# FINANCIAL VALUES

**INTERIM REPORT Q1–3 2012 | AUSTRIAN POST**

# Q1–3 2012

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## REVENUE IMPROVEMENT

INCREASE OF 1.7% IN Q1–3 (EXCL. BENELUX)

## STRONG EBIT

PLUS 14.7% IN THE FIRST THREE QUARTERS

## OUTLOOK FOR 2012 CONFIRMED

EBITDA MARGIN AT THE UPPER END OF THE 10–12% TARGETED RANGE

# HIGHLIGHTS Q1–3 2012

- **REVENUE INCREASE**
  – Revenue up 0.8% in the first three quarters of 2012 (+1.7% excl. Benelux)
  – Q3 revenue down 2.1% from the prior-year level (excl. Benelux) due to more volatile economic environment
- **OPERATIONAL MEASURES**
  – Austria: new working time model and delivery optimisation
  – Germany: focus on cost efficiency of distribution logistics
- **FURTHER EARNINGS GROWTH**
  – EBIT rise of 14.7% to EUR 125.6m in Q1–3
  – Improved operating results in both divisions
- **STRONG CASH FLOW AND SOLID BALANCE SHEET**
  – Free cash flow before acquisitions/divestments up 18.5% to EUR 131.1m
  – Solid balance sheet featuring equity ratio of 41.8%
- **OUTLOOK FOR 2012 CONFIRMED**
  – Slightly rising revenue
  – EBITDA margin at the upper end of the targeted range of 10–12%

# OVERVIEW OF KEY INDICATORS

| | | Q1–3 2011 | Q1–3 2012 | Change % |
|---|---|---|---|---|
| **Income statement** | | | | |
| Revenue | EUR m | 1,709.9 | 1,722.9 | 0.8% |
| Revenue excl. Benelux subsidiaries[1] | EUR m | 1,676.8 | 1,705.7 | 1.7% |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) | EUR m | 175.5 | 187.7 | 6.9% |
| EBITDA margin[2] | % | 10.3% | 10.9% | – |
| Earnings before interest and tax (EBIT) | EUR m | 109.5 | 125.6 | 14.7% |
| EBIT margin[2] | % | 6.4% | 7.3% | – |
| Earnings before tax (EBT) | EUR m | 105.8 | 123.4 | 16.6% |
| Profit for the period | EUR m | 78.9 | 94.9 | 20.2% |
| Earnings per share (EUR)[3] | EUR | 1.17 | 1.40 | 20.2% |
| Employees (average for the period, full-time equivalents) | | 23,486 | 23,260 | –1.0% |
| **Cash flow** | | | | |
| Operating cash flow before changes in working capital | EUR m | 146.0 | 156.4 | 7.2% |
| Cash flow from operating activities | EUR m | 127.1 | 171.9 | 35.3% |
| Investment in property, plant and equipment (CAPEX) | EUR m | –43.4 | –52.8 | 21.8% |
| Acquisition/disposal of subsidiaries | EUR m | 3.2 | –38.0 | <–100% |
| Free cash flow before acquisitions/divestments | EUR m | 110.6 | 131.1 | 18.5% |

| | | Dec. 31, 2011 | Sept. 30, 2012 | Change % |
|---|---|---|---|---|
| **Balance sheet** | | | | |
| Total assets | EUR m | 1,668.3 | 1,638.9 | –1.8% |
| Capital and reserves | EUR m | 702.0 | 685.2 | –2.4% |
| Non-current assets | EUR m | 1,005.1 | 1,034.7 | 2.9% |
| Current assets | EUR m | 660.4 | 604.2 | –8.5% |
| Net debt | EUR m | 61.5 | 91.3 | 48.5% |
| Equity ratio | % | 42.1% | 41.8% | – |
| Capital employed | EUR m | 708.9 | 720.4 | 1.6% |

[1] The closing of the disposal of trans-o-flex Nederland B.V. took place as at March 15, 2012, for trans-o-flex Belgium B.V.B.A as at May 31, 2012
[2] EBIT and EBITDA in relation to total revenue
[3] In relation to 67,552,638 shares

# STATEMENT BY THE MANAGEMENT BOARD

**LADIES AND GENTLEMEN!**
**DEAR SHAREHOLDERS!**

The domestic and international business environment of Austrian Post and its customers continued to be impacted by economic uncertainty. Against the backdrop of this dampened economic situation, Group revenue developed in line with expectations, rising by 0.8% in the first three quarters of 2012. Adjusted to take account of the Benelux subsidiaries disposed of in the first half of the year, we actually achieved a revenue increase of 1.7%. From a divisional perspective, the Mail & Branch Network Division was subject to structural changes, in particular the ongoing substitution of traditional letter mail by electronic forms of communication. Moreover, advertising expenditures proved to be rather volatile as a response to the prevailing economic environment. In spite of these difficult conditions, revenue of the Mail & Branch Network Division could be maintained at a stable level. In contrast, the Parcel & Logistics Division profited from the trend towards online shopping, which resulted in increased parcel volumes. Accordingly, division revenue climbed by 5.1% (excl. the Benelux subsidiaries).

The solid development of both divisions is reflected in the Group's earnings before interest and tax (EBIT), which increased by 14.7% from the previous year to EUR 125.6m. The Mail & Branch Network Division as well as the Parcel & Logistics Division made a positive earnings contribution on an operational level. Whereas the Mail & Branch Network Division succeeded in defending its market position and profitability, even in the light of a difficult business environment, the Parcel & Logistics Division improved its EBIT to EUR 16.4m compared to the negative operating results posted in the previous year. The figures for the comparable period in 2011 were considerably impacted by the negative effects related to the disposal of the Benelux subsidiaries. Sustainable measures designed to lay a solid foundation for the further positive development of the division were implemented based on the divestment of these companies as well as an efficiency enhancement programme.

We will continue to prudently and purposefully make use of the operating cash flow generated by Austrian Post in order to finance sustainable efficiency improvements, structural measures as well as future-oriented investments. At the same time, we are determinedly working to ensure a more enhanced customer orientation of our business activities. Accordingly, we strongly promoted online and self-service solutions during the first nine months of the current financial year and further developed our service and product portfolio along the value chain of our customers.

Against the backdrop of an ongoing uncertain economic environment, we expect a slightly positive revenue development (excl. the Benelux subsidiaries) in the entire year 2012. We will continue to attach great importance to the profitability of the services offered, so that we expect an EBITDA margin at the upper end of the targeted range of 10-12% for the entire year 2012.

Vienna, November 8, 2012

The Management Board

Georg Pölzl
Chairman of the Management Board

Walter Oblin
Member of the Management Board
CFO

Walter Hitziger
Member of the Management Board
Mail & Branch Network

Peter Umundum
Member of the Management Board
Parcel & Logistics

# BUSINESS ENVIRONMENT AND LEGAL FRAMEWORK

## ECONOMIC AND MARKET ENVIRONMENT

Following signs of economic recovery at the beginning of the year, the global economy weakened in the spring of 2012. On the one hand, this development is due to the sovereign debt crisis in the eurozone. On the other hand, it can also be attributed to unfavourable macroeconomic developments in several countries outside of this region. The International Monetary Fund (IMF) expects global economic growth of 3.3% for the entire year 2012. Whereas the European economy is stagnating, with the economy predicted to only expand slightly by 0.1%, the eurozone is expected to contract by 0.4% in 2012. The Austrian economy is not completely immune to these international developments, as the export slowdown evident since the middle of 2011 shows. In contrast, domestic demand has proven to be relatively stable. Accordingly, the Austrian Institute of Economic Research (WIFO) predicts economic growth of 0.6% for 2012 as a whole. The Austrian economy is expected to expand again by 1.0% in 2013. However, there remain considerable uncertainties relating to this forecast. Similar to Austria, Germany also ranks among the growth areas within the eurozone, with GDP growth of 0.9% predicted for the German market in both 2012 and 2013. Forecasts for South East and Eastern Europe are more optimistic (2012: +2.0%, 2013: +2.6%). However, the individual economies will develop in a very heterogeneous way. For example, Slovakia and Poland are expected to post significant growth rates surpassing the 2% mark, whereas the economies in Hungary, Serbia and Croatia will contract in 2012 before they begin to recover somewhat in 2013.

Volumes of direct mail items depend on the intensity of corporate advertising and are thus subject to business cycle fluctuations. In spite of the slight economic growth in Austria, expenditures by Austrian companies on conventional forms of advertising were down slightly in the first half of 2012, according to a study carried out by Focus Media Research. This is partly due to increasing investments in new digital advertising channels. Advertising leaflets and flyers as well as direct mail items remain among the most popular advertising channels. In this regard, Austrian Post's intensive efforts to promote cross-media solutions are continually gaining in importance. The mail order shopping segment has been strongly impacted by changing consumer behaviour, thus subjecting the entire industry to an ongoing structural transformation. In the traditional mail business, the trend towards the substitution of letter mail by electronic forms of communication is continuing.

