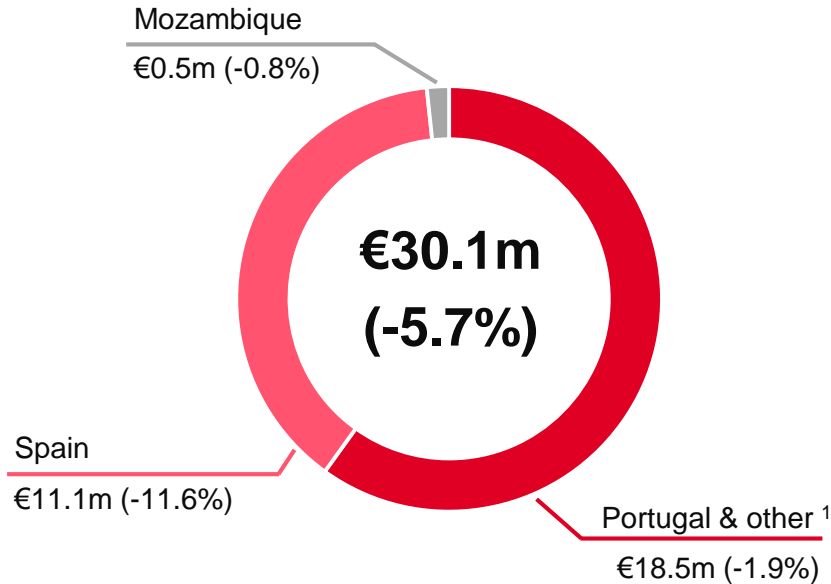
⁴ USO, excluding international inbound mail.

1Q16 HIGHLIGHTS: NETWORK INTEGRATION SAVINGS HELP OFFSET THE IMPACT OF VOLUMES DECLINE IN E&P



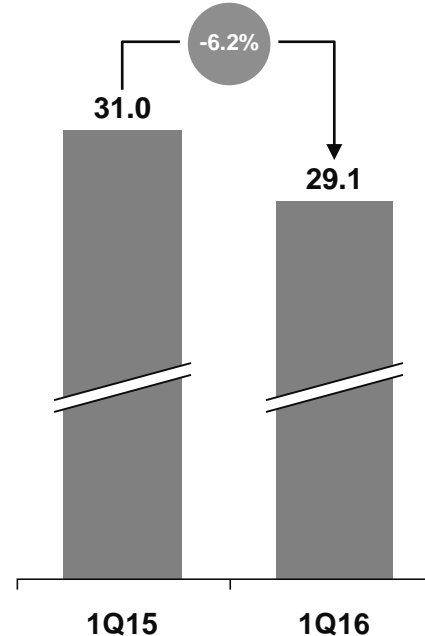
1Q16 E&P revenues by region

€ million, % change vs. prior year



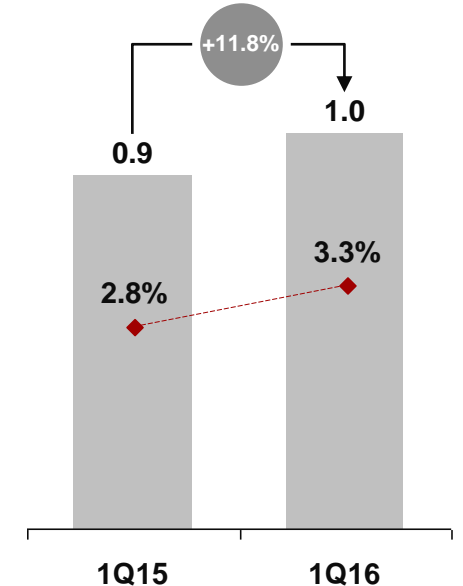
Recurring operating costs²

€ million



Recurring EBITDA²

€ million



■ Operating costs

◆ EBITDA Margin ■ EBITDA

E&P volumes by region

Metric	Total	Portugal	Spain	Mozambique
1Q16 volumes ³	6.6	3.2	3.3	0.05
1Q16 vs. 1Q15	-4.0%	-5.0%	-3.9%	>100%

¹ Including internal and other revenues, and internal transactions with Spain and Mozambique. Including +€0.8m from the MoU with Altice terminating in Dec-16.

