HALF-YEAR FINANCIAL REPORT 2011

H1

FIGURES & VALUES

Half-year financial report 2011 AUSTRIAN POST

2011

Post

FACTS & FIGURES OF AUSTRIAN POST.

HIGHLIGHTS H1 2011

- **INCREASED REVENUE**

  – Revenue up 2.9% from the previous year on a comparable basis
  – Mail Division +2.1% on a comparable basis, Parcel & Logistics +6.2%

- **IMPROVED EARNINGS**

  – EBITDA of EUR 124.8m (margin of 11.0%)
  – EBIT +9.1% to EUR 81.3m

- **ONGOING SOLID CASH FLOW AND BALANCE SHEET**

  – Operating cash flow before changes in working capital up 15.5% to EUR 93.3m
  – Cash and cash equivalents of EUR 264.2m

- **OUTLOOK FOR 2011**

  – Revenue in 2011: continuation of the development in the first half-year (+2.9%)
  – EBITDA margin at the upper end of the targeted range of 10–12%

OVERVIEW OF KEY INDICATORS AUSTRIAN POST

Income statement		**H1 2010**	**H1 2011**	**Change %**
Revenue[1]	EUR m	1,106.0	1,137.9	2.9%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	EUR m	124.8	124.8	0.0%
EBITDA margin	%	10.8%	11.0%	–
Earnings before interest and tax (EBIT)	EUR m	74.5	81.3	9.1%
EBIT margin	%	6.5%	7.1%	–
Earnings before tax (EBT)	EUR m	70.6	79.4	12.5%
Profit for the period	EUR m	54.1	62.0	14.7%
Earnings per share[2]	EUR	0.80	0.92	14.7%
Employees (average for the period, full-time equivalents)[1]		24,036	23,250	–3.3%
Cash flow		**H1 2010**	**H1 2011**	**Change %**
Operating cash flow before changes in working capital	EUR m	80.7	93.3	15.5%
Cash flow from operating activities	EUR m	58.8	76.1	29.4%
Investment in property, plant and equipment (CAPEX)	EUR m	–14.9	–24.7	65.9%
Acquisition/disposal of subsidiaries	EUR m	–1.4	3.6	–
Free cash flow	EUR m	51.3	68.6	33.7%
Balance sheet		**Dec 31, 2010**	**Jun 30, 2011**	**Change %**
Total assets	EUR m	1,715.1	1,649.8	–3.8%
Capital and reserves	EUR m	690.8	645.2	–6.6%
Non-current assets	EUR m	1,067.6	1,050.0	–1.6%
Current assets	EUR m	647.5	599.8	–7.4%
Net debt	EUR m	126.6	160.2	26.6%
Equity ratio	%	40.3%	39.1%	–
Capital employed	EUR m	767.5	755.6	– 1.6%

[1] Figures for 2010 and changes excl. meiller Group (pro forma consolidation); 2011: joint venture MEILLERGHP consolidated at equity
[2] In relation to a total of 67,552,638 shares

STATEMENT BY THE MANAGEMENT BOARD

LADIES AND GENTLEMEN!
DEAR SHAREHOLDERS!

The first half of 2011 proceeded very satisfactorily for Austrian Post. We are on the right track, pursuing our strategy of offsetting for declining letter mail volumes by generating growth in the parcel business and advertising mail. In the mail and parcel segments we succeeded in maintaining our market leadership position and continuing our growth path in other markets.

The basis of our operations is our consistent customer orientation, to which we attach considerable importance in all our decision-making processes. Innovative products and services with self-service features are important driving forces underlying our business operations. Our current Austrian-wide initiative "CO_2 neutral delivery" is also in line with this approach – we not only take our social responsibility seriously, but also pro-actively support each of our customers demanding ecologically sustainable logistics services. We are aware that this diverse range of measures and activities can only be effectively implemented in a high-performance and efficiently managed company. Thus key cornerstones of Austrian Post's corporate strategy are the efficiency improvements and adjustments carried out as a response to the continuing changes in the market environment.

Against this backdrop, total revenue of the Austrian Post Group rose by 2.9% to EUR 1,137.9m on a comparable basis, adjusted for the meiller companies which were deconsolidated at the end of 2010. The Parcel & Logistics Division posted the biggest increase of 6.2%, followed by the Mail Division, whose revenue rose by 2.1%. This was in contrast to the revenue decrease of 6.2% in the Branch Network Division.

The persistent focus on efficiency improvements and enhancing the flexibility of the cost structure showed positive effects in the first half of 2011. As a consequence, EBIT of Austrian Post climbed 9.1% to EUR 81.3m, with all operating divisions generating positive earnings growth. EBIT of the Mail Division was up 10.2%, the Parcel & Logistics Division reported a 69.3% rise and the Branch Network Division an increase of 33.7%, the latter not least due to the consistent restructuring measures. Of the 1,876 postal service points, a total of 1,212 are already third-party operated postal partner offices, a rise of 456 in the past year.

On the basis of this development, we expect a continuation of the revenue increase, as shown by the 2.9% revenue growth achieved in the first half-year. With respect to the development of earnings, we maintain our objective of generating a sustainable EBITDA margin between 10% and 12%. The EBITDA margin for the entire year 2011 is expected to be at the upper end of the targeted range.

Vienna, August 11, 2011

The Management Board

Georg Pölzl
Chairman of the Management Board

Rudolf Jettmar
Deputy Chairman of the Management Board

Herbert Götz
Member of the Management Board

Walter Hitziger
Member of the Management Board

Peter Umundum
Member of the Management Board

BUSINESS ENVIRONMENT AND LEGAL FRAMEWORK

ECONOMIC AND MARKET ENVIRONMENT

Following GDP growth of 2.1% in Austria in 2010 (WIFO), the economic recovery gained momentum at the beginning of 2011, although the short-term economic indicators point to a slight slowdown further in the course of the year. The expansion of the global economy will be dampened by the increase in raw material and energy prices as well as the restrictive monetary policy in several emerging markets. Moreover, the crisis in the eurozone contributes to the uncertainty perceived by consumers and companies. WIFO expects Austrian GDP to expand by 3.0% in 2011, with a 1.8% growth rate anticipated for 2012. The global economy is expected to grow by 4.3% in 2011, with China and other emerging markets continuing to serve as the growth drivers. A 2.0% economic growth rate is predicted for the eurozone in the year 2011, whereas the German economy will likely expand by 3.2%. Expectations for the markets in South East and Eastern Europe are also very positive according to IMF forecasts: Slovakia +3.8%, Hungary +2.8%, Serbia +3.0% and Bosnia-Herzegovina +2.2%.

In the mail business the following trends can be identified: electronic substitution of conventional letter mail will continue. In particular, telecommunication and utility companies are trying to reduce physical mail volumes. But with respect to paper invoices, the upcoming Telecommunications Amendment Act clearly stipulates that customers are entitled to receive printed invoices by mail at no extra cost. The advertising industry is benefiting from the generally favourable economic environment, which in turn has a positive impact on the direct mail business. The quarterly forecast published by ZenithOptimedia expects advertising investments in Western Europe to expand by about 3.3% in 2011.