Due to the constantly growing importance of online shopping, parcel shipment volumes in Austria continue to rise. Higher volumes can also be observed in the international parcel and freight business, which is largely dependent on the overall economic situation, global trade flows and related price developments. These increases are mainly driven by growing global trade as well as the general expansion of e-commerce. However, competition and price pressure remain intense.

## LEGAL FRAMEWORK

The legal framework for Austrian Post's business operations is based on the Postal Market Act which took full effect on January 1, 2011. The main cornerstones of this law are as follows:

- Even after full-scale market liberalisation, Austrian Post remains the universal services provider guaranteeing high quality postal services throughout Austria.

- The newly-defined Universal Services Obligation, as of 2011, limits the spectrum of basic services to mail items posted at the legally stipulated access points, i.e. postal service points or letterboxes. Postal services for mail items brought to sorting centres by large customers – with the exception of newspapers – are not considered to be an integral component of universal postal services.

- Austrian Post is legally required to carry out the conversion of cluster box units and rural drop-off boxes and must finance the related costs in advance. The costs for exchanging these facilities will be partially refunded to Austrian Post on the basis of a legally defined allocation key. Austrian Post did not receive any refund for costs incurred in the 2011 financial year.

- Since January 1, 2011, a licence must be obtained conferring the right to carry out postal delivery services for letters weighing up to 50 grams.

- Since January 1, 2011, only those postal services encompassed in the legally defined Universal Postal Services Obligation are exempt from Value Added Tax (VAT). Universal postal services whose terms and conditions are individually agreed upon are subject to Value Added Tax at standard rates. Thus, changes have taken place in the VAT treatment of postal items.

As of May 1, 2011, new General Terms and Conditions for letter mail services took effect, defining a simplified, customer-oriented product and service portfolio featuring format-based postal rates. The General Terms and Conditions were extensively evaluated and approved by the regulatory authority.

# BUSINESS DEVELOPMENT AND ECONOMIC SITUATION

## CHANGES IN THE CONSOLIDATION SCOPE

Effective March 15, 2012, Austrian Post agreed to dispose of its Dutch and Belgian subsidiaries of the trans-o-flex Group to PostNL. The closing of the disposal of trans-o-flex Nederland B.V. took place on March 15, 2012, whereas the closing of the divestment of trans-o-flex Belgium B.V.B.A took effect on May 31, 2012. The com-panies were deconsolidated at the respective closing date. Moreover, the Parcel & Logistics segment of Austrian Post acquired the Austrian logistics specialist Systemlogistik Distribution GmbH. The closing of the transaction, and thus the inclusion of the company in the consolidated financial statements, were carried out on May 31, 2012.

Two acquisitions in prospective growth markets in South East and Eastern Europe took place in the mail segment. As at May 2, 2012, Austrian Post acquired a 100% stake in Kolportaż Rzetelny Sp. z o.o., the Polish market leader in the delivery of unaddressed mail items, and also purchased a 26% interest in the Bulgarian company M&BM Express OOD, which operates in the fields of hybrid mail, addressed and unaddressed direct mail items as well as printing. Whereas Kolportaż Rzetelny Sp. z o.o. is fully included in the scope of consolidation, M&BM Express OOD is recognised in the results of investments consolidated at equity.

## REVENUE AND EARNINGS DEVELOPMENT

In the first three quarters of 2012, Austrian Post succeeded in raising its total revenue by 0.8%, to EUR 1,722.9m. Adjusted to take account of the disposed and deconsolidated subsidiaries in the Benelux region, the year-on-year revenue increase actually totaled 1.7%. Group revenue developed in line with expectations against the backdrop of an uncertain economic situation.

Revenue in the Mail & Branch Network Division remained stable at EUR 1,091.2m. On the one hand, the volume development was impacted by the structurally-related decline in letter mail caused by electronic substitution. On the other hand, it was characterised by enhanced volatility in the monthly development of revenue from direct mail items. In turn, this was based on the impact of cyclical uncertainty on the advertising industry. At the same time, there was a volume shift from direct mail items to higher quality letter mail products. In addition, online shopping shipments are increasingly being sent as letter mail items instead of parcels. Moreover, the change in the product portfolio of Austrian Post as of May 1, 2011, led to positive effects in the first four months of the 2012 financial year.

The former Branch Network Division is now encompassed in the business area “Branch Services” in the Mail & Branch Network Division. Revenue and costs of this new management structure declined during the period under review. On balance, Austrian Post featured a total of 1,900 postal service points as at September 30, 2012, of which 1,308 are third-party operated postal partner offices.

### REVENUE BY DIVISION[1]

| EUR m | Q1–3 2011 | Q1–3 2012 | Change % | Change EUR m | Q3 2011 | Q3 2012 |
|---|---|---|---|---|---|---|
| **Total revenue** | **1,709.9** | **1,722.9** | **0.8%** | **13.0** | **572.0** | **549.8** |
| **Revenue excl. Benelux subsidiaries[2]** | **1,676.8** | **1,705.7** | **1.7%** | **28.9** | **561.4** | **549.8** |
| Mail & Branch Network[3] | 1,091.0 | 1,091.2 | 0.0% | 0.2 | 364.5 | 349.6 |
| Parcel & Logistics | 618.1 | 632.0 | 2.3% | 13.9 | 207.2 | 201.1 |
| Parcel & Logistics excl. Benelux subsidiaries[2] | 584.9 | 614.7 | 5.1% | 29.8 | 196.5 | 201.1 |
| Corporate | 3.7 | 10.6 | >100% | 6.9 | 1.2 | 5.3 |
| Consolidation | –2.9 | –10.9 | <–100% | –8.1 | –0.8 | –6.2 |
| Calendar working days in Austria | 189 | 188 | – | – | 65 | 64 |

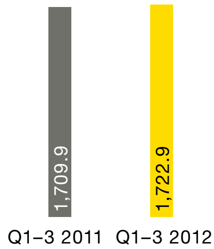
[1] External sales of the divisions
[2] The closing of the disposal of trans-o-flex Nederland B.V. took place as at March 15, 2012, for trans-o-flex Belgium B.V.B.A as at May 31, 2012
[3] Reporting according to the new segment structure as of January 1, 2012; figures for 2011: pro-forma consolidation

Revenue of the Parcel & Logistics Division rose by 2.3% in the first three quarters of 2012 to EUR 632.0m. Revenue of the disposed Benelux subsidiaries is still partially included therein. The Dutch company was deconsolidated as at March 15, 2012, whereas the Belgian subsidiary was deconsolidated effective May 31, 2012. Adjusted for these companies, revenue in the first nine months of 2012 climbed 5.1%. From a regional perspective, the Austrian parcel market generated the highest growth.

**REVENUE BY DIVISION %**




**REVENUE**
EUR m




## INCOME STATEMENT

| EUR m | Q1–3 2011 | Q1–3 2012 | % | Change EUR m | Q3 2011 | Q3 2012 |
|---|---|---|---|---|---|---|
| **Revenue** | **1,709.9** | **1,722.9** | **0.8%** | **13.0** | **572.0** | **549.8** |
| Other operating income | 55.0 | 49.6 | –9.7% | –5.3 | 20.1 | 16.4 |
| Raw materials, consumables and services used | –548.7 | –562.9 | 2.6% | 14.3 | –187.9 | –183.5 |
| Staff costs | –817.0 | –800.3 | –2.0% | –16.7 | –276.4 | –250.7 |
| Other operating expenses | –215.7 | –209.5 | –2.9% | –6.2 | –72.1 | –67.1 |
| Results of investments consolidated at equity | –7.9 | –12.1 | –53.1% | –4.2 | –4.9 | –10.1 |
| **Earnings before interest, tax, depreciation and amortisation (EBITDA)** | **175.5** | **187.7** | **6.9%** | **12.1** | **50.8** | **54.8** |
| Depreciation, amortisation and impairments | –66.1 | –62.1 | –6.0% | –4.0 | –22.6 | –21.5 |
| **Earnings before interest and tax (EBIT)** | **109.5** | **125.6** | **14.7%** | **16.1** | **28.2** | **33.3** |
| Other financial result | –3.6 | –2.1 | 41.8% | 1.5 | –1.7 | –1.2 |
| **Earnings before tax (EBT)** | **105.8** | **123.4** | **16.6%** | **17.6** | **26.5** | **32.1** |
| Income tax | –26.9 | –28.6 | 6.1% | 1.7 | –9.5 | –8.0 |
| **Profit for the period** | **78.9** | **94.9** | **20.2%** | **16.0** | **16.9** | **24.1** |
| Earnings per share (EUR) | 1.17 | 1.40 | 20.2% | 0.24 | 0.25 | 0.36 |

The revenue development of Austrian Post in the first nine months of 2012 also affected operating expenses for raw materials, consumables and services used, which rose by EUR 14.3m to EUR 562.9m. In particular, cost increases were due to higher purchases of external transport services to handle rising parcel volumes, as well as higher commissions for postal partner offices as a consequence of the structural transformation of the branch network.