² Excluding amortisation, depreciation, provisions, impairment losses & non-recurring costs.

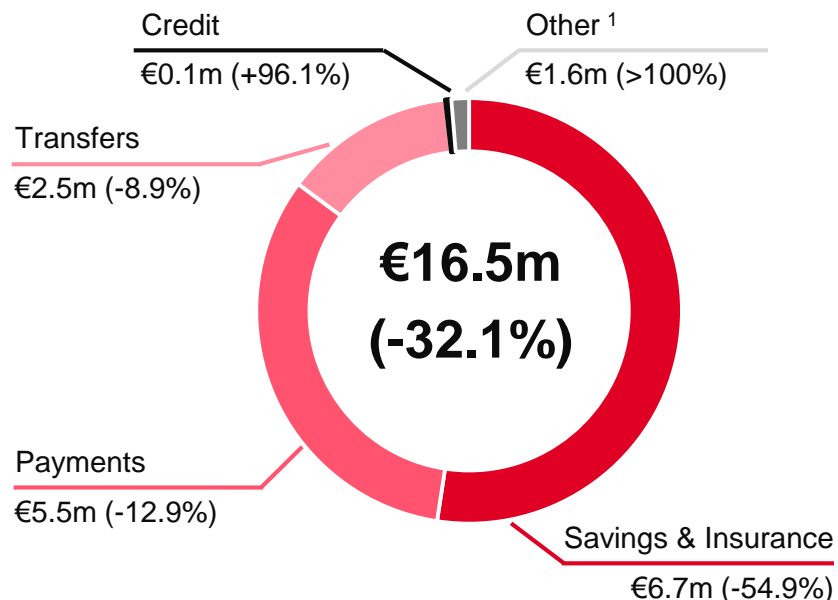
³ Million items.

1Q16 HIGHLIGHTS: FINANCIAL SERVICES COMPARISON IMPACTED BY EXTRAORDINARY PLACEMENT OF PUBLIC DEBT CERTIFICATES IN JANUARY 2015



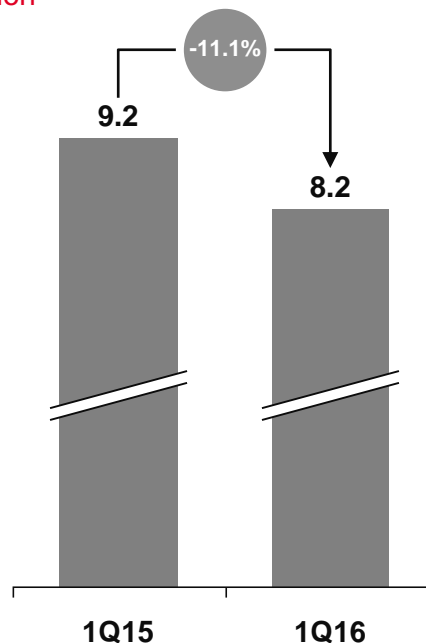
1Q16 FS revenues by type

€ million, % change vs. prior year



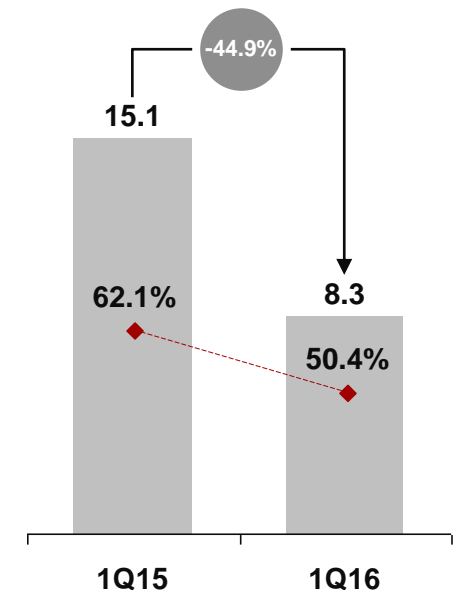
Recurring operating costs²

€ million



Recurring EBITDA²

€ million



■ Operating costs

◆ EBITDA Margin ■ EBITDA

FS volumes by type

Metric	Savings inflows ³	Payments ⁴	Money orders & transfers ⁴	Credit ⁵
1Q16 volumes	1.1	14.2	4.7	2.1
1Q16 vs. 1Q15	-57.8%	-5.5%	-5.2%	+19.1%

¹ Including +€0.8m from the MoU with Altice terminating in Dec-16 and +€0.7m from the improvements made in the VAT deduction methodology procedures.