Parcel volumes in Austria are continuing to rise thanks to the growing importance of online shopping. The freight and express mail business increased once again due to the improved economic situation and an expanded service offering. The development of international parcel and freight volumes will very much depend on the strength of the economic upswing and global trade flows as well as on the related price development. The parcel and logistics market shows a positive volume trend both in the domestic and international markets, driven by increasing global trade as well as the general rise in Internet sales. However, competition remains intense.

LEGAL FRAMEWORK

Based on the EU's Third Postal Directive, the Austrian legislator passed the new Postal Market Act, which took full effect as of January 1, 2011. The main changes are as follows:

- Austrian Post's monopoly on transporting letter mail items weighing up to 50 grams was abolished on December 31, 2010. At the same time, as of January 1, 2011 Austrian Post will no longer receive any indirect compensation for the costs of fulfilling the Universal Service Obligation, i.e. providing guaranteed, nationwide and high quality postal services for the benefit of the entire population.

- Austrian Post will remain the country's universal postal services provider and thus guarantee "every day, every door" service in Austria. The newly-defined Universal Postal Service 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 are not considered to be a component of universal postal services. Compensation for the net costs of providing universal postal services will take place on the basis of a public equalisation fund, which will be financed on a pro-rata basis corresponding to the market share held by Austrian Post and other licensed postal operators. Only postal operators whose annual revenue derived from their licensed business operations exceed EUR 1.0m will be required to contribute to the equalisation fund. Moreover, the net costs incurred by Austrian Post in providing universal postal services will only be refunded if they comprise an excessively heavy financial burden, i.e. if these net costs exceed 2% of the entire annual costs incurred by Austrian Post.

- As of January 1, 2011, a license must be obtained conferring the right to carry out postal delivery services for letters weighing up to 50 grams (including sealed direct mail).

As of January 1, 2011, only those postal services encompassed in the legally prescribed Universal Postal Service Obligation are exempt from the valued added tax (VAT). Universal postal services whose terms and conditions are individually regulated are subject to the value added tax at the prevailing rate.

On 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.

BUSINSS DEVELOPMENT AND ECONOMIC SITUATION

CHANGES IN THE CONSOLIDATION SCOPE

Effective June 30, 2011, Austrian Post disposed of its 25.1% stake in Mader Zeitschriftenverlags GmbH, Vienna. The proceeds derived from the sale amounted to EUR 2.1m and are included in the results of investments consolidated at equity. Otherwise there were no major changes in the consolidation scope during the first half of 2011.

REVENUE AND EARNINGS DEVELOPMENT

In order to enable a consistent analysis of Austrian Post's revenue development, revenue in 2010 has been adjusted for the meiller companies. The deconsolidation of these companies reduced the comparable revenue of the Mail Division by EUR 44.2m in the first half-year 2010. The joint venture MEILLERGHP established at the end of 2010, in which Austrian Post has a 65% stake, is not fully consolidated in 2011, but consolidated at equity instead.

Revenue on a comparable basis increased by 2.9% in the first half of 2011 to EUR 1,137.9m. Revenue growth was generated in the Parcel & Logistics Division (+6.2%) and the Mail Division (+2.1%). In contrast, revenue of the Branch Network Division fell by 6.2% compared to 2010. The year-on-year comparison includes one additional working day in the first half-year 2011.

Revenue in the Mail Division was up by 2.1% on a comparable basis to EUR 651.5m. The substitution of letters by electronic media was offset by positive effects such as changes in the letter mail portfolio, self-service products and advance purchases of the new line of postage stamps. Moreover, the revenue increase for addressed and unaddressed direct mail items clearly shows the good economic development of the advertising industry.

Revenue of the Parcel & Logistics Division climbed by 6.2% to EUR 410.9m in the first half of 2011 due to rising parcel volumes and against the backdrop of ongoing price pressure. Growth was generated in Austria as well as in Germany, Benelux and South East and Eastern Europe.

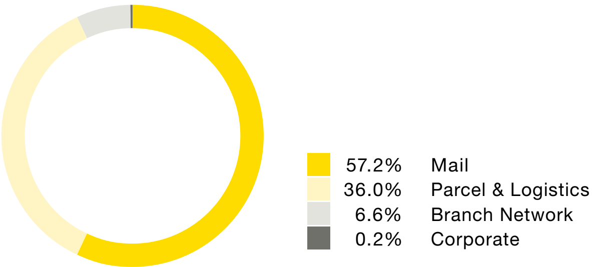
The organisational structure of the Branch Network Division is currently undergoing change. In the last 12 months, the number of third-party operated postal partner offices has risen from 756 to 1,212. This change has affected the division's revenue and cost structure as well as the redefined partnership with BAWAG P.S.K.. Since January 1, 2011, revenue from the financial services business has been subject to a new cost-based compensation plan. The division's external sales were down 6.2% to EUR 75.0m.

REVENUE BY DIVISION[1]

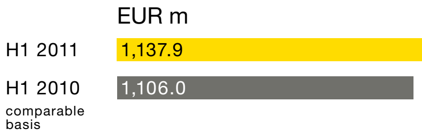
EUR m	H1 2010	H1 2010 comparable basis	H1 2011	Change %	Change EUR m	Q2 2010	Q2 2011
Total revenue[2]	**1,150.1**	**1,106.0**	**1,137.9**	**2.9%**	**31.9**	**543.5**	**566.5**
Mail[2]	682.1	637.9	651.5	2.1%	13.5	312.9	327.3
Parcel & Logistics	387.0	–	410.9	6.2%	23.9	191.1	202.4
Branch Network	80.0	–	75.0	–6.2%	–4.9	39.1	36.6
Corporate	2.6	–	2.5	–1.6%	0.0	1.2	1.3
Consolidation	–1.5	–	–2.1	–34.5%	–0.5	–0.8	–1.1
Calender working days in Austria	123	–	124	–	–	61	61

[1] External sales of the divisions
[2] Figures for 2010 and changes excl. meiller Group (pro forma consolidation); 2011: joint venture MEILLERGHP consolidated at equity

REVENUE BY DIVISION %



REVENUE



INCOME STATEMENT

EUR m	H1 2010	H1 2010 comparable basis	H1 2011	Change %	Change EUR m	Q2 2010	Q2 2011
Revenue[1]	**1,150.1**	**1,106.0**	**1,137.9**	**2.9%**	**31.9**	**543.5**	**566.5**
Other operating income[1]	34.5	33.8	34.9	3.3%	1.1	16.6	18.0
Raw materials, consumables and services used[1]	–360.5	–336.5	–360.8	7.2%	24.4	–167.5	–178.1
Staff costs[1]	–562.1	–546.7	–540.6	–1.1%	–6.1	–266.9	–273.9
Other operating expenses[1]	–137.7	–133.3	–143.6	7.7%	10.3	–69.5	–77.8
Results of investments consolidated at equity	0.4	–	–3.0	–	–3.4	0.2	–0.9
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**124.8**	**–**	**124.8**	**0.0%**	**0.0**	**56.4**	**53.9**
Depreciation, amortisation and impairment losses	–50.3	–	–43.5	–13.5%	–6.8	–27.2	-21.4
Earnings before interest and tax (EBIT)	**74.5**	**–**	**81.3**	**9.1%**	**6.8**	**29.2**	**32.5**
Other financial result	–4.0	–	–1.9	51.5%	2.0	–2.0	-0.9
Earnings before tax (EBT)	**70.6**	**–**	**79.4**	**12.5%**	**8.8**	**27.2**	**31.6**
Income tax	–16.5	–	–17.4	5.4%	0.9	–6.6	–7.0
Profit for the period	**54.1**	**–**	**62.0**	**14.7%**	**7.9**	**20.6**	**24.6**
Earnings per share (EUR)	0.80	–	0.92	14.7%	0.12	0.31	0.36