In contrast, staff costs declined by 2.0% year-on-year, or EUR 16.7m, to EUR 800.3m. This mainly consists of operational staff costs, which increased by 1.5% compared to the first three quarters of 2011. The average number of employees in the Group declined by 226 to 23,260 employees compared to the prior-year period (full-time equivalents).

Staff costs encompass non-operational staff costs of EUR 39.3m in the first three quarters of 2012, including all investments designed to achieve a sustainable improvement in the cost structure such as restructuring measures and severance payments. Furthermore, due to internationally low interest rate levels, it was already necessary in the first quarter and, once again, in the third quarter to reduce the discount interest rate for existing, interest-bearing provisions of Austrian Post by 0.25 percentage points in each case. The lower discount factor led to increased provisioning requirements totalling EUR 17.7m. In addition, allocations were made to various provisions relating to employee under-utilisation or employees transferring to the federal public service during the reporting period. All in all, the provisions for employee under-utilisation reported on the balance sheet of Austrian Post, currently at EUR 239.4m, have remained constant for the most part since the beginning of 2012. The cash-related use of these provisions amounted to EUR 19.9m in the first nine months.

Other operating income at EUR 49.6m during the period under review was somewhat below the prior-year level. This encompasses rents and leases of EUR 17.5m and proceeds from the disposal of property, plant and equipment of EUR 4.1m. Other operating expenses also declined slightly, falling to EUR 209.5m.

The result of the investments consolidated at equity totalling minus EUR 12.1m is mainly due to the impairment loss of EUR 9.6m reported for Austrian Post's stake in the at-equity consolidated company MEILLERGHP.

### EBITDA BY DIVISION

| EUR m | Q1–3 2011 | Q1–3 2012 | % | Change EUR m | Q3 2011 | Q3 2012 |
|---|---|---|---|---|---|---|
| **Total EBITDA** | **175.5** | **187.7** | **6.9%** | **12.1** | **50.8** | **54.8** |
| Mail & Branch Network[1] | 220.8 | 210.7 | –4.5% | –10.0 | 82.2 | 60.5 |
| Parcel & Logistics | 13.3 | 32.3 | >100% | 19.0 | –8.7 | 10.3 |
| Corporate | –58.5 | –54.7 | 6.5% | 3.8 | –22.8 | –15.3 |

### EBIT BY DIVISION

| EUR m | Q1–3 2011 | Q1–3 2012 | % | Change EUR m | Q3 2011 | Q3 2012 |
|---|---|---|---|---|---|---|
| **Total EBIT** | **109.5** | **125.6** | **14.7%** | **16.1** | **28.2** | **33.3** |
| Mail & Branch Network[1] | 196.9 | 189.0 | –4.0% | –7.9 | 74.2 | 53.9 |
| Parcel & Logistics | –5.7 | 16.4 | >100% | 22.0 | –15.9 | 5.0 |
| Corporate | –81.8 | –79.2 | 3.1% | 2.6 | –30.1 | –25.0 |

[1] Reporting according to the new segment structure as of January 1, 2012; figures for 2011: pro-forma consolidation

In the first nine months of 2012, earnings before interest, tax, depreciation and amortisation (EBITDA) of the Austrian Post Group improved by 6.9%, to EUR 187.7m. Accordingly, the EBITDA margin was 10.9%. Earnings before interest and tax (EBIT) rose by 14.7% to EUR 125.6m, corresponding to an EBIT margin of 7.3%.

From a divisional perspective, both business divisions improved their operating results during the period under review. The EBIT of EUR 189.0m reported in the Mail & Branch Network Division included an impairment loss of EUR 9.6m. For its part, the Parcel & Logistics Division also showed higher earnings, with EBIT improving to EUR 16.4m in the first nine months of 2012 following a negative EBIT of EUR 5.7m reported in the first three quarters of 2011.

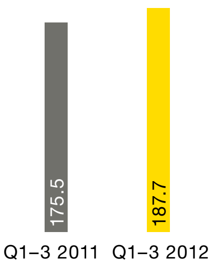
On the back of the disposal of the subsidiaries in Belgium and the Netherlands and the related negative impact on the company's balance sheet in 2011, Austrian Post has laid a sound foundation for the further positive development of the division.

EBIT of the Corporate segment improved from minus EUR 81.8m to minus EUR 79.2m.

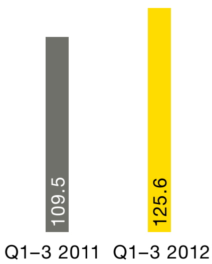
Earnings before tax of the Austrian Post Group rose 16.6% to EUR 123.4m. After deducting income taxes totalling EUR 28.6m, the Group net profit (profit after tax for the period) amounted to EUR 94.9m. This corresponds to earnings of EUR 1.40 per share for the first nine months of 2012 (+20.2%).

## EARNINGS INDICATORS

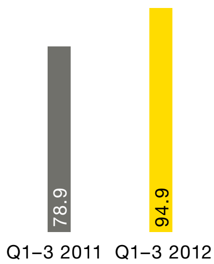
**EBITDA**
EUR m




**EBIT**
EUR m




**PROFIT FOR THE PERIOD**
EUR m




## ASSETS AND FINANCES

Austrian Post pursues a risk-averse business approach. This is demonstrated by the high equity ratio, the low level of financial liabilities and the solid level of cash and cash equivalents invested with the least possible risk.

The balance sheet total of Austrian Post amounted to EUR 1,638.9m on the reporting date of September 30, 2012, of which non-current assets account for 63.1% and current assets account for 36.9%. Property, plant and equipment at EUR 591.6m comprised the largest single balance sheet item, followed by intangible assets at EUR 241.0m (including goodwill of EUR 176.9m). Current assets are characterised by a high level of cash and cash equivalents amounting to EUR 279.3m. Current receivables were reduced to EUR 306.6m by the end of September 2012.

On the equity and liabilities side, the balance sheet of Austrian Post features capital reserves totalling EUR 685.2m as at September 30, 2012, corresponding to an equity ratio of 41.8%. A large share of the liabilities consisted of provisions that amounted to EUR 547.3m, including the provision for employee under-utilisation of EUR 239.4m. Trade payables at the end of September 2012 totalled EUR 221.5m, whereas financial liabilities amounted to EUR 25.2m. The low figure for financial liabilities is in contrast to a high level of cash and cash equivalents of EUR 279.3m.

### BALANCE SHEET STRUCTURE

| EUR m | Dec. 31, 2011 | Sept. 30, 2012 | Structure Sept. 30, 2012 |
|---|---|---|---|
| **Assets** | | | |
| Non-current assets | 1,005.1 | 1,034.7 | 63.1% |
| thereof financial investments in securities and other financial assets | 62.5 | 65.8 | 4.0% |
| Current assets | 660.4 | 604.2 | 36.9% |
| thereof cash and cash equivalents | 310.6 | 279.3 | 17.0% |
| Assets held for sale | 2.8 | 0.0 | 0.0% |
| | **1,668.3** | **1,638.9** | **100.0%** |
| **Equity and liabilities** | | | |
| Capital and reserves | 702.0 | 685.2 | 41.8% |
| Non-current liabilities | 452.9 | 460.2 | 28.1% |
| thereof provisions | 396.7 | 401.9 | 24.5% |
| Current liabilities | 502.8 | 493.5 | 30.1% |
| thereof provisions | 145.5 | 145.4 | 8.9% |
| Liabilities held for sale | 10.6 | 0.0 | 0.0% |
| | **1,668.3** | **1,638.9** | **100.0%** |

## CASH FLOW

| EUR m | Q1–3 2011 | Q1–3 2012 |
|---|---|---|
| **Operating cash flow before changes in working capital** | **146.0** | **156.4** |
| Cash flow from changes in net working capital | –18.9 | 15.5 |
| **Cash flow from operating activities** | **127.1** | **171.9** |
| Cash flow from investing activities | –13.2 | –78.9 |
| thereof cash flow from acquisitions/divestments | 3.2 | –38.0 |
| **Free cash flow** | **113.8** | **93.0** |
| **Free cash flow before acquisitions/divestments** | **110.6** | **131.1** |
| Cash flow from financing activities | –162.3 | –124.3 |
| **Net change in cash and cash equivalents** | **–48.5** | **–31.2** |

Operating cash flow before changes in working capital amounted to EUR 156.4m in the first nine months of 2012, or EUR 10.5m above the comparable prior-year period.

During the period under review, the cash flow from changes in net working capital amounted to an inflow of EUR 15.5m. This resulted mainly from a shift in the payment dates of the salaries of civil servants compared to the first three quarters of 2011, which led to a lower cash flow burden.

The cash flow from investing activities of minus EUR 78.9m includes cash outflows for the purchase of property, plant and equipment (CAPEX) totalling minus EUR 52.8m. The free cash flow before acquisitions/divestments amounted to EUR 131.1m, or EUR 20.4m above the first three quarters of 2011. All in all, a total of EUR 38.0m in expenditures related to acquisitions and the disposal of Austrian Post's subsidiaries in the Benelux.