² Excluding amortisation, depreciation, provisions, impairment losses & non-recurring costs. Including Banco CTT recurring operating costs booked in FS business unit of €0.1m in 1Q15.

³ Amount of savings & insurance products placements (€ billion).

⁴ Million operations.

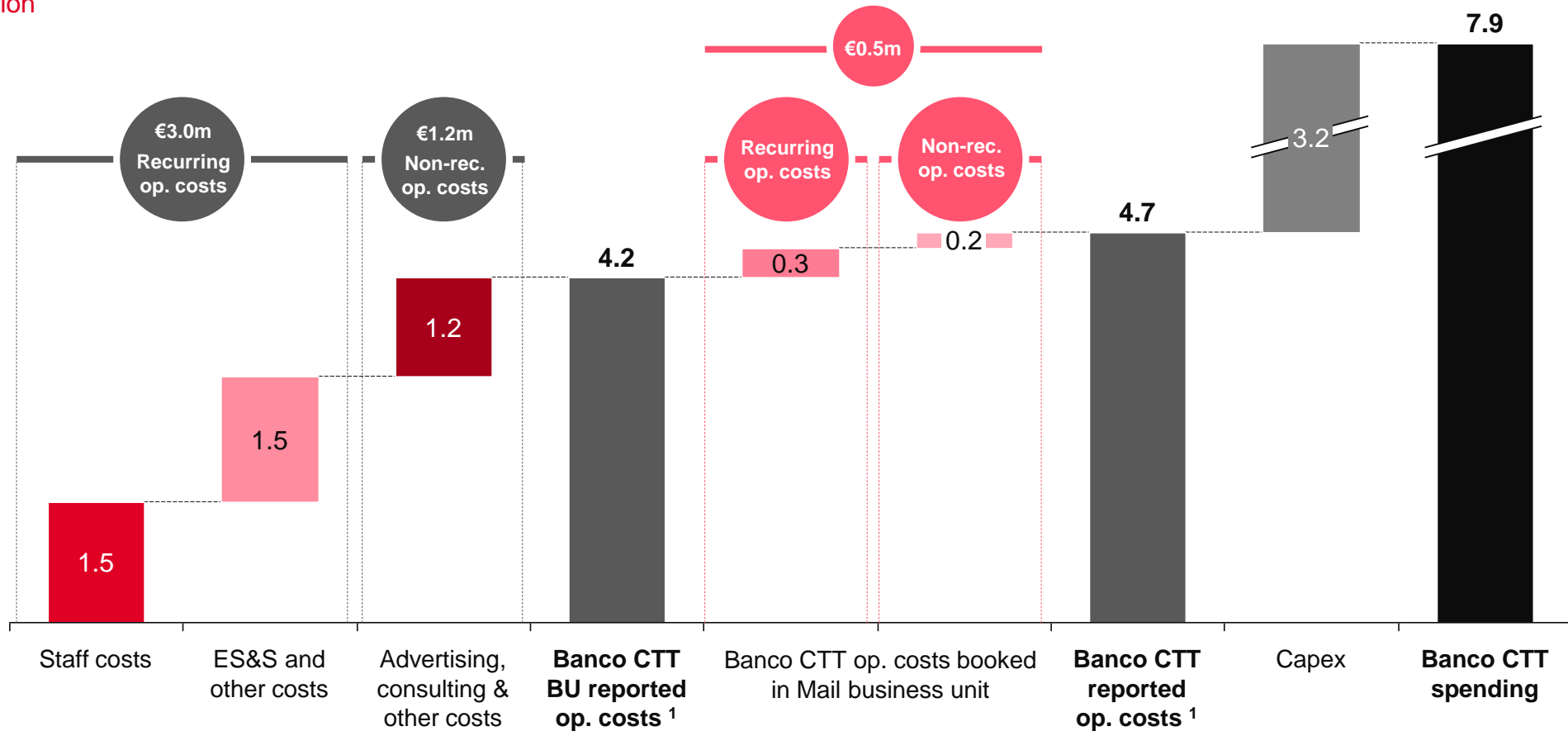
⁵ € million, new credit production, including consumer credit & credit cards.