[1] Figures for 2010 and changes excl. meiller Group (pro forma consolidation); 2011: joint venture MEILLERGHP consolidated at equity

The revenue growth of 2.9% or EUR 31.9m also affects the cost structure of the Group, due to the fact that higher parcel volumes also raise expenses for parcel logistics subcontractors. As a consequence of the increased purchase of external transport services, operating expenses for raw materials, consumables and services used rose 7.2% on a comparable basis to EUR 360.8m.

Staff costs on a comparable basis declined by EUR 6.1m from the prior-year figure. This decrease includes a reduction of operational staff costs by EUR 15.2m, whereas non-operational staff costs rose. Savings in operational staff costs were also achieved by taking advantage of voluntary employee departures. On a comparable basis, the average number of employees fell by 786 to 23,250 employees.

Non-operational staff costs, for example restructuring expenses and the provision for employee under-utilisation, increased in the first half-year 2011. Accordingly, a total of EUR 15.6m was allocated to the provision for employee under-utilisation for an additional 108 employees who are likely to transfer to the federal public service. Austrian Post already reached an agreement with the Ministry of Internal Affairs in 2009 as well as with the Ministries of Finance and Justice in 2010 stipulating that staff costs for these employees will be borne by Austrian Post until June 2014. On the balance sheet of Austrian Post these total staff costs are reported as a provision. As a consequence, the provision for employee under-utilisation increased year-on-year from EUR 244.0m to EUR 248.5m.

The cash-related use in the first half of 2011 amounted to EUR 12.3m.

Other operating income was up 3.3% in the period under review, to EUR 34.9m. This includes income from rents and leases of EUR 11.5m and proceeds from the disposal of property, plant and equipment of EUR 3.2m.

Other operating expenses were up 7.7% on a comparable basis to EUR 143.6m. This increase is related to start-up costs for the conversion to the new cluster box units which will be carried out by the end of 2012 in accordance with the stipulations of the Postal Market Act.

EBITDA BY DIVISION

EUR m	H1 2010	H1 2011	Change %	Change EUR m	Q2 2010	Q2 2011
Total EBITDA	**124.8**	**124.8**	**0.0%**	**0.0**	**56.4**	**53.9**
Mail	137.0	143.5	4.8%	6.5	64.3	71.9
Parcel & Logistics	18.1	22.0	21.2%	3.8	8.0	10.9
Branch Network	–8.8	–4.9	44.2%	3.9	–8.1	–2.1
Corporate	–21.5	–35.8	–66.5%	–14.3	–7.8	–26.8

EBIT BY DIVISION

EUR m	H1 2010	H1 2011	Change %	Change EUR m	Q2 2010	Q2 2011
Total EBIT	**74.5**	**81.3**	**9.1%**	**6.8**	**29.2**	**32.5**
Mail	118.3	130.4	10.2%	12.1	53.4	65.3
Parcel & Logistics	6.1	10.3	69.3%	4.2	2.0	5.1
Branch Network	–11.6	–7.7	33.7%	3.9	–9.5	–3.5
Corporate	–38.2	–51.7	–35.3%	–13.5	–16.6	–34.4

Earnings before interest, tax, depreciation and amortisation (EBITDA) of Austrian Post amounted to EUR 124.8m in the first half of 2011, precisely matching the prior-year level. The EBITDA margin was 11.0%. EBIT rose 9.1% to EUR 81.3m, corresponding to an EBIT margin of 7.1%.

All operating divisions developed positively in the first half of 2011. EBIT of the Mail Division rose by 10.2% to EUR 130.4m, the Parcel & Logistics Division reported a 69.3% increase in EBIT to EUR 10.3m, and the Branch Network Division improved by 33.7% to minus EUR 7.7m.

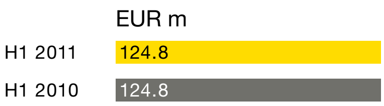
EBIT of the Corporate segment deteriorated from minus EUR 38.2m to minus EUR 51.7m due to the allocation of EUR 15.6m during the period under review to provisions for employees who are likely to transfer to the federal public service. The Corporate segment encompasses, amongst other items, non-allocated costs for central departments, expenses in connection with unused properties as well as changes in staff-related provisions.

Due to the current restructuring the negative earnings of Austrian Post's 65%-owned subsidiary MEILLERGHP led to results of investments consolidated at equity of minus EUR 3.0 million.

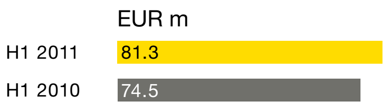
Earnings before tax rose 12.5% to EUR 79.4m. After deducting income taxes totalling EUR 17.4m, the Group net profit (profit after tax for the period) amounted to EUR 62.0m. This corresponds to earnings of EUR 0.92 per share for the first half of 2011, a rise of 14.7% from the prior-year figure.

EARNINGS INDICATORS

EBITDA



EBIT



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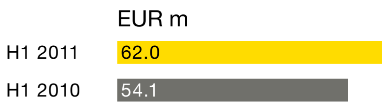


ASSETS AND FINANCES

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

Non-current assets comprise the largest share of the balance sheet total, accounting for 63.6% or EUR 1,050.0m of the total assets of EUR 1,649.8m. The most important non-current asset items are property, plant and equipment at EUR 599.6m, as well as financial investments in securities and other financial assets at EUR 92.8m. The principal current asset items are receivables at EUR 318.5m, and cash and cash equivalents amounting to EUR 264.2m.

On the equity and liabilities side, the balance sheet total is comprised of capital and reserves (39.1%), non-current liabilities (28.8%) and current liabilities (32.1%). The non-current liabilities of EUR 474.4m largely consist of provisions totalling EUR 411.7m. The provision for employee under-utilisation amounted to EUR 248.5m. Current liabilities of EUR 530.2m primarily relate to trade payables, at EUR 341.4m.

All in all, the analysis of the balance sheet of Austrian Post shows a considerable level of current and non-current financial resources. As at June 30, 2011, Austrian Post had cash and cash equivalents of EUR 264.2m and financial investments in securities amounting to EUR 51.6m. Accordingly, the financial resources at the disposal of Austrian Post as at the end of June 2011 totalled EUR 315.9m in contrast to financial liabilities of only EUR 72.1m.