## INVESTMENTS AND ACQUISITIONS

In the first three quarters of 2012, capital expenditure for property, plant and equipment and intangible assets rose by EUR 5.8m from the comparable prior-year period to EUR 58.9m, of which EUR 7.1m consisted of intangible assets and EUR 51.8m related to property, plant and equipment and investment property. Office equipment, fixtures and fittings comprised a large part of the investments, which also encompasses the replacement and modernisation programme for the vehicle fleet.

## EMPLOYEES

The average number of full-time employees at the Austrian Post Group totalled 23,260 people in the first three quarters of 2012, implying a decline in the workforce by 226 employees from the prior-year period. Most of Austrian Post's labour force is employed by the parent company Österreichische Post AG (a total of 19,691 full-time equivalents).

## EMPLOYEES BY DIVISION

| Average for the period, full-time equivalents | Q1–3 2011 | Q1–3 2012 | Share in % |
|---|---|---|---|
| **Group employees** | **23,486** | **23,260** | **100.0%** |
| Mail & Branch Network | 17,603 | 17,294 | 74.4% |
| Parcel & Logistics | 4,056 | 4,001 | 17.2% |
| Corporate | 1,827 | 1,965 | 8.4% |

## MAIN RISKS AND UNCERTAINTIES

As an international postal and logistics services provider, Austrian Post is subject to a variety of operational risks in carrying out its business operations. Austrian Post deals responsibly with these risks. The focus on its core business activities, along with decades of experience in the business, have enabled Austrian Post to identify these risks at an early stage, evaluate them and quickly take suitable precautionary measures.

The main risks and uncertainties which Austrian Post faces, such as the structure of employment contracts, technical, regulatory and legal risks, financial as well as market and competitive risks and information on the internal controlling system and risk management with regard to the accounting process are described in detail in the Annual Report 2011 of Austrian Post (see the Annual Report; Part 2, pages 36-42 and 99–102).

On the basis of the defined risks, there are also uncertainties for the remaining three months of the current financial year. Projected shipment volumes in the Mail & Branch Network Division and in the Parcel & Logistics Division are subject to seasonal fluctuations and depend on the economic development of the respective customer segments. Unfavourable economic conditions faced by customers of Austrian Post have negative effects on the development of mail and parcel volumes. Furthermore, a subdued economic situation can also have an impact on the Group‘s competitive position and thus the achievable prices for postal services. Moreover, conventional letter mail is being increasingly replaced by electronic media. All the above-mentioned risks could lead to considerable volume declines and thus negatively impact earnings.

## OUTLOOK FOR 2012

Austrian Post expects a slightly positive revenue development for the entire year 2012 without the disposed subsidiaries in the Benelux.

The market environment in the mail and parcels business will continue to be impacted by the subdued economic environment as well as structural changes in the postal and logistics sector. A further decline in addressed letter mail volumes is expected as a result of electronic substitution, whereas increasing e-commerce should result in parcel volume growth. The ongoing economic uncertainties could continue to result in a volatile development of the advertising industry.

One focal point of the Group is clearly on enhancing the profitability of the services offered. With respect to sustainable earnings development, Austrian Post confirms the targeted EBITDA margin in the range of 10% to 12%. The EBITDA margin for the entire year 2012 is expected to be at the upper end of this targeted range.

The operating cash flow generated by Austrian Post is prudently and purposefully used to finance sustainable efficiency improvements, structural measures and future-oriented investments, and also serves as the basis for an attractive dividend policy. Total capital expenditure (CAPEX) in 2012 is expected to reach a level of about EUR 90m. This will primarily focus on replacement investments in existing facilities as well as on investments to further improve mail and parcel logistics operations. Selective acquisitions focus on growth markets as well as on strengthening and further developing the company’s core business in Austria.

## SIGNIFICANT EVENTS AFTER THE INTERIM REPORTING PERIOD

November 1, 2012, marked the closing of the acquisition of the remaining 74% stake in PostMaster s.r.l., Bucharest by Austrian Post. On the basis of its existing 26% shareholding, Austrian Post has now assumed full control of PostMaster s.r.l.

# PERFORMANCE OF DIVISIONS

## MAIL & BRANCH NETWORK DIVISION

| EUR m | Q1–3 2011[1] | Q1–3 2012 | % | Change EUR m | Q3 2011[1] | Q3 2012 |
|---|---|---|---|---|---|---|
| **External sales** | **1,091.0** | **1,091.2** | **0.0%** | **0.2** | **364.5** | **349.6** |
| Letter Mail & Mail Solutions | 553.2 | 571.9 | 3.4% | 18.8 | 188.3 | 181.7 |
| Direct Mail | 326.8 | 318.9 | –2.4% | –7.9 | 108.6 | 105.2 |
| Media Post | 98.3 | 102.4 | 4.2% | 4.1 | 29.9 | 30.8 |
| Branch Services[2] | 112.8 | 98.0 | –13.1% | –14.8 | 37.7 | 31.9 |
| Internal sales | 53.7 | 50.1 | –6.7% | –3.6 | 17.7 | 16.5 |
| Total revenue | 1,144.7 | 1,141.3 | –0.3% | –3.4 | 382.3 | 366.1 |
| **EBITDA** | **220.8** | **210.7** | **–4.5%** | **–10.0** | **82.2** | **60.5** |
| Depreciation, amortisation and impairments | –23.9 | –21.8 | –8.9% | –2.1 | –8.0 | –6.6 |
| **EBIT** | **196.9** | **189.0** | **–4.0%** | **–7.9** | **74.2** | **53.9** |
| EBITDA margin[3] | 19.3% | 18.5% | – | – | 21.5% | 16.5% |
| EBIT margin[3] | 17.2% | 16.6% | – | – | 19.4% | 14.7% |
| Employees[4] | 17,603 | 17,294 | –1.8% | –309 | – | – |

[1] Reporting according to the new segment structure as of January 1, 2012; figures for 2011: pro-forma consolidation
[2] New segment structure leads to recognition of value logistics as part of the Parcel & Logistics Division as of January 1, 2012
[3] EBIT and EBITDA in relation to total revenue
[4] Average for the period, full-time equivalents

Since the beginning of 2012, the previous Mail Division and the Branch Network Division have been merged to create the new Mail & Branch Network Division. The new segment reporting reflects the current organisational, management and reporting structure.

Divisional revenue remained largely constant at EUR 1,091.2m in the first nine months of 2012. The current financial year was shaped by economic uncertainties in addition to structural trends.

In the Letter Mail Business Area, revenue improved by 3.4% from the prior-year period to EUR 571.9m. The trend towards decreasing letter mail volumes related to electronic substitution continued. However, this structural trend was counteracted by volume shifts from direct mail items to higher quality letter mail products as well as various Internet orders, which are no longer sent as parcels but as letter mail items. In addition, changes in the product portfolio of the Letter Mail Business Area, which took effect on May 1, 2011, still continued to deliver positive contributions to revenue growth in the first four months of the 2012 financial year.

Revenue of the Direct Mail Business Area fell to EUR 318.9m in the first three quarters of 2012. This development is primarily attributable to the current economic uncertainty, which in turn has led to greater volatility in the revenue development of the advertising industry. In particular, a decline in business from mail order customers was noticeable. In contrast, revenue of the Media Post Business Area improved by 4.2% in the first nine months of 2012, to EUR 102.4m.

Both revenue and costs declined in the former Branch Network Division, which is now reported in the Branch Services Business Area. Half of the revenue decrease is due to the reclassification of the value logistics operations as part of the Parcel & Logistics Division, whereas the other half is the result of declining revenue from retail products and financial services.

On balance, EBIT of the Mail & Branch Network Division was down by EUR 7.9m in the first nine months of 2012, which is largely due to an impairment loss of EUR 9.6m reported for Austrian Post's stake in the at-equity consolidated company MEILLERGHP.

## PARCEL & LOGISTICS DIVISION

| EUR m | Q1–3 2011 | Q1–3 2012 | % | Change EUR m | Q3 2011 | Q3 2012 |
|---|---|---|---|---|---|---|
| **External sales** | **618.1** | **632.0** | **2.3%** | **13.9** | **207.2** | **201.1** |
| Premium Parcel | 485.5 | 483.8 | –0.4% | –1.7 | 164.5 | 154.3 |
| Standard Parcel | 117.7 | 126.8 | 7.7% | 9.1 | 38.1 | 40.2 |
| Other Parcel Services | 14.9 | 21.5 | 43.9% | 6.6 | 4.5 | 6.6 |
| **External sales excl. Benelux subsidiaries[1]** | **584.9** | **614.7** | **5.1%** | **29.8** | **196.5** | **201.1** |
| Internal sales | 18.0 | 6.5 | –63.9% | –11.5 | 5.8 | 2.0 |
| Total revenue | 636.1 | 638.5 | 0.4% | 2.4 | 212.9 | 203.2 |
| **EBITDA** | **13.3** | **32.3** | **>100%** | **19.0** | **–8.7** | **10.3** |
| Depreciation, amortisation and impairments | –19.0 | –15.9 | –16.0% | –3.0 | –7.3 | –5.2 |
| **EBIT** | **–5.7** | **16.4** | **>100%** | **22.0** | **–15.9** | **5.0** |
| EBITDA margin[2] | 2.1% | 5.1% | – | – | –4.1% | 5.1% |
| EBIT margin[2] | –0.9% | 2.6% | – | – | –7.5% | 2.5% |
| Employees[3] | 4,056 | 4,001 | –1.4% | –55 | – | – |

[1] The closing of the disposal of trans-o-flex Nederland B.V. took place as at March 15, 2012, of trans-o-flex Belgium B.V.B.A at at May 31, 2012
[2] EBIT and EBITDA in relation to total revenue
[3] Average for the period, full-time equivalents

External sales of the Parcel & Logistics Division climbed 2.3% in the first three quarters of 2012, to EUR 632.0m. As at March 15, 2012, an agreement was signed with PostNL regarding its acquisition of the Austrian Post subsidiaries in the Netherlands and Belgium. The deconsolidation of the Dutch company took place as at March 15, 2012, and the disposal of the Belgian subsidiary took effect on May 31, 2012. Adjusted to take account of the former Benelux subsidiaries, the division achieved a 5.1% revenue increase on a year-on-year comparison.