1Q16 HIGHLIGHTS: IN 1Q16 THE TOTAL BANCO CTT SPENDING REACHED €7.9M; IT WILL RAMP-UP ALONG THE YEAR



1Q16 Banco CTT project operating costs ¹ and capex

€ million



Metric	Number of current accounts (thousand)	Customer deposits (€ million)	Investments (€ million)	Number of branches
31 Mar. 2016	3.2	4.9	1.0	52

¹ Excluding amortisation, depreciation, provisions and impairment losses.



REVENUES & VOLUMES

Growth in revenues in 2016, supported by Banco CTT launch

- Decline in addressed mail volumes [-3% / -5%], dependent of the growth of GDP
- Banco CTT 2016 focus to be on customer acquisitions (account openings)
- Banco CTT with marginal incremental revenues in 2016 to support growth

Growth in total revenues of ~10% by 2020

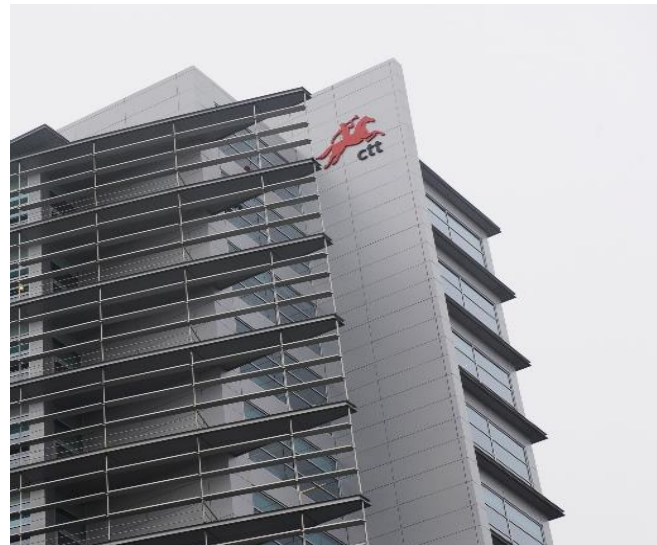


OPERATING COSTS

Recurring costs (excluding Banco CTT) to reduce in 2016:

- Full benefit of network integration and optimisation, new IT infrastructure and HR initiatives
- Additional efficiency measures under development
- Operating costs to be impacted by Banco CTT (~€20m recurring costs and ~€8m non-rec. costs)

Growth in total recurring operating costs of ~8% by 2020, increasing profitability



EARNINGS & DIVIDEND

Recurring 2016 EBITDA (excluding Banco CTT) to grow by mid-single digits, positively impacted by optimisation measures implemented

Capex of ~€40m in 2016, ~€20m of which related to Banco CTT

Stable growth of dividend supported by strong cash flow generation linked to Balance Sheet optimisation measures

Double-digit growth in total recurring EBITDA by 2020 supported by Banco CTT results

CTT Investor Relations

Upcoming Events:

- 13 May – **Frankfurt** – Roadshow with Barclays
- 16 May – **London** – IR dinner with Jefferies
- 17 May – **London** – UBS Pan European Small & Midcap Conference
- 18 May – **London** – BAML Business Services, Leisure & Transport Conference
- 6 Jun. – **Boston** – Roadshow with Investec
- 7 Jun. – **New York** – Roadshow with J.P. Morgan
- 8 Jun. – **New York** – Euronext Pan European Days Conference with Haitong
- 16 Jun. – **Milan** – Roadshow with Caixa BI
- 27 Jun. – **Switzerland** – Roadshow with Haitong
- 28 Jun. – **London** – Goldman Sachs 12th Annual European Business Services Conference

Contacts:

Phone: +351 210 471 857

E-mail: investors@ctt.pt



Para uso exclusivo do serviço postal