BALANCE SHEET STRUCTURE BY TERM

EUR m	Dec 31, 2010	Jun 30, 2011	Structure Jun 30, 2011 %
Assets			
Non-current assets	1,067.6	1,050.0	63.6%
thereof other financial assets and financial investments in securities	89.4	92.8	5.6%
Current assets	647.5	599.8	36.4%
thereof cash and cash equivalents	313.1	264.2	16.0%
	1,715.1	**1.649.8**	**100.0%**
Equity and liabilities			
Capital and reserves	690.8	645.2	39.1%
Non-current liabilities	479.4	474.4	28.8%
thereof provisions	414.6	411.7	25.0%
Current liabilities	544.9	530.2	32.1%
thereof provisions	160.1	139.8	8.5%
	1.715.1	**1,649.8**	**100.0%**

CASH FLOW

EUR m	H1 2010	H1 2011
Operating cash flow before changes in working capital	**80.7**	**93.3**
+/– Cash flow from changes in working capital	–21.9	–17.2
= Cash flow from operating activities	**58.8**	**76.1**
+/– Cash flow from investing activities	–7.5	–7.5
= Free cash flow	**51.3**	**68.6**
+/– Cash flow from financing activities	–101.7	–117.5
= Net change in cash and cash equivalents	**–50.4**	**–48.9**

In the first half of 2011, the operating cash flow before changes in working capital at EUR 93.3m represents a rise of EUR 12.5m from the prior-year level. Taxes paid of EUR 26.0m also include a tax payment of EUR 7.2m for the 2009 financial year.

The cash flow from changes in working capital declined by EUR 17.2m. The most significant negative one-off effect was the rise in receivables of EUR 12.0m, which is mainly related to the new value added tax regulation applicable since the beginning of 2011.

The cash flow from investing activities was minus EUR 7.5m, including a cash outflow for the purchase of property, plant and equipment (CAPEX) amounting to minus EUR 24.7m as well as a cash inflow derived from the disposal of property, plant and equipment of EUR 14.7m. The total free cash flow was EUR 68.6m, compared to EUR 51.3m in the first half of the previous year.

INVESTMENTS AND ACQUISITIONS

Overall capital expenditure at Austrian Post in property, plant and equipment and intangible assets totalled EUR 30.7m in the first half of 2011, of which EUR 29.7m were for investments in property, plant and equipment, almost double the comparable figure of EUR 15.7m in the prior-year period. For the most part, investments were made for office equipment, fixtures and fittings (approx. 66% of total investments). Expenditure increasingly focused on replacement investments in the vehicle fleet as well as various office equipment, fixtures and fittings such as delivery staff tables.

EMPLOYEES

During the period under review, the average number of full-time employees at Austrian Post totalled 23,250 people, corresponding to a decline in the workforce by 786 employees (on a comparable basis excl. the meiller Group) from the prior-year period. The number of employees in the Parcel & Logistics Division increased slightly, whereas staff of the Mail Division and the Branch Network Division was reduced as planned. Most of Austrian Post's labour force, namely 19,832 full-time equivalent employees, is employed by the parent company Österreichische Post AG.

EMPLOYEES BY DIVISION

Average for the period, full-time equivalents	H1 2010	H1 2010 comparable basis[1]	H1 2011	Structure H1 2011 %
Mail	14,745	13,820	13,499	58.1%
Parcel & Logistics	4,004	–	4,060	17.5%
Branch Network	4,363	–	3,880	16.7%
Corporate	1,848	–	1,811	7.8%
Total	**24,961**	**24,036**	**23,250**	**100.0%**

[1] Excl. meiller Group

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 responsibly deals with these risks. The focus on its core business activities, along with decades of experience in the business, have enabled Austrian Post to identify 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 2010 Annual Report of Austrian Post (see the Annual Report, Part 2, pages 37–42 and 99–102).

On the basis of the defined risks, there are also uncertainties for the remaining six months of the current financial year. Projected mail volumes in the Mail 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 letter mail and parcel volumes. Furthermore, a dampened economic environment can also have an impact on the Group‘s competitive position and thus the attainable prices for postal services. Moreover, conventional letter mail is being increasingly replaced by e-mail or other electronic media. The trend towards electronic substitution of letters and particularly towards the electronic delivery of mail items will continue.

In addition, Austrian Post is affected by the potential loss of business suffered by its customers. Earnings from financial services in the Branch Network Division are strongly dependent on the market success of Austrian Post’s banking partner BAWAG P.S.K.. Similarly, earnings from telecommunications products are closely linked to the product development success of Austrian Post’s cooperation partner A1 Telekom Austria. As a logistics company, Austrian Post is fundamentally subject to the risk of rising costs related to higher transport and fuel prices.

All the above-mentioned risks could lead to a considerable decline in overall volumes and thus negatively impact earnings.

OUTLOOK FOR 2011

Austrian Post expects the volume of addressed letter mail in Austria to decrease by 3–5% p.a., reflecting international trends. This will be primarily driven by electronic substitution and the decline of high-value products. In contrast, there are indications of a positive development in the business with parcels and direct mail items, driven by the current economic development.

Based on these volume estimates, Austrian Post anticipates a continuation of its revenue development for the entire year 2011, as demonstrated by the 2.9% revenue growth in the first half of 2011. The overall revenue development of the Mail Division should be stable or increase slightly on a comparable basis. Austrian Post expects an increase in the revenue of the Parcel & Logistics Division, which will clearly focus on enhancing the profitability of the services offered. With respect to the earnings development of the Group, Austrian Post confirms its objective of achieving a sustainable EBITDA margin between 10% and 12%. An EBITDA margin at the upper end of the targeted range is expected for the entire year 2011.

The operating cash flow generated by Austrian Post will continue to be used to finance future-oriented investments and dividend payments. The financial planning of Austrian Post foresees total capital expenditure of about EUR 80–90m in 2011. This will primarily focus on replacement investments in existing facilities as well as in new and more efficient sorting technology. The top priorities in the company’s international business will be to enhance performance and expand existing networks. Potential acquisitions will only take place in the core business areas of Austrian Post, and only for companies with growth-oriented business models. No major acquisitions are foreseeable at the present time.

SIGNIFICANT EVENTS AFTER THE INTERIM REPORTING PERIOD

There were no significant events after the end of the interim reporting period on June 30, 2011.

PERFORMANCE OF DIVISIONS

MAIL DIVISION

EUR m	H1 2010	H1 2010 comparable basis	H1 2011	Change %	Change EUR m	Q2 2010	Q2 2011
External sales[1]	**682.1**	**637.9**	**651.5**	**2.1%**	**13.5**	**312.9**	**327.3**
Letter Mail	360.4	–	361.0	0.2%	0.6	173.7	181.8
Infomail[1]	254.5	210.3	222.0	5.6%	11.7	105.7	110.0
Media Post	67.2	–	68.4	1.9%	1.2	33.6	35.5
Internal sales	25.9	–	27.0	4.5%	1.2	12.8	13.3
Total revenue[1]	708.0	663.8	678.5	2.2%	14.7	325.7	340.6
EBITDA	**137.0**	–	**143.5**	**4.8%**	**6.5**	**64.3**	**71.9**
Depreciation, amortisation and impairment losses	–18.7	–	–13.1	–29.9%	–5.6	–10.9	–6.6
EBIT	**118.3**	–	**130.4**	**10.2%**	**12.1**	**53.4**	**65.3**
EBITDA margin	19.4%	–	21.2%	–	–	18.6%	21.1%
EBIT margin	16.7%	–	19.2%	–	–	15.4%	19.2%
Employees[2]	14,745	13,820	13,499	–2.3%	–321	–	–

[1] Figures for 2010 and changes excl. meiller Group (pro forma consolidation); 2011: joint venture MEILLERGHP consolidated at equity
[2] Average for the period, full-time equivalents, excl. meiller Group

In order to enable a consistent revenue analysis of the Mail Division, the revenue achieved in 2010 has been adjusted for the meiller companies. The deconsolidation of these companies reduced the comparable revenue of the Mail Division by EUR 44.2m in the first half-year 2010. The joint venture MEILLERGHP established at the end of 2010, in which Austrian Post has a 65% stake, is not fully consolidated in 2011, but consolidated at equity.