Since the beginning of the year, the company Post.Wertlogistik GmbH specialising in value logistics has been a new part of the portfolio offered by the Parcel & Logistics Division, whereas it was previously assigned to Austrian Post's former Branch Network Division. In addition, the firm Systemlogistik Distribution GmbH acquired as at May 31, 2012, expands the range of services offered by the division with respect to the warehousing, picking and packing of goods.

The Premium Parcel Business Area (parcel delivery within 24 hours), which is mainly used in the business-to-business area, generated revenue of EUR 483.8m in the first nine months of 2012 (+2.7% excluding Benelux). The German subsidiary trans-o-flex, which is currently focusing on implementing an efficiency enhancement programme in its distribution logistics, accounted for about 60% of this revenue. Parcel volumes of business customers increased at an above-average rate in Austria, where Austrian Post has continually improved its market position. A good volume development is evident in South East and Eastern Europe against the backdrop of intensified price pressure.

The Standard Parcel Business Area used mainly for shipments to private customers also posted growth. Revenue rose by 7.7%, to EUR 126.8m.

On balance, EBITDA of the Parcel & Logistics Division improved to EUR 32.3m. EBIT in the first three quarters of 2012 amounted to EUR 16.4m, significantly above the prior-year level, which was considerably burdened by the negative impact on the balance sheet arising from the disposal of the Benelux subsidiaries.

Vienna, November 8, 2012

The Management Board

Georg Pölzl
Chairman of the Management Board

Walter Oblin
Member of the Management Board
CFO

Walter Hitziger
Member of the Management Board
Mail & Branch Network

Peter Umundum
Member of the Management Board
Parcel & Logistics

# IFRS CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## CONSOLIDATED INCOME STATEMENT FOR THE FIRST THREE QUARTERS OF 2012

| EUR m | Q1–3 2011 | Q1–3 2012 | Q3 2011 | Q3 2012 |
|---|---|---|---|---|
| Revenue | 1,709.9 | 1,722.9 | 572.0 | 549.8 |
| Other operating income | 55.0 | 49.6 | 20.1 | 16.4 |
| **Total operating income** | **1,764.9** | **1,772.5** | **592.1** | **566.2** |
| Raw materials, consumables and services used | –548.7 | –562.9 | –187.9 | –183.5 |
| Staff costs | –817.0 | –800.3 | –276.4 | –250.7 |
| Depreciation, amortisation and impairment losses | –66.1 | –62.1 | –22.6 | –21.5 |
| Other operating expenses | –215.7 | –209.5 | –72.1 | –67.1 |
| **Total operating expenses** | **–1,647.5** | **–1,634.8** | **–559.0** | **–522.8** |
| **Profit from operations** | **117.4** | **137.7** | **33.1** | **43.4** |
| Results of investments consolidated at equity | –7.9 | –12.1 | –4.9 | –10.1 |
| Financial income | 5.1 | 5.0 | 1.8 | 1.2 |
| Financial expenditures | –8.8 | –7.1 | –3.5 | –2.4 |
| Other financial result | –3.6 | –2.1 | –1.7 | –1.2 |
| **Total financial result** | **–11.6** | **–14.3** | **–6.6** | **–11.3** |
| **Profit before tax** | **105.8** | **123.4** | **26.5** | **32.1** |
| Income tax | –26.9 | –28.6 | –9.5 | –8.0 |
| **Profit for the period** | **78.9** | **94.9** | **16.9** | **24.1** |
| Attributable to: equity holders of the parent company | 78.9 | 94.9 | 16.9 | 24.1 |
| | | | | |
| **Basic earnings per share (EUR)** | **1.17** | **1.40** | **0.25** | **0.36** |
| **Diluted earnings per share (EUR)** | **1.16** | **1.39** | **0.25** | **0.35** |
| | | | | |
| Profit from operations | 117.4 | 137.7 | 33.1 | 43.4 |
| Share of profit/loss of investments consolidated at equity | –7.9 | –12.1 | –4.9 | –10.1 |
| **Earnings before interest and tax (EBIT)** | **109.5** | **125.6** | **28.2** | **33.3** |

## STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST THREE QUARTERS OF 2012

| EUR m | Q1–3 2011 | Q1–3 2012 | Q3 2011 | Q3 2012 |
|---|---|---|---|---|
| **Profit for the period** | **78.9** | **94.9** | **16.9** | **24.1** |
| Currency translation differences | –0.4 | 0.5 | –0.6 | 0.5 |
| Currency translation differences of investments consolidated at equity | 0.1 | 0.2 | 0.1 | 0.1 |
| Revaluation of financial instruments held for sale | –1.7 | 3.4 | –2.1 | 1.1 |
| Deferred taxes | 0.4 | –0.8 | 0.5 | –0.3 |
| **Other comprehensive income** | **–1.6** | **3.2** | **–2.1** | **1.4** |
| **Total comprehensive income** | **77.3** | **98.1** | **14.9** | **25.5** |
| Attributable to equity holders of the parent company | 77.3 | 98.1 | 14.9 | 25.5 |

## CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2012

| EUR m | Dec. 31, 2011 | Sept. 30, 2012 |
|---|---|---|
| **Assets** | | |
| **Non-current assets** | | |
| Goodwill | 165.5 | 176.9 |
| Intangible assets | 58.2 | 64.1 |
| Property, plant and equipment | 587.5 | 591.6 |
| Investment property | 32.8 | 31.7 |
| Investments consolidated at equity | 17.5 | 10.6 |
| Financial investments in securities | 21.9 | 25.2 |
| Other financial assets | 40.6 | 40.6 |
| Receivables | 26.4 | 37.9 |
| Deferred tax assets | 54.6 | 56.1 |
| | **1,005.1** | **1,034.7** |
| **Current assets** | | |
| Financial investments in securities | 12.3 | 5.2 |
| Inventories | 14.4 | 13.0 |
| Receivables | 323.2 | 306.6 |
| Cash and cash equivalents | 310.6 | 279.3 |
| | **660.4** | **604.2** |
| **Non-current assets held for sale** | **2.8** | **0.0** |
| | **1,668.3** | **1,638.9** |
| **Equity and liabilities** | | |
| **Capital and reserves** | | |
| Share capital | 337.8 | 337.8 |
| Capital reserves | 130.5 | 130.5 |
| Revenue reserves | 116.8 | 125.8 |
| Revaluation of financial instruments | –5.0 | –2.4 |
| Currency translation reserves | –2.0 | –1.4 |
| Profit for the period | 123.8 | 94.9 |
| | **702.0** | **685.2** |
| **Non-current liabilities** | | |
| Provisions | 396.7 | 401.9 |
| Financial liabilities | 18.6 | 21.6 |
| Payables | 25.2 | 23.4 |
| Deferred tax liabilities | 12.4 | 13.4 |
| | **452.9** | **460.2** |
| **Current liabilities** | | |
| Provisions | 132.8 | 133.0 |
| Tax provisions | 12.7 | 12.4 |
| Financial liabilities | 10.6 | 3.7 |
| Payables | 346.6 | 344.5 |
| | **502.8** | **493.5** |
| **Non-current liabilities held for sale** | **10.6** | **0.0** |
| | **1,668.3** | **1,638.9** |

## CONSOLIDATED CASH FLOW STATEMENT FOR THE FIRST THREE QUARTERS OF 2012

| EUR m | Q1–3 2011 | Q1–3 2012 |
|---|---|---|
| **Operating activities** | | |
| Profit before tax | 105.8 | 123.4 |
| Depreciation, amortisation and impairment losses | 66.1 | 62.1 |
| Results of investments consolidated at equity | 7.9 | 12.1 |
| Write-ups, write-downs of financial instruments | 0.1 | –0.1 |
| Non-current provisions | 4.9 | 5.0 |
| Gain/loss on the disposal of non-current assets | –4.0 | –3.2 |
| Gain/loss on the disposal of financial instruments | 0.7 | 0.1 |
| Taxes paid | –33.2 | –41.8 |
| Net interest received/paid | –2.2 | –3.2 |
| Currency translation | –0.2 | 0.1 |
| Other non-cash transactions | 0.0 | 1.9 |
| **Operating cash flow before changes in working capital** | **146.0** | **156.4** |
| | | |
| **Changes in net working capital** | | |
| Receivables | –39.7 | 9.5 |
| Inventories | –0.7 | 1.0 |
| Current provisions | 22.7 | 0.4 |
| Payables | –1.1 | 4.5 |
| **Cash flow from changes in net working capital** | **–18.9** | **15.5** |
| | | |
| **Cash flow from operating activities** | **127.1** | **171.9** |
| | | |
| **Investing activities** | | |
| Purchase of intangible assets | –5.0 | –4.2 |
| Purchase of property, plant and equipment and investment property | –43.4 | –52.8 |
| Proceeds from the disposal of non-current assets | 19.8 | 8.2 |
| Acquisition of subsidiaries | –0.4 | –17.2 |
| Disposal of subsidiaries | 0.0 | –15.5 |
| Acquisition of investments consolidated at equity | 0.0 | –5.4 |
| Disposal of investments consolidated at equity | 3.6 | 0.0 |
| Acquisition of financial investments in securities | –3.0 | 0.0 |
| Proceeds from the disposal of financial investments in securities | 10.0 | 7.0 |
| Loans granted | 0.0 | –3.6 |
| Dividends received from investments consolidated at equity | 0.8 | 0.3 |
| Interest received | 4.3 | 4.4 |
| **Cash flow from investing activities** | **–13.2** | **–78.9** |
| | | |
| **Free cash flow** | **113.8** | **93.0** |
| | | |
| **Financing activities** | | |
| Changes in financial liabilities | –52.1 | –8.2 |
| Dividends paid | –108.1 | –114.8 |
| Interest paid | –2.1 | –1.2 |
| **Cash flow from financing activities** | **–162.3** | **–124.3** |
| | | |
| **Net change in cash and cash equivalents** | **–48.5** | **–31.2** |
| Cash and cash equivalents at January 1 | 313.1 | 310.6 |
| **Cash and cash equivalents at September 30** | **264.6** | **279.3** |

## SEGMENT REPORTING

Within the context of the strategic realignment of the Austrian Post Group, there are changes in the segment structure and reporting logic as of January 1, 2012. The segments "Mail" and "Branch Network" were merged to create the new segment, "Mail & Branch Network". At the same time, there was a further breakdown of the existing "Mail & Branch Network", "Parcel & Logistics" and "Corporate" segments into subsegments. The new segmentation reflects the strategic business areas of the Austrian Post Group, which are the basis for the internal organisational, management and reporting structures.

Whereas reporting reflected the old divisional organisational structure in the 2011 financial year, as subdivided into the divisions "Mail", "Parcel & Logistics", "Branch Network" and "Corporate", the new segment reporting starting in the 2012 financial year breaks down business operations into the "Mail & Branch Network" and "Parcel & Logistics" divisions as well as "Corporate".

| **Q1–3 2011 EUR m** | **Mail & Branch Network** | **Parcel & Logistics** | **Corporate** | **Consolidation** | **Group** |
|---|---|---|---|---|---|
| External sales | 1,091.0 | 618.1 | 3.7 | –2.9 | 1,709.9 |
| Internal sales | 53.7 | 18.0 | 116.3 | –188.0 | 0.0 |
| **Total revenue** | **1,144.7** | **636.1** | **120.0** | **–190.9** | **1,709.9** |
| Profit/loss from operations | 205.4 | –5.7 | –82.4 | 0.0 | 117.4 |
| Results of investments consolidated at equity | –8.6 | 0.0 | 0.6 | 0.0 | –7.9 |
| **EBIT** | **196.9** | **–5.7** | **–81.8** | **0.0** | **109.5** |
| Segment assets | 375.7 | 414.6 | 456.7 | –5.1 | 1,241.8 |
| Investments consolidated at equity | 18.2 | 0.1 | 0.9 | 0.0 | 19.2 |
| Segment liabilities | 395.9 | 125.4 | 424.8 | –1.4 | 944.7 |
| Segment investments | 26.3 | 13.0 | 13.8 | 0.0 | 53.2 |
| Depreciation, amortisation and impairment losses | 23.9 | 19.0 | 23.2 | 0.0 | 66.1 |
| thereof impairment losses | 0.0 | 1.4 | 0.0 | 0.0 | 1.4 |
| Employees[1] | 17,603 | 4,056 | 1,827 | – | 23,486 |

[1] Average for the period, full-time equivalents

| Q1–3 2012<br>EUR m | Mail & Branch Network | Parcel & Logistics | Corporate | Consoli-dation | Group |
|---|---|---|---|---|---|
| External sales | 1,091.2 | 632.0 | 10.6 | –10.9 | 1,722.9 |
| Internal sales | 50.1 | 6.5 | 124.1 | –180.7 | 0.0 |
| **Total revenue** | **1,141.3** | **638.5** | **134.7** | **–191.6** | **1,722.9** |
| Profit/loss from operations | 201.5 | 16.4 | –79.6 | –0.6 | 137.7 |
| Results of investments consolidated at equity | –12.5 | 0.0 | 0.4 | 0.0 | –12.1 |
| **EBIT** | **189.0** | **16.4** | **–79.2** | **–0.6** | **125.6** |
| Segment assets | 386.2 | 394.8 | 421.9 | –9.0 | 1,194.0 |
| Investments consolidated at equity | 9.9 | 0.0 | 0.7 | 0.0 | 10.6 |
| Segment liabilities | 416.0 | 107.2 | 394.4 | –8.3 | 909.3 |
| Segment investments | 23.9 | 14.4 | 21.3 | –0.6 | 58.9 |
| Depreciation, amortisation and impairment losses | 21.8 | 15.9 | 24.5 | –0.1 | 62.1 |
| thereof impairment losses | 0.0 | 0.1 | 1.7 | 0.0 | 1.8 |
| Employees[1] | 17,294 | 4,001 | 1,965 | – | 23,260 |

[1] Average for the period, full-time equivalents

| Q3 2011<br>EUR m | Mail & Branch Network | Parcel & Logistics | Corporate | Consoli-dation | Group |
|---|---|---|---|---|---|
| External sales | 364.5 | 207.2 | 1.2 | –0.8 | 572.0 |
| Internal sales | 17.7 | 5.8 | 38.6 | –62.1 | 0.0 |
| **Total revenue** | **382.3** | **212.9** | **39.8** | **–62.9** | **572.0** |
| Profit/loss from operations | 79.2 | –15.9 | –30.1 | 0.0 | 33.1 |
| Results of investments consolidated at equity | –5.0 | 0.0 | 0.0 | 0.0 | –4.9 |
| **EBIT** | **74.2** | **–15.9** | **–30.1** | **0.0** | **28.2** |
| Depreciation, amortisation and impairment losses | 8.0 | 7.3 | 7.4 | 0.0 | 22.6 |
| thereof impairment losses | 0.0 | 1.4 | 0.0 | 0.0 | 1.4 |

| Q3 2012<br>EUR m | Mail & Branch Network | Parcel & Logistics | Corporate | Consoli-dation | Group |
|---|---|---|---|---|---|
| External sales | 349.6 | 201.1 | 5.3 | –6.2 | 549.8 |
| Internal sales | 16.5 | 2.0 | 40.7 | –59.3 | 0.0 |
| **Total revenue** | **366.1** | **203.2** | **46.0** | **–65.5** | **549.8** |
| Profit/loss from operations | 64.0 | 5.0 | –25.0 | –0.6 | 43.4 |
| Results of investments consolidated at equity | –10.1 | 0.0 | 0.0 | 0.0 | –10.1 |
| **EBIT** | **53.9** | **5.0** | **–25.0** | **–0.6** | **33.3** |
| Depreciation, amortisation and impairment losses | 6.6 | 5.2 | 9.7 | –0.1 | 21.5 |
| thereof impairment losses | 0.0 | 0.0 | 1.7 | 0.0 | 1.7 |