In the first six months of 2011, external sales of the Mail Division were up 2.1% on a comparable basis, or EUR 13.5m.

Revenue generated by the Letter Mail Business Area remained constant at EUR 361.0m on a year-on-year comparison. The substitution of letters by electronic media was offset by positive effects such as changes in the letter mail portfolio, self-service products and advance purchases of the new line of postage stamps. The new option of selecting either Priority or Economy products should successively lead to a trend towards Economy products in upcoming quarterly periods.

In the first half of 2011, revenue achieved by the Infomail Business Area (addressed and unaddressed direct mail items) rose by 5.6% on a comparable basis, or EUR 11.7m. Volume increased for both addressed and unaddressed mail items, reflecting the good economic development of the advertising industry. The joint venture MEILLERGHP established at the end of 2010 showed operational improvements in the merger phase, as expected.

Revenue of the Media Post Business Area also developed positively, rising by 1.9%, or EUR 1.2m.

On balance, EBITDA of the Mail Division improved by 4.8% to EUR 143.5m during the first half-year 2011. At the same time EBIT rose 10.2% to EUR 130.4m.

PARCEL & LOGISTICS DIVISION

EUR m	H1 2010	H1 2011	Change %	Change EUR m	Q2 2010	Q2 2011
External sales	**387.0**	**410.9**	**6.2%**	**23.9**	**191.1**	**202.4**
Internal sales	11.5	12.3	6.2%	0,7	5.5	5.9
Total revenue	398.5	423.2	6.2%	24.6	196.6	208.3
EBITDA	**18.1**	**22.0**	**21.2%**	**3.8**	**8.0**	**10.9**
Depreciation, amortisation and impairment losses	–12.1	–11.7	–3.0%	–0.4	–6.1	–5.8
EBIT	**6.1**	**10.3**	**69.3%**	**4.2**	**2.0**	**5.1**
EBITDA margin	4.5%	5.2%	–	–	4.1%	5.2%
EBIT margin	1.5%	2.4%	–	–	1.0%	2.5%
Employees[1]	4,004	4,060	1.4%	55	–	–

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

External sales of the Parcel & Logistics Division climbed 6.2% in the first half of 2011, to EUR 410.9m. The basis for this increase were higher parcel volumes despite price pressure in almost all markets.

The premium parcel product segment (parcel delivery within 24 hours), which is mainly used in the business-to-business area, generated a revenue increase of 5.6% in the first half of 2011, to EUR 321.0m. The German subsidiary trans-o-flex accounted for more than three quarters of this revenue. Parcel volumes from business customers in Austria and in South East and Eastern Europe also continued to develop very positively. Revenue growth was also achieved in Belgium and the Netherlands, where the restructuring efforts are intensified and outsourcing measures are carried out.

The standard parcels product segment in Austria used mainly for shipments to private customers also achieved growth. Revenue climbed by 1.8%, to EUR 79.5m.

Accordingly, earnings of the Parcel & Logistics Division increased, with EBIT improving by 69.3% to EUR 10.3m.

BRANCH NETWORK DIVISION

EUR m	H1 2010	H1 2011	Change %	Change EUR m	Q2 2010	Q2 2011
External sales	**80.0**	**75.0**	**–6.2%**	**–4.9**	**39.1**	**36.6**
Internal sales	85.5	84.5	–1.2%	–1.0	41.9	42.1
Total revenue	165.5	159.5	–3.6%	–6.0	81.0	78.7
EBITDA	**–8.8**	**–4.9**	**44.2%**	**3.9**	**–8.1**	**–2.1**
Depreciation, amortisation and impairment losses	–2.8	–2.8	–0.6%	0.0	–1.5	–1.4
EBIT	**–11.6**	**–7.7**	**33.7%**	**3.9**	**–9.5**	**–3.5**
EBITDA margin	–5.3%	–3.1%	–	–	–10.0%	–2.7%
EBIT margin	–7.0%	–4.8%	–	–	–11.8%	–4.4%
Employees[1]	4,363	3,880	–11.1%	–483	–	–

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

The enormous changes taking place in the branch network are reflected in the changed structure of postal service points. The number of third-party operated postal partner offices has increased from 756 in June 2010 to 1,212 at the reporting date of June 30, 2011. On balance, Austrian Post had 1,876 postal service points at the end of June 2011, compared to 1,807 one year earlier. This change affects the revenue and cost structure of the Branch Network Division, as does the contractually redefined partnership with BAWAG P.S.K.. Since the beginning of 2011, financial services are no longer based on commissions but compensated primarily on the basis of the actual costs incurred.

In a year-on-year comparison, external sales of the Branch Network Division fell by 6.2% in the first half of 2011, which is related to the new compensation agreement concluded with BAWAG P.S.K. as well as to decreasing sales of telecommunications products. Internal sales with postal services also further decreased slightly by 1.2% in the first half-year 2011. There has been a general reduction in the volume of letters posted via the branch network. Moreover, letters are increasingly being picked up directly from large customers within the context of the enhanced services offered by Austrian Post.

Earnings of the Branch Network Division improved as a consequence of the structural transformation. Accordingly, EBIT was up by EUR 3.9m in the first half of 2011 to minus EUR 7.7m.

The new strategic branch office cooperation with the banking partner BAWAG P.S.K. is being rapidly implemented. 132 jointly operated outlets had been adapted and newly opened as at the end of June 2011. By the end of the year, approximately 350 branch offices will offer the opportunity for both partners to focus on their respective core competences.