## GEOGRAPHICAL SEGMENTS

| Q1–3 2011<br>EUR m | Austria | Germany | Other Countries | Group |
|---|---|---|---|---|
| External sales | 1,219.7 | 387.7 | 102.5 | 1,709.9 |
| Segment assets | 900.9 | 261.3 | 79.6 | 1,241.8 |
| thereof non-current | 651.0 | 185.9 | 51.1 | 888.0 |
| Segment investments | 43.3 | 6.7 | 3.2 | 53.2 |

| Q1–3 2012<br>EUR m | Austria | Germany | Other Countries | Group |
|---|---|---|---|---|
| External sales | 1,240.9 | 395.4 | 86.7 | 1,722.9 |
| Segment assets | 872.2 | 249.3 | 72.5 | 1,194.0 |
| thereof non-current | 646.3 | 179.7 | 50.8 | 876.8 |
| Segment investments | 52.2 | 3.5 | 3.2 | 58.9 |

| Q3 2011<br>EUR m | Austria | Germany | Other Countries | Group |
|---|---|---|---|---|
| External sales | 406.6 | 131.6 | 33.8 | 572.0 |

| Q3 2012<br>EUR m | Austria | Germany | Other Countries | Group |
|---|---|---|---|---|
| External sales | 396.4 | 128.6 | 24.8 | 549.8 |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| Q1–3 2011<br>EUR m | Share capital | Capital reserves | Revenue reserves | Revaluation of financial instru-ments[1] | Currency translation reserves | Profit for the period | Consoli-dated equity |
|---|---|---|---|---|---|---|---|
| **Balance at January 1, 2011** | **337.8** | **130.5** | **106.5** | **–1.8** | **–0.6** | **118.4** | **690.8** |
| Dividends paid | | | | | | –108.1 | –108.1 |
| Change in reserves | | | 10.3 | | | –10.3 | 0.0 |
| Profit for the period | | | | | | 78.9 | 78.9 |
| Other comprehensive income | | | | –1.3 | –0.3 | | –1.6 |
| **Total comprehensive income** | **0.0** | **0.0** | **0.0** | **–1.3** | **–0.3** | **78.9** | **77.3** |
| **Balance at September 30, 2011** | **337.8** | **130.5** | **116.8** | **–3.1** | **–0.9** | **78.9** | **660.1** |

| Q1–3 2012<br>EUR m | Share capital | Capital reserves | Revenue reserves | Revaluation of financial instru-ments[1] | Currency translation reserves | Profit for the period | Consoli-dated equity |
|---|---|---|---|---|---|---|---|
| **Balance at January 1, 2012** | **337.8** | **130.5** | **116.8** | **–5.0** | **–2.0** | **123.8** | **702.0** |
| Dividends paid | | | | | | –114.8 | –114.8 |
| Change in reserves | | | 9.0 | | | –9.0 | 0.0 |
| Profit for the period | | | | | | 94.9 | 94.9 |
| Other comprehensive income | | | 0.0 | 2.5 | 0.7 | | 3.2 |
| **Total comprehensive income** | **0.0** | **0.0** | **0.0** | **2.5** | **0.7** | **94.9** | **98.1** |
| **Balance at September 30, 2012** | **337.8** | **130.5** | **125.8** | **–2.4** | **–1.4** | **94.9** | **685.2** |

[1] Held for sale

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST THREE QUARTERS OF 2012

## 1. BASIS OF PREPARATION

The consolidated interim financial statements of Austrian Post as at September 30, 2012 were prepared in accordance with the relevant International Financial Reporting Standards (IFRS) valid at September 30, 2012, as issued by the International Accounting Standard Board (IASB) and adopted by the European Union, especially in accordance with IAS 34 Interim Financial Reporting.

The accounting and valuation methods as well as the explanations and notes to the financial statements are fundamentally based on the same accounting and valuation methods underlying the consolidated financial statements for the 2011 financial year.

In the first three quarters of 2012, the following revised standard was applicable for the first time:

| **Revised standard** | | **Effective date in the EU**[1] |
|---|---|---|
| IFRS 7 | Financial Instruments: Disclosures – Transfer of Financial Assets | July 1, 2011 |

[1] To be applied in the financial year beginning on or after the effective date

The amendments in IFRS 7 pertain to the expansion of obligations to make disclosures on the transfer of financial assets. They are intended to enable the parties addressed by the financial statements to understand the relationships between the assets that have been transferred but not totally derecognised and the corresponding financial liabilities. Also to be made more transparent is the derecognised financial assets' link between the nature of the continuing relationship and the risks associated with it. The change does not have any material effects on the consolidated interim financial statements of Austrian Post at the present time.

## 2. CONSOLIDATION SCOPE

In addition to the parent company Österreichische Post AG (Austrian Post), a total of 26 domestic subsidiaries (December 31, 2011: 25) and 33 foreign subsidiaries (December 31, 2011: 33), in which Austrian Post AG directly or indirectly holds a majority of the voting rights, are included in the consolidated interim financial statements. Furthermore, 3 domestic companies (December 31, 2011: 3) and 5 foreign companies (December 31, 2011: 4) are consolidated according to the equity method.

**Changes in the consolidation scope**
The following changes in the consolidation scope of the Austrian Post Group took place in the first three quarters of 2012:

| Company name | Interest from | Interest to | Date of transaction | Explanation |
|---|---|---|---|---|
| **Mail & Branch Network** | | | | |
| Post zehn Beteiligungs GmbH | – | 100.0% | Feb. 28, 2012 | Incorporation |
| feibra GmbH (feibra West GmbH)[1] | 100.0% | – | Jan. 11, 2012 | Merger |
| Kolportaż Rzetelny sp. z o.o. | – | 100.0% | May 2, 2012 | Acquisition |
| M&BM Express OOD | – | 26.0% | May 2, 2012 | Acquisition |
| **Parcel & Logistics** | | | | |
| trans-o-flex Nederland B.V. | 100.0% | – | March 15, 2012 | Disposal |
| trans-o-flex Belgium B.V.B.A. | 100.0% | – | May 31, 2012 | Disposal |
| Eurodis GmbH | 52.2% | 39.8% | May 9, 2012 | Stake sale |
| trans-o-flex Belgium Real Estate B.V.B.A.[2] | 100.0% | 100.0% | Feb. 29, 2012 | Spin-off |
| Systemlogistik Distribution GmbH | – | 100.0% | May 31, 2012 | Acquisition |

[1] The Group companies listed in parenthesis were merged with the initially listed Group subsidiary, and are therefore no longer included in the consolidation scope.
[2] trans-o-flex Belgium Real Estate B.V.B.A. has emerged as a spin-off of trans-o-flex Belgium B.V.B.A.

**Mail & Branch Network**
On May 2, 2012, the Austrian Post Group acquired 100% of the shares in Kolportaż Rzetelny sp. z o.o., Krakow. Kolportaż Rzetelny sp. z o.o. is the market leader in non-addressed mailing in Poland. The purchase of this company represents the consistent further development of Austrian Post's growth strategy in Central and Eastern Europe.

The preliminary fair values of the identifiable assets and liabilities of Kolportaż Rzetelny sp. z o.o at the date of acquisition are as follow:

| EUR m | Fair value |
|---|---|
| **Non-current assets** | |
| Property, plant and equipment | 0.0 |
| Customer relations | 4.7 |
| Other intangible assets | 0.1 |
| Other non-current assets | 0.1 |
| **Current assets** | |
| Cash and cash equivalents | 0.3 |
| Other current assets | 2.5 |
| **Non-current liabilities** | |
| Provisions and liabilities | –0.9 |
| **Current liabilities** | |
| Provisions and liabilities | –1.5 |
| **Net assets acquired** | **5.3** |
| Goodwill | 9.7 |
| **Purchase price** | **15.0** |
| | |
| **Breakdown of cash outflow** | |
| Cash and cash equivalents acquired | 0.3 |
| Cash outflow of cash and cash equivalents | –15.0 |
| Remaining purchase price liability | |
| thereof contingent consideration | 2.2 |
| **Net cash outflow** | **–12.5** |

The fair value of the trade receivables amounts to EUR 2.5m, which corresponds to the gross amount. None of the trade receivables was impaired, and thus the entire contractually stipulated amount will likely be recoverable.

Since the date of acquisition, Kolportaż Rzetelny sp. z o.o. has contributed EUR 3.8m in revenue and EUR 0.2m to the profit for the period of the Austrian Post Group. If the acquisition had taken place at the beginning of the year, the profit for the period would have amounted to EUR 0.7m and the revenue would have totalled EUR 6.4m.

The recognised goodwill results from the expected synergies and other advantages arising from the merger of the assets and activities of Kolportaż Rzetelny sp. z o.o. with those of Austrian Post Group.

The transaction costs of EUR 0.1m were recognised as an expense and are reported as other expenses in the consolidated income statement.

At the acquisition date the sum of EUR 2.2m was recognised for a contingent consideration. This amount is success-oriented and can total a maximum of EUR 2.2m.

On May 2, 2012, Austrian Post acquired a 26% stake in M&BM Express OOD, Sofia. M&BM Express OOD is the Bulgarian market leader among the alternative letter mail service providers as well as in the field of hybrid mail. The purchase agreement stipulates a call option for acquiring an additional 25% stake each in the years 2013 and 2014. The goodwill of EUR 4.7m arising from the purchase price allocation is recognised as part of the share of investments consolidated at equity.

**Parcel & Logistics**
On May 31, 2012, the Austrian Post Group acquired a 100% stake in Systemlogistik Distribution GmbH, Vienna. The fulfilment specialist operates in the field of contract logistics, and offers outsourcing of Web shop logistics, order processing and warehousing. With the acquisition of Systemlogistik Distribution GmbH, Austrian Post is determinedly pursuing its strategy of enhancing its core competence in parcel distribution services along the value chain.