Vienna, August 11, 2011

The Management Board

Georg Pölzl
Chairman of the Management Board

Rudolf Jettmar
Deputy Chairman of the Management Board

Herbert Götz
Member of the Management Board

Walter Hitziger
Member of the Management Board

Peter Umundum
Member of the Management Board

IFRS CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT FOR THE FIRST HALF OF 2011

EUR m	H1 2010	H1 2011	Q2 2010	Q2 2011
Revenue	1,150.1	1,137.9	564.5	566.5
Other operating income	34.5	34.9	16.9	18.0
Total operating income	1,184.7	1,172.8	581.3	584.6
Raw materials, consumables and services used	–360.5	–360.8	–179.3	–178.1
Staff costs	–562.1	–540.6	–274.3	–273.9
Depreciation, amortisation and impairment losses	–50.3	–43.5	–27.2	–21.4
Other operating expenses	–137.7	–143.6	–71.6	–77.8
Total operating expenses	–1,110.6	–1,088.5	–552.4	–551.1
Profit from operations	**74.1**	**84.3**	**29.0**	**33.5**
Results of investments consolidated at equity	0.4	–3.0	0.2	–0.9
Other financial result	–4.0	–1.9	–2.0	–0.9
Total financial result	–3.6	–4.9	–1.8	–1.8
Profit before tax	**70,6**	**79.4**	**27.2**	**31.6**
Income tax	–16.5	–17.4	–6.6	–7.0
Profit for the period	**54.1**	**62.0**	**20.6**	**24.6**
Attributable to equity holders of the parent company	54.1	62.0	20.6	24.6

EUR	H1 2010	H1 2011	Q2 2010	Q2 2011
Basic earnings per share	**0.80**	**0.92**	**0.31**	**0.36**
Diluted earnings per share	**0.80**	**0.92**	**0.31**	**0.36**

EUR m	H1 2010	H1 2011	Q2 2010	Q2 2011
Profit from operations	74.1	84.3	29.0	33.5
Share of profit/loss of investments consolidated at equity	0.4	–3.0	0.2	–0.9
Earnings before interest and tax (EBIT)	**74.5**	**81.3**	**29.2**	**32.5**

STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST HALF OF 2011

EUR m	H1 2010	H1 2011	Q2 2010	Q2 2011
Profit for the period	**54.1**	**62.0**	**20.6**	**24.6**
Currency translation differences	–0.2	0.2	–0.3	–0.1
Revaluation of financial instruments held for sale	0.9	0.4	–0.1	0.3
Deferred taxes	–0.2	–0.1	0.0	–0.1
Revaluation of financial instruments hedging	0.4	0.0	–0.2	0.0
Deferred taxes	–0.1	0.0	0.0	0.0
Other comprehensive income	**0.8**	**0.5**	**–0.5**	**0.2**
Total comprehensive income	**54.9**	**62.5**	**20.1**	**24.8**
Attributable to equity holders of the parent company	54.9	62.5	20.1	24.8

CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 2011

EUR m	Dec 31, 2010	Jun 30, 2011
Assets		
Non-current assets		
Goodwill	183.8	183.8
Intangible assets	58.9	54.3
Property, plant and equipment	610.9	599.6
Investment property	33.9	32.8
Investments consolidated at equity	27.3	24.0
Financial investments in securities	48.0	51.4
Other financial assets	41.4	41.4
Receivables	13.3	12.7
Deferred tax assets	49.9	49.9
	1,067.6	**1,050.0**
Current assets		
Financial investments in securities	0.2	0.2
Inventories	16.3	16.9
Receivables	317.9	318.5
Cash and cash equivalents	313.1	264.2
	647.5	**599.8**
	1,715.1	**1,649.8**
Equity and liabilities		
Capital and reserves		
Share capital	337.8	337.8
Capital reserves	130.5	130.5
Revenue reserves	106.5	116.8
Revaluation of financial instruments	–1.8	–1.5
Currency translation reserves	–0.6	–0.4
Profit for the period	118.4	62.0
	690.8	**645.2**
Non-current liabilities		
Provisions	414.6	411.7
Financial liabilities	24.6	23.1
Payables	25.9	26.0
Deferred tax liabilities	14.2	13.5
	479.4	**474.4**
Current liabilities		
Provisions	135.1	135.8
Tax provisions	25.0	4.1
Financial liabilities	54.5	49.0
Payables	330.3	341.4
	544.9	**530.2**
	1,715.1	**1,649.8**

CONSOLIDATED CASH FLOW STATEMENT FOR THE FIRST HALF OF 2011

EUR m	H1 2010	H1 2011
Operating activities		
Profit before tax	70.6	79.4
Depreciation, amortisation and impairment losses	50.3	43.5
Results of investments consolidated at equity	–0.4	3.0
Write-ups, write-downs of financial instruments	–0.2	–0.1
Non-current provisions	–3.4	–2.9
Gain/loss on the disposal of non-current assets	–0.7	–2.4
Taxes paid	–34.5	–26.0
Net interest received/paid	–0.2	–1.3
Currency translation	–0.7	0.1
Operating cash flow before changes in working capital	**80.7**	**93.3**
Changes in net working capital		
Receivables	6.1	–12.0
Inventories	–1.0	–0.6
Current provisions	–16.1	0.7
Payables	–10.9	–5.2
Cash flow from changes in net working capital	**–21.9**	**–17.2**
Cash flow from operating activities	**58.8**	**76.1**
Investing activities		
Purchase of intangible assets	–4.0	–1.5
Purchase of property, plant and equipment and investment property	–14.9	–24.7
Proceeds from the disposal of non-current assets	5.8	14.7
Acquisition/disposal of subsidiaries	–1.1	0.0
Acquisition/disposal of investments consolidated at equity	–0.3	3.6
Acquisition of financial investments in securities	0.0	–3.0
Proceeds from the disposal of securities	5.0	0.0
Dividends received from investments consolidated at equity	0.2	0.8
Interest received	1.9	2.7
Cash flow from investing activities	**–7.5**	**–7.5**
Free cash flow	**51.3**	**68.6**
Financing activities		
Changes in financial liabilities	1.3	–8.0
Dividend paid	–101.3	–108.1
Interest paid	–1.7	–1.4
Cash flow from financing activities	**–101.7**	**–117.5**
Net change in cash and cash equivalents	**–50.4**	**–48.9**
Cash and cash equivalents at January 1	293.8	313.1
Cash and cash equivalents at June 30	**243.4**	**264.2**

SEGMENT REPORTING

H1 2010 EUR m	**Mail**	**Parcel & Logistics**	**Branch Network**	**Corporate**	**Consol-idation**	**Group**
External sales	682.1	387.0	80.0	2.6	–1.5	1,150.1
Internal sales	25.9	11.5	85.5	83.6	–206.5	0.0
Total revenue	**708.0**	**398.5**	**165.5**	**86.2**	**–208.1**	**1,150.1**
Profit/loss from operations	118.1	6.1	–11.6	–38.4	0.0	74.1
Results of investments consolidated at equity	0.2	0.0	0.0	0.2	0.0	0.4
EBIT	**118.3**	**6.1**	**–11.6**	**–38.2**	**0.0**	**74.5**
Segment assets	367.8	417.4	43.5	466.6	–0.8	1,294.4
Investments consolidated at equity	8.0	0.1	0.0	0.5	0.0	8.6
Segment liabilities	309.7	90.3	73.0	420.5	3.2	896.8
Segment investments	11.2	7.7	0.9	3.5	0.0	23.3
Depreciation, amortisation and impairment losses	18.7	12.1	2.8	16.7	0.0	50.3
thereof impairment losses	1.9	0.0	0.0	0.9	0.0	2.8
Employees[1]	14,745	4,004	4,363	1,848	0	24,961

H1 2011 EUR m	**Mail**	**Parcel & Logistics**	**Branch Network**	**Corporate**	**Consol-idation**	**Group**
External sales	651,5	410,9	75,0	2,5	–2,1	1.137,9
Internal sales	27.0	12.3	84.5	77.7	–201.4	0.0
Total revenue	**678.5**	**423.2**	**159.5**	**80.2**	**–203.5**	**1,137.9**
Profit/loss from operations	134.0	10.3	–7.7	–52.3	0.0	84.3
Results of investments consolidated at equity	–3.6	0.0	0.0	0.6	0.0	-3.0
EBIT	**130.4**	**10.3**	**–7.7**	**–51.7**	**0.0**	**81.3**
Segment assets	328.0	410.2	40.8	439.4	–1.0	1,217.5
Investments consolidated at equity	23.1	0.1	0.0	0.9	0.0	24.0
Segment liabilities	325.7	95.5	71.4	419.9	–0.5	912.0
Segment investments	11.2	5.6	5.2	8.7	0.0	30.7
Depreciation, amortisation and impairment losses	13.1	11.7	2.8	15.9	0.0	43.5
thereof impairment losses	0.0	0.0	0.0	0.0	0.0	0.0
Employees[1]	13,499	4,060	3,880	1,811	0	23,250

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

SEGMENT REPORTING

Q2 2010 EUR m	Mail	Parcel & Logistics	Branch Network	Corporate	Consol-idation	Group
External sales	333.9	191.1	39.1	1.2	–0.8	564.5
Internal sales	12.8	5.5	41.9	41.9	–102.1	0.0
Total revenue	**346.7**	**196.6**	**81.0**	**43.1**	**–102.9**	**564.5**
Profit/loss from operations	53.3	2.0	–9.5	–16.8	0.0	29.0
Results of investments consolidated at equity	0.1	0.0	0.0	0.2	0.0	0.2
EBIT	**53.4**	**2.0**	**–9.5**	**–16.6**	**0.0**	**29.2**
Depreciation, amortisation and impairment losses	10.9	6.1	1.5	8.8	0.0	27.2
thereof impairment losses	1.9	0.0	0.0	0.9	0.0	2.8

Q2 2011 EUR m	Mail	Parcel & Logistics	Branch Network	Corporate	Consol-idation	Group
External sales	327.3	202.4	36.6	1.3	–1.1	566.5
Internal sales	13.3	5.9	42.1	36.7	–98.0	0.0
Total revenue	**340.6**	**208.3**	**78.7**	**38.1**	**–99.1**	**566.5**
Profit/loss from operations	66.7	5.1	–3.5	–34.9	0.0	33.5
Results of investments consolidated at equity	–1.4	0.0	0.0	0.5	0.0	–0.9
EBIT	**65.3**	**5.1**	**–3.5**	**–34.4**	**0.0**	**32.5**
Depreciation, amortisation and impairment losses	6.6	5.8	1.4	7.6	0.0	21.4
thereof impairment losses	0.0	0.0	0.0	0.0	0.0	0.0

GEOGRAPHICAL SEGMENTS

H1 2010 EUR m	Austria	Germany	Other countries	Group
External sales	804.3	276.0	69.9	1,150.1
Segment assets	888.7	307.5	98.2	1,294.4
thereof non-current	671.3	226.0	68.2	965.5
Segment investments	14.2	6.8	2.4	23.3

H1 2011 EUR m	Austria	Germany	Other countries	Group
External sales	813.1	256.1	68.7	1,137.9
Segment assets	881.2	254.6	81.7	1,217.5
thereof non-current	645.4	185.6	52.3	883.3
Segment investments	25.5	3.6	1.6	30.7

Q2 2010 EUR m	Austria	Germany	Other countries	Group
External sales	393.6	136.4	34.6	564.5

Q2 2011 EUR m	Austria	Germany	Other countries	Group
External sales	405.9	125.4	35.2	566.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

H1 2010				Revaluation of financial instruments				
EUR m	Share capital	Capital reserves	Revenue reserves	Held for sale	Hedging	Currency translation reserves	Profit for the period	Consolidated equity
Balance at January 1, 2010	**337.8**	**130.5**	**128.2**	**–3.0**	**0.3**	**0.2**	**79.7**	**673.7**
Change in reserves			0.3					0.3
Dividend paid			–21.6				–79.7	–101.3
Profit for the period							54.1	54.1
Other comprehensive income				0.7	0.3	–0.2		0.8
Total comprehensive income	**0.0**	**0.0**	**0.0**	**0.7**	**0.3**	**–0.2**	**54.1**	**54.9**
Balance at June 30, 2010	**337.8**	**130.5**	**106.8**	**–2.3**	**0.7**	**0.0**	**54.1**	**627.6**

H1 2011				Revaluation of financial instruments				
EUR m	Share capital	Capital reserves	Revenue reserves	Held for sale	Hedging	Currency translation reserves	Profit for the period	Consolidated equity
Balance at January 1, 2011	**337.8**	**130.5**	**106.5**	**–1.8**		**–0.6**	**118.4**	**690.8**
Dividend paid							–108.1	–108.1
Change in reserves			10.3				–10.3	0.0
Profit for the period							62.0	62.0
Other comprehensive income				0.3		0.2		0.5
Total comprehensive income	**0.0**	**0.0**	**0.0**	**0.3**	**0.0**	**0.2**	**62.0**	**62.5**
Balance at June 30, 2011	**337.8**	**130.5**	**116.8**	**–1.5**	**0.0**	**–0.4**	**62.0**	**645.2**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2011

1. BASIS OF PREPARATION

The consolidated interim financial statements of Austrian Post as at June 30, 2011 were prepared in accordance with the relevant International Financial Reporting Standards (IFRS) valid at June 30, 2011, as issued by the International Accounting Standards Board (IASB) and adopted by the European Union.

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 2010 financial year.

In the first half of 2011, the following new or revised standards and interpretations were applicable for the first time:

New and revised standards and interpretations		Effective date in the EU[1]
IFRS 1	Amendment Limited Exemption from Comparative IFRS 7 Disclosures for First-Time Adopters	July 1, 2010
IAS 24	Related Party Disclosures	Jan. 1, 2011
IAS 32	Financial Instruments: Classification of Rights Issues	Feb. 1, 2010
IFRIC 14	Amendment Prepayment of a Minimum Funding Requirement	Jan. 1, 2011
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	July 1, 2010
Other	Annual Improvements to IFRS 2010	mostly Jan. 1, 2011

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

The amendment to IFRS 1, which stipulates specified exemptions for companies which adopt IFRS for the first time, is not applicable due to the fact that Austrian Post Group is not a first-time adopter of IFRS.

The revised version of IAS 24 is designed to clarify the definition of related parties and to exempt companies which have close ties to public entities from providing specified information on business transactions with related parties. The standard defines public entities as government bodies. Austrian Post Group among other things is generally affected by the change to IAS 24, due to the fact that the Republic of Austria owns 52.8% of the shares of Austrian Post via Österreichische Industrieholding AG (ÖIAG). Thus the Republic of Austria and the companies in which it exercises a controlling influence are considered to be related parties of Austrian Post. However, IAS 24 still stipulates the need to provide comprehensive information, particularly relating to significant business transactions, which will continue to be included in the consolidated financial statements of Austrian Post Group.