The preliminary fair values of the identifiable assets and liabilities of Systemlogistik Distribution GmbH at the date of acquisition are as follows:

| EUR m | Fair value |
|---|---|
| **Non-current assets** | |
| Property, plant and equipment | 7.2 |
| Customer relations | 0.4 |
| Brand | 0.3 |
| Other intangible assets | 0.0 |
| Other non-current assets | 0.1 |
| **Current assets** | |
| Cash and cash equivalents | 0.0 |
| Other current assets | 1.3 |
| **Non-current liabilities** | |
| Provisions and liabilities | –5.1 |
| **Current liabilities** | |
| Provisions and liabilities | –2.2 |
| **Net assets acquired** | **2.1** |
| Goodwill | 1.6 |
| **Purchase price** | **3.7** |
| | |
| **Breakdown of cash outflow** | |
| Cash and cash equivalents acquired | 0.0 |
| Cash outflow of cash and cash equivalents | –3.7 |
| **Net cash outflow** | **–3.7** |

The fair value of the trade receivables amounts to EUR 1.1m, which corresponds to the gross amount. None of the trade receivables was impaired, and thus the entire contractually stipulated amount will likely be recoverable.

Since the date of acquisition, Systemlogistik Distribution GmbH has contributed EUR 1.4m in revenue and minus EUR 0.1m to the profit for the period of the Austrian Post Group. If the acquisition had taken place at the beginning of the year, the profit for the period would have amounted to minus EUR 0.1m and the revenue would have totalled EUR 3.9m.

The recognised goodwill results from the expected synergies and other advantages arising from the merger of the assets and activities of Systemlogistik Distribution GmbH with those of Austrian Post. New information led to a revaluation of property, plant and equipment, which resulted in an impairment loss on goodwill of EUR 0.2m carried to the acquisition date.

## 3. ASSETS AND LIABILITIES HELD FOR SALE (OR DISPOSAL GROUPS)

In the year 2011, Österreichische Post AG (Austrian Post) determined a plan to dispose of trans-o-flex Nederland B.V., Dordrecht, and trans-o-flex Belgium B.V.B.A., Turnhout, both of which were fully owned subsidiaries of Austrian Post.

Accordingly, the assets and liabilities of the two Group companies as at December 31, 2011, which were assigned to the Parcel & Logistics segment, were classified as "Non-current assets held for sale and discontinued operations" in line with the stipulations of IFRS 5. According to the disposal plan, specified fixed assets, cash and cash equivalents, financial liabilities as well as specified liabilities and provisions were excluded from the reclassification.

A liabilities item previously recognised in the liabilities of the disposal group has been discontinued with regard to the negative fair value of the disposal group after taking account of the impairment loss recognised on the non-current and current assets held for sale as at December 31, 2011.

Effective March 15, 2012, Austrian Post disposed of its 100% stake in trans-o-flex Nederland B.V., Dordrecht. The deconsolidation of trans-o-flex Nederland B.V. was carried out on the basis of the final transaction basis at the closing date.

Effective February 29, 2012, the operative business of trans-o-flex Belgium B.V.B.A., Turnhout, was spun off. The remaining company which exclusively deals with real estate was renamed trans-o-flex Belgium Real Estate B.V.B.A, Turnhout. Effective May 31, 2012, Austrian Post disposed of its 100% stake in trans-o-flex Belgium B.V.B.A. The derecognition of the assets and liabilities within the context of the deconsolidation of trans-o-flex Belgium B.V.B.A. took place using the final transaction basis at the closing date.

Within the context of the deconsolidation of trans-o-flex Nederland B.V. and trans-o-flex Belgium B.V.B.A., the derecognition of the liability item previously recognised as at December 31, 2011, and the liabilities of the disposal group was carried out. The changed net assets and liability items compared to December 31, 2011 resulted in a transaction result of EUR 0.9m recognised in profit and loss, which is reported as other operating income.

## 4. INTEREST-BEARING PROVISIONS

Austrian Post reduced the discount interest rate for all existing, interest-bearing provisions by 0.5 percentage points, from 4.5% as at December 31, 2011, to 4.0% as at September 30, 2012. The change to the interest rate was necessary as a result of internationally low interest rates. The lower discount factor led to increased provisioning requirements at Österreichische Post AG (Austrian Post) of EUR 17.7m.

## 5. OTHER INFORMATION

As at September 30, 2012, there was no material change in the transactions with related parties and individuals as presented in the consolidated financial statements as at December 31, 2011.

The dividend of EUR 1.70 per share (total dividend payout of EUR 114.8m) resolved upon by the Annual General Meeting held on April 17, 2012, was distributed to shareholders on May 2, 2012.

The corporate group MEILLERGHP GmbH, Schwandorf, comprises a joint venture with Swiss Post pursuant to IAS 31, which is consolidated according to the equity method and assigned to the Mail & Branch Network segment.

The impairment test carried out as at September 30, 2012, resulted in an impairment loss of EUR 9.6m recognised on the net investments of Austrian Post in the company consolidated at equity. This impairment loss applies to the entire at equity consolidated stake in the MEILLERGHP GmbH Group. The impairment loss was reported in the consolidated income statement of Austrian Post under the item "Results of investments consolidated at equity" and assigned to the Mail & Branch Network segment. The value in use was determined by the discounted cash flow method (DCF). This calculation is based on the company's preliminary annual planning for the year 2013, a medium-term planning for the period of three years (2014–2016), and a perpetual annuity. The perpetual annuity takes account of the expected long-term growth rate of 0.75%. The weighted average cost of capital (WACC) which was used for determining the value in use of the at-equity consolidated stake in the company MEILLERGHP, amounts to 6.1% (December 31, 2011: 5.9%).

## 6. EVENTS AFTER THE REPORTING DATE

All events after the end of the interim reporting period which have a material impact on the valuation and accounting of the consolidated financial statements as at the balance sheet date of September 30, 2012, such as pending litigation, claims for damages, other obligations or contingent losses, and for which IAS 10 prescribes adjustments or disclosures, have been recognised in the current consolidated interim financial statements.

November 1, 2012, marked the closing of the acquisition of the remaining 74% stake in PostMaster s.r.l., Bucharest by Austrian Post. On the basis of its existing 26% shareholding, Austrian Post has now assumed full control of PostMaster s.r.l.

## 7. NEGATIVE NOTE

This consolidated interim report of Österreichische Post AG (Austrian Post), Vienna, for the first three quarters of 2012 was neither audited nor subject to an auditor's review.

Vienna, November 8, 2012

The Management Board

Georg Pölzl
Chairman of the Management Board

Walter Oblin
Member of the Management Board
CFO

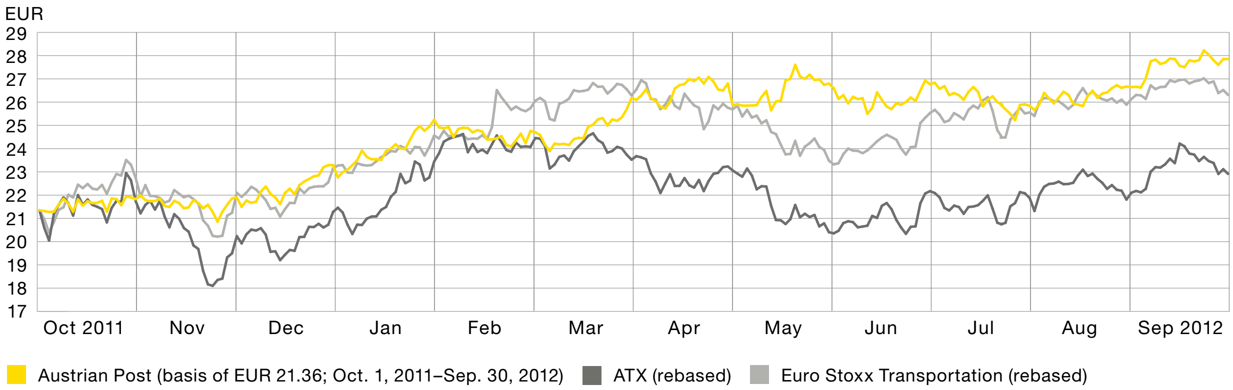
Walter Hitziger
Member of the Management Board
Mail & Branch Network

Peter Umundum
Member of the Management Board
Parcel & Logistics

## FINANCIAL CALENDER 2013

| | |
|---|---|
| **March 14, 2013** | Annual Report 2012, publication 7.30–7.40 a.m. CET |
| **April 8, 2013** | Record date for participation at Annual General Meeting |
| **April 18, 2013** | Annual General Meeting 2013, Vienna |
| **April 30, 2013** | Record Date for dividend payment |
| **May 2, 2013** | Ex-dividend day und dividend payment day |
| **May 17, 2013** | Interim report for the first quarter of 2013, publication 7.30–7.40 a.m. CET |
| **August 14, 2013** | Half-year financial report 2013, publication 7.30–7.40 a.m. CET |
| **November 14, 2013** | Interim report first three quarters 2013, publication 7.30–7.40 a.m. CET |

## DEVELOPMENT OF THE POST SHARE (LAST 12 MONTHS)

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