The revised IAS 32 includes, amongst other changes, the accounting for subscription rights, options and warrants in relation to the acquisition of a fixed number of equity instruments from the issuer in a different currency from the functional currency. The revised reporting guidelines contained in IAS 32 do not have any effect on the profit, assets and financial position of Austrian Post Group at the present time, as no subscription rights, options and warrants have been issued.

Based on the guidelines contained in IAS 19.58, assets derived from a defined benefit plan can only be recognised if a future economic benefit is to be expected from claims to reduce or refund payment contributions. IFRIC 14 clarifies when such future advantages can be considered to be available. Changes to IFRIC 14 do not have any effect on the consolidated interim financial statements of Austrian Post at the present time due to immateriality.

IFRIC 19 specifies IFRS requirements when a company partially or fully extinguishes financial liabilities by issuing shares or other equity instruments. No such case exists at Austrian Post at present.

Small-scale adjustments were made to existing standards and interpretations within the context of the annual "Improvements to IFRS". These changes do not have any material effect on the consolidated interim financial statements of Austrian Post at the present time.

The consolidated interim financial statements are presented in euros. Unless otherwise stated, all amounts are stated in millions of euros (EUR m). Where rounded amounts and percentages are aggregated, rounding differences may occur due to the use of automated calculation aids.

For more detailed information on the accounting and valuation methods applied, refer to the consolidated financial statements for the 2010 financial year as at December 31, 2010, which serve as the basis for these current consolidated interim financial statements for the first half of 2011.

2. CONSOLIDATION SCOPE

In addition to the parent company Austrian Post AG, a total of 21 domestic subsidiaries (December 31, 2010: 23) and 33 foreign subsidiaries (December 31, 2010: 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, 2010: 4) and 3 foreign companies (December 31, 2010: 3) are consolidated according to the equity method.

Changes in the consolidation scope
The following changes in the consolidation scope of Austrian Post Group took place in the first half of 2011:

Company name	Interest from	Interest to	Date of transaction	Explanation
Mail				
Post Vier Beteiligungs GmbH (R-Electronic-Bill-Presentment Beteiligungs GmbH)[1]	–	100.0%	Jan. 1, 2011	Merger
Mader Zeitschriftenverlags GmbH	25.1%	0.0%	June 30, 2011	Disposal of interest
Corporate				
Post Immobilien GmbH (PTI Immobilienvermittlung GmbH)[1]	–	100.0%	March 31, 2011	Merger

[1] The Group companies listed in parentheses were merged with the initially listed Group subsidiaries, and are therefore no longer included in the consolidation scope.

Effective June 30, 2011, Austrian Post sold its 25.1% stake in Mader Zeitschriftenverlags GmbH. The result from the transaction amounted to EUR 2.1m and are reported as results of investments consolidated at equity.

3. OTHER INFORMATION

As of May 2011, Austrian Post offers a new product portfolio for letter mail services in Austria as well as for cross-border letter mail services involving a simplified, customer-oriented product and service offering featuring format-based postal rates. After confirmation by the regulatory authority, the new General Terms and Conditions together with the new products and rates took effect at the beginning of May 2011.

As at June 30, 2011, there was no material change in the transactions with related parties as presented in the consolidated financial statements as at December 31, 2010.

4. 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 June 30, 2011, such as pending litigation, claims for damages, other obligations or contingent losses, and for which IAS 10 prescribes adjustments or disclosures, have been recognized in the current consolidated interim financial statements.

5. NEGATIVE NOTE

This consolidated interim report of Austrian Post AG, Vienna, for the first half of 2011 was neither audited nor subject to an auditor's review.

Vienna, August 11, 2011

The Management Board

Georg Pölzl
Chairman of the Management Board

Rudolf Jettmar
Deputy Chairman of the Management Board

Herbert Götz
Member of the Management Board

Walter Hitziger
Member of the Management Board

Peter Umundum
Member of the Management Board

STATEMENT OF ALL LEGAL REPRESENTATIVES PERSUANT TO § 87 SECTION 1 (3) AUSTRIAN STOCK EXCHANGE ACT

As the legal representatives of Austrian Post we confirm to the best of our knowledge that the consolidated interim financial statements as at June 30, 2011 give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the interim financial statements as at June 30, 2011 of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Vienna, August 11, 2011

The Management Board

Georg Pölzl
Chairman of the Management Board
Chief Executive Officer

Rudolf Jettmar
Deputy Chairman of the Management Board
Chief Financial Officer

Herbert Götz
Member of the Management Board
Director of the Branch Network Division

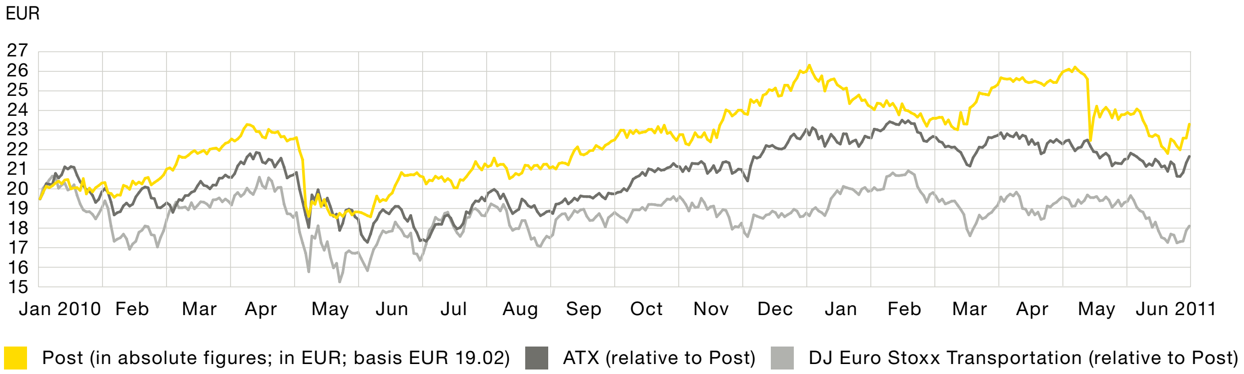
Walter Hitziger
Member of the Management Board
Director of the Mail Division

Peter Umundum
Member of the Management Board
Director of the Parcel & Logistics Division

FINANCIAL CALENDAR 2011

November 17, 2011 Interim report for the first three quarters 2011 (for release at 7:30–7:40 a.m.)

DEVELOPMENT OF THE POST SHARE (JANUARY 2010–JUNE 2011)



IMPRINT

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FN: 180219d, Commercial Court of Vienna

Concept, design and project coordination
be.public Werbung Finanzkommunikation, Vienna

Printing
Niederösterreichisches Pressehaus, St. Pölten

We have prepared this report and checked the figures with the greatest possible care. Nevertheless, rounding, typographical and printing errors cannot be excluded. The aggregation of rounded amounts and percentages may result in rounding differences due to the use of automated computational aids. This interim report also contains forward-looking statements based on the information currently available to us. These are usually indicated by expressions such as “expect”, “anticipate”, “estimate”, “plan” or “calculate”. We wish to note that a wide variety of factors could cause actual circumstances – and hence actual results – to deviate from the forecasts contained in this report.

Statements referring to people are valid for both men and women.

This interim report is also available in German. In case of doubt, the German version takes precedence.

Editorial deadline: August 11, 2011